

**D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
ACN 136 357 054 (“DGV”)**

**Liquidators’ Annual Report
Pursuant to Section 508 of the Corporation Act 2001**

7 October 2014

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1 Work Conducted and Current Status of Liquidation

We refer to the Liquidators' Annual Report dated 2 December 2013 ("the Liquidators' 2013 Annual Report") and the Annual General Meeting of members and creditors held on 17 December 2013. The purpose of this report is to provide information and update creditors on the Liquidator's acts and dealings since our previous reports.

This report should be read in conjunction with the Administrator Report to creditors dated 6 September 2012 and the Liquidators' 2013 Annual Report dated 2 December 2013 which is available on the Ferrier Hodgson website at www.ferrierhodgson.com.au.

We provide an update to the progress of the liquidation since that time under the relevant headings:

Asset realisation process

In our previous report, we advised that there were certain items of plant and equipment which remains under contract but unsold as the purchaser faced difficulties in obtaining the necessary finance to complete the transaction. Since that time, the remaining items of plant and equipment have been sold and we outline below a summary of the total net sale proceeds received from the sale of Company's plant and equipment:

Description	Amount (\$) (excl GST)	Amount (\$) (excl GST)
Net receipt as reported in the Liquidator 2013 Annual Report	2,396,265	
Less: GST component	(272,578)	2,123,687
Further sale of assets:		
Plant and equipment (subject to Westpac's security)	795,000	795,000
Less: Auctioneer expenses		
Commission	(39,750)	
Advertising	(10,500)	
Labour	(1,920)	
Insurance cost	(225)	
Rental	(12,120)	(64,515)
Total net proceed received from sale of plant and equipment		\$2,854,172

We received net proceeds totalling \$2.85M from the sale of the Company's assets, and from this amount, net proceeds totalling \$1.75M, after taking into account of assets holding costs (i.e. rents payable at relevant storage yards), insurance expenses, Administrators/Liquidators fees and various operating costs incurred by the Company prior its cessation of trading on 27 August 2012, was forwarded to Westpac as partial repayment of the secured debts owed by the Company to Westpac.

The other items of plant and equipment controlled by DGV was subject to asset finance arrangements with equipment financiers and there was no equity in the financed equipment (that is, the amount owed to the financier exceeded the realisable value of the equipment). A number of equipment financiers participated in the asset realisation program conducted by the Company and an appropriate accounting of the proceeds and cost of realisation have been provided to the relevant equipment financiers.

At the time of writing, we advise that the Company's plant and equipment have been realised in full.

Collection of Debtors

Subsequent to our previous report, we received notification that JP Nelson Pte Ltd (JP Nelson), who was a guarantor to the Company's obligation under a Invoicing Discounting Agreement with Scottish Pacific Business Finance Pty Ltd (SPBF) that it has exercised its rights of subrogation over the securities and entitlements of SPBF under the terms of their agreement and have advised us that they will undertake future collection activities.

We understand that the outstanding debt owed to JP Nelson pursuant to its right of subrogation over the securities and entitlements of SPBF is reconciled as follows:

Description	Amount (\$)
Amount paid by JP Nelson to SPBF on 24 October 2012	941,952
Less: Amount paid by SPBF to JP Nelson on 17 April 2014	(645,910)
Estimated amount of JP Nelson Shortfall	\$296,042

Any surplus funds collected after payment of the JP Nelson shortfall would be available to the Company, however given the difficulties in collecting debtors due to potential counterclaims over terminated agreements and off-sets claim by the Company's clients, we are not presently in a position to estimate what, if any, receivables may be collectible once JP Nelson has discharged the debt owing to it.

-----*This space has been left blank intentionally*-----

2 Statement of Position

We have conducted an analysis of the Company's asset and liability position in order to provide creditors with an indication of the Company financial position as at 30 September 2014. The following notes should be read in conjunction with the table overleaf.

Statement of Position as at 30 September 2014	Notes	Liquidators' ERV High (\$)	Low (\$)
Assets Subject to Circulating Charges			
Debtors (available after discharge of SPBF/JP Nelson debts)	i	Unascertained	Nil
Sub-total		Unascertained	Nil
Less: Payment of subordinated cost of VA/Liquidation			
JP Nelson advance for wages (W1&W2) (loan from DGWA)	ii	(492,028)	(492,028)
Estimated Interest + Fees		(132,493)	(132,493)
Amounts available to Priority Creditors		Unascertained	Nil
Total Priority Creditors	iii	(1,786,832)	(1,786,832)
Surplus / (Deficit) of Circulating Charge Assets		(2,411,352)	(2,411,352)
Assets Subject to Non Circulating Charges			
Cash at bank as at 30 September 2014		624,428	624,428
Total Available Assets to meet Cost of Liquidation		624,428	624,428
Less: Liquidators Cost Outstanding			
GST Payable to the ATO		(40,795)	(40,795)
Liquidators' Fees to 30 September 2014		(437,616)	(437,616)
Estimated future Liquidators fees and disbursements		(200,000)	(250,000)
Estimated professional fees and costs (legal fees etc.)		(25,000)	(35,000)
Contingencies for other expenses		(10,000)	(15,000)
Total Cost of Administration		(713,411)	(778,411)
Surplus / (Deficit) after Cost of Liquidation		(88,983)	(153,983)
Total Estimated Shortfall of Secured Creditors' Debt		(12,299,375)	(12,299,375)
Total Voidable Transaction and Other Recoveries	iv	3,068,470	Nil
Less: Cost of recoveries	iv	(350,000)	Nil
Less: Estimated Deficit of Circulating Charge Assets (see above)		(2,411,352)	(2,411,352)
Total Assets Available to Unsecured Creditors		307,118	Nil
Estimated amounts owing to Westpac (secured creditor)	v	(3,912,904)	(3,912,904)
Estimated amount owing to SPBF / JP Nelson (secured creditor)	v	(296,042)	(296,042)
Estimated amounts owing to DLL/Manitowoc (secured creditor)	v	(8,090,429)	(8,090,429)
Unsecured Trade Creditors		(5,460,676)	(6,000,000)
Australian Taxation Office		(1,470,531)	(1,470,531)
Payroll Tax		(351,435)	(351,435)
Contingent Claims - Shortfall to HP financiers		(7,363,417)	(7,363,417)
Total Unsecured Creditors' Claims	vi	(26,945,435)	(27,484,759)
Estimated Surplus / (Deficiency)		(26,638,317)	Nil
Estimated Dividend Rate (cents in \$)		1.14	Nil

i. Debtors

As noted in section 1, any surplus funds collected after payment of JPN's debt would be available to the Company, however given the difficulties in collecting debtors due to potential counterclaims over terminated agreements and creditor offsets, we are not presently in a position to estimate what, if any, receivables may be collectible once JPN has discharged the debt owing to it.

ii. Advance from JP Nelson

In August 2012, DGWA, a related entity of the Company entered into a non-recourse loan facility with JP Nelson for the amount of \$740,000 (“Loan Amount”). The purpose of this cash advance was primarily as working capital to meet the payment of wages and other critical supplies for both DGWA and DGV. A portion of the Loan Amount was subsequently loaned to the DGV by DGWA, in order that DGV may meet its obligation for wages for the first two (2) weeks of the Administration.

Under the terms of the facility agreement interest is payable on the Loan Amount based upon a rate which is 2% higher than the rate of interest paid by DGWA for its overdraft facility and that a further facility fee of \$10,000 is payable. In this regard, we will be liaising with the representatives of JP Nelson to calculate and quantify the appropriate amount of interest payable prior to payment in the next month or so.

There are now sufficient funds available in the Liquidation of DGWA to repay the loan amount to JP Nelson and should DGV come into funds from any subsequent recoveries of the identified voidable transactions (see item iv. below), DGV is to repay the loan amount to DGWA as a cost of the administration of the Company, prior to any distribution to priority creditors.

iii. Priority Creditors debts

Amounts owed to priority creditors represents amounts owed for employee entitlement which are afforded a statutory priority of repayment over circulating charge assets pursuant to section 556(1) of the Act.

The Federal Government’s GEERS have responded to the claims of the employees and they have advanced funds (other than superannuation) to pay 79 out of 115 employees who had outstanding entitlements as at the date of our appointment. Entitlements met by GEERS rank as a priority in a distribution alongside superannuation and other entitlements not covered by GEERS.

We note that there have been no significant variance to the original estimates of the employee entitlements as outlined in our previous reports and the amount owed to priority creditors for employee entitlements is approximately \$1.786M broken down as follows:

Employees entitlements	Amount (\$)
Wages (including allowances)	182,350
Superannuation	132,796
Annual Leave	575,788
Long Service Leave	68,125
Rostered Days Off	103,925
Payment in Lieu of Notice	530,554
Redundancy	193,294
Total	\$1,786,832

iv. Total Estimated Voidable Transaction and Other Recoveries

Our ongoing investigations into the affairs of DGWA have also identified a number of other possible transactions that may fall under the provisions of unfair preferences under Section 588FA of the Act, totalling \$3,068,470.

For completeness, we also note there are inherent risks and significant costs involved in pursuing such claims and therefore the risk and potential cost of recovery must be taken into consideration before a final determination is made if the claims are worthwhile pursuing.

We confirm that we will continue to consider the merits (and progress) these claims in due course.

v. Secured Creditors' debts

Westpac

As mentioned in our previous report, Westpac holds a first ranking secured charge over the assets of the Company and to date, net proceeds totalling \$1,753,849 was forwarded to Westpac as partial repayment of the secured debts owed by the Company to Westpac.

As at the date of this report, we estimate that the amount owing to Westpac is approximately \$3.9M.

JP Nelson

As noted in section 1, JP Nelson has exercised its rights of subrogation over the securities and entitlements of SPBF and accordingly, JP Nelson now holds a second ranking secured charge over the assets of the Company in relation to any shortfall it may have in relation to debts owing to it, after the collection of the book debt.

DLL / Manitowoc

At the time of writing, the positions of DLL / Manitowoc remained the same as per the Liquidators' 2013 Annual Report.

For completeness, we note that while ordinarily secured creditors have a priority of repayment from the realisation of the company's assets, given that the assets of the Company have been exhausted in full and the proceed from the sale of the Company's asset have been remitted, any further outstanding amounts owed to the secured creditors will rank equally with the debts owed to unsecured creditors.

vi. Unsecured Creditors' Debts

Accounting for informal proofs of debts received to date and based upon the Company's records, we estimate the Company's liability to unsecured creditors at \$26.95M to \$27.48M.

The figure is subject to the receipt and adjudication of final proof of debt from creditors.

3 Return to Priority Creditors and Ordinary Unsecured Creditors

At the time of writing, no distributions have been made to either priority and unsecured creditors of the Company.

Based upon the analysis in the statement of position above, any distribution to priority creditors and unsecured creditors will be subject to recovery of the identified voidable transactions as discussed in section 2 (iv) above.

In this regard, given the uncertainty if there will be dividend payable to both priority and ordinary unsecured creditors we have not called for formal proofs of debt from both group of creditors.

4 Investigations into the Company's Affairs

A Liquidator is required to lodge a report to the ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Company will be able to pay its unsecured creditors more than 50 cents in the dollar.

The report to ASIC includes an examination of various aspects of the Company's trading activities and also gives consideration if offences have been committed by any officers of the Company. These investigations also include the review of any voidable transactions pursuant to section 588FA of the Act and the directors' duty to prevent the Company from trading whilst insolvent pursuant to section 558G of the Act.

The Company's affairs are complex and closely related to the other related entities are also in Liquidation namely, DGWA and CI. In this regard, we confirm that our investigations are progressing and we have lodged our preliminary report to the ASIC who has now advised that they intends to carry out further investigations into the affairs of the Company and the conduct of its officers and have requested that we prepare a further supplementary report on the conduct of the Company's officers.

5 Receipts and Payments

We table at **Annexure A**, a summary of the receipts and payments for the period 25 November 2013 to 30 September 2014.

6 Liquidators' Remuneration

Set out below is a summary of the Liquidators' remuneration (GST exclusive) for the period 14 September 2012 to 30 September 2014:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount Invoiced* (\$)	Balance to be approved (\$)
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	485,055	250,000	250,000	31,620	203,435
Liquidators remuneration incurred for the period 1 November 2013 to 30 September 2014	234,181	-	-	N/A	234,181
Total	\$719,236	\$250,000	\$250,000	\$31,620	\$437,616

*see comment in Annexure A: Remuneration Request Approval Report, part 6: Remuneration Recoverable from External Sources

In respect of the Liquidators' remuneration above, we note that we will be seeking further approval from creditors at the meeting for the outstanding Liquidators' fees and for a provision to finalisation as detailed in our remuneration report at **Annexure B**.

7 Annual General Meeting of Members and Creditors

The annual general meeting of members and creditors for DGV is scheduled to be held at **11.00am (WST) on Tuesday, 21 October 2014 at the offices of Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth WA 6000.**

A copy of the notice of meeting is attached with a copy of the Circular to Creditors dated 7 October 2014. Creditors attending should arrive twenty (20) minutes prior to the commencement of the meeting.

8 Outstanding matters to finalise the Liquidation

At the time of writing, the main outstanding task in the liquidation relates to:

- Resolution of the collection of the outstanding debtors by JP Nelson and subsequent identification of any surplus;
- Completion of our investigations and the pursuit (and resolution) of potential antecedent transactions;
- Lodgement of the supplementary section 533 report and conduct any further investigations as requested by ASIC; and
- Calling for proofs and adjudication of same and declaration of dividends to priority creditors and ordinary unsecured creditors (if any).

Once the above matters have concluded, we will be in a position to finalise the liquidation which will involve the following tasks:

- Convening a final meeting of creditors and members; and
- Attending to final statutory requirements of the liquidation.

Should you have any enquiries in relation to this matter, please do not hesitate to contact either Jason Soo or Max Gould of this office.

Yours faithfully
D&G Hoists & Cranes (Aus) Pty Limited



Martin Jones
Liquidator

Encl.

Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CI	Crane Investments (WA) Pty Ltd (In Liquidation) ACN 103 911 266
Company or DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
DLL	De Lage Landen Pty Ltd
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
JP Nelson	JP Nelson Equipment Pte Ltd
M	Million dollars
Manitowoc	Manitowoc Crane Group Australia Pty Ltd
SPBF	Scottish Pacific Business Finance Pty Ltd
Westpac	Westpac Banking Corporation

Summary of Receipts and Payments for the period 25 November 2013 to 30 September 2014

Summary of Receipts & Payments For the period 25 November 2013 to 30 September 2014	Amount (\$)*	Amount (\$)*
Receipts		
Balance c/f from 24 November 2013		5,273,167
Administrators/Liquidators fees recovered from financiers	24,984	
GST control	1,842	
Insurance refund	1,114	
Rental contribution	161,730	
Sale of plant & equipment	795,000	
GST on receipt	125,293	1,109,962
Payments		
Balance c/f from 24 November 2013		(4,809,956)
Auctioneer's advertising cost - Westpac	(10,500)	
Auctioneer's commission - Westpac	(39,750)	
Auctioneer's expenses (Labour) - Westpac	(1,920)	
Auctioneer's expenses (OH&S)	(225)	
Auctioneer's expenses (Rental) - Westpac	(12,120)	
Employee benefits	(275)	
GST control	(75,473)	
PAYG - GEERS	(11,144)	
PAYG - Wages	(12,576)	
Payroll tax	(889)	
Printing & stationery	(2,185)	
Payment to secured creditor - Westpac	(753,849)	
Rent and rates	(19,244)	
GST on payments	(8,594)	(948,744)
Account Balance as at 30 September 2014		\$624,429

* GST inclusive where applicable

Remuneration Request Approval Report

CORPORATIONS ACT 2001
Section 499(7)

D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
ACN 136 357 054 (the Company) (DGV)

REMUNERATION REQUEST APPROVAL REPORT

The Liquidator's Remuneration Request Approval Report, prepared pursuant to Section 499(7) of the Corporations Act 2001, is to be read in conjunction with the Liquidators' Remuneration Request Approval Report dated 2 December 2013 and takes the following form:

Part 1: Declaration

I, Martin Jones of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claimed for my appointment as Liquidator of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the Liquidation.

Part 2: Executive Summary

2.1 Summary of remuneration approval sought for DGV

To date, remuneration totalling \$250,000 has been approved and paid in the liquidation of DGWA. This remuneration report details approval sought for the following fees:

Period	Amount (\$) (ex GST)
Past remuneration approved:	
14 September 2012 onwards	\$250,000
Total past remuneration approved	\$250,000
Current remuneration approval sought:	
<i>Resolution 1</i>	
14 September 2012 to 31 October 2013	\$203,435
<i>Resolution 2</i>	
1 November 2013 to 30 September 2014	\$234,181
<i>Resolution 3</i>	
1 October 2014 to end of Liquidation*	\$200,000
Total	\$637,616

* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the Liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Affiliated through:
 SYDNEY
 MELBOURNE
 ADELAIDE
 BRISBANE
 PERTH
 KUALA LUMPUR
 SINGAPORE
 Zolfo Cooper
 CARIBBEAN
 UNITED KINGDOM
 UNITED STATES
 KLC Kennic Lui & Co.
 CHINA
 HONG KONG

Summary of remuneration approval sought for the Company:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount invoiced* (\$)	Balance to be approved (\$)
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	485,055	250,000	250,000	31,620	203,435
Liquidators remuneration incurred for the period 1 November 2013 to 30 September 2014	234,181	-	-	N/A	234,181
Total	\$719,236	\$250,000	\$250,000	\$31,620	\$437,616
Further Remuneration					
Future Liquidators remuneration for the period 1 March 2014 to the end of the liquidation	200,000	-	-	N/A	200,000
Total	\$919,236	\$250,000	\$250,000	\$31,620	\$637,616

**see comment in part 6: Remuneration Recoverable from External Sources*

Please refer to **Part 4** of this report for full details of the calculation and composition of the remuneration approval sought.

2.2 Comparison to estimate of costs provided in initial advice to creditors

The remuneration approval sought differs to the estimate of costs provided in the initial advice to creditors on remuneration dated 6 September 2012 primarily for the following reasons:

- Attending to the asset realisation process which involves prolonged negotiations with interested parties / purchasers and having to re-market assets due to purchaser defaulting on terms of purchase;
- Assisting Scottish Pacific Business Finance and subsequently JP Nelson with regards to recovery of debtors.
- Reconciliation of accounts with financiers and secured creditor for assets realised;
- Reconciliation of outstanding employee entitlements which were complex and in some instance the records available were not up-to-date;
- Investigations undertaken to substantiate and pursue preference claims; and
- Further investigations conducted as requested by ASIC following the lodgement of section 533 report.

Part 3: Schedule of Hourly Rates & General Guide to Staff Experience

The hourly rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take.

The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate (\$)		Experience
	2013	2014	
Partner	595	595	The Partner/Appointee is a registered liquidator and member of the ICAA and, generally, the ARITA, bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director	495	510	Generally, minimum of 12 years' experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and, generally, the ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	455	465	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the ICAA and, generally, the ARITA; very strong knowledge of relevant insolvency legislation and issues.
Manager	385	400	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and generally, the ARITA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	345	360	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing ARITA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	295	305	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	265	270	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	225	230	0 to 2 years' experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Junior Accountant	140	150	0 – 1 years' experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Personal Assistant	180	180	Appropriate skills including machine usage.
Administration Supervisor/Assistant	140	140	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to review on an annual basis at 1 July having regard to a range of market factors. We request that creditors approve such increments on the basis that same are no more than 5% per annum for each staff classification ("title").

Part 4: Description of work completed / to be completed

Resolution 1

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
Administration Type: Creditors Voluntary Liquidation
Practitioners: Martin Jones and Andrew Saker of Ferrier Hodgson
Period: 14 September 2012 to 31 October 2013

Task Area	General Description	Includes:
	Plant and equipment	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and interested parties. ▪ Reviewing asset listings. ▪ Negotiations with landlords regarding the storage of plant and equipment. ▪ Maintaining rental schedules. ▪ Liaising with third parties regarding the removal and transportation of assets. ▪ Negotiations with interested parties / purchasers. ▪ Re-sale of assets either not sold at initial auction, or where offers have not eventuated.
Assets 381.0 hours \$127,257	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ Liaising with financiers to determine strategy. ▪ Liaising with valuers, auctioneers and agents regarding the sale of secured equipment. ▪ Reporting to financiers regarding the progress of realisation strategy. ▪ Remittance and accounting of funds returned to financiers. ▪ Review of PPSR registers. ▪ Preparing reports to secured creditor. ▪ Responding to secured creditors queries.
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors. ▪ Reviewing and assessing debtor ledgers. ▪ Liaising with Scottish Pacific Business Finance and their solicitors in relation to the book debts.
	Leasing	<ul style="list-style-type: none"> ▪ Reviewing leasing documents. ▪ Liaising with owners/lessors. ▪ Tasks associated with disclaiming leases.
	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone and email. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
Creditors 195.8 hours \$55,627	Retention of Title Claims	<ul style="list-style-type: none"> ▪ Receive initial notification of creditor's intention to claim. ▪ Provision of retention of title claim form to creditor. ▪ Receive completed retention of title claim form. ▪ Meeting claimant on site to identify goods. ▪ Adjudicate retention of title claim. ▪ Forward correspondence to claimant notifying outcome of adjudication.
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Prepare further reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend. ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation of meeting notices, proxies and advertisements.

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> ▪ Forward notice of meeting to all known creditors. ▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ▪ Preparation and lodgement of minutes of meetings with ASIC. ▪ Respond to stakeholder queries and questions immediately following meeting.
	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Preparation of letters to employees advising of their entitlements and options available. ▪ Receive and prepare correspondence in response to employees objections to leave entitlements.
	GEERS	<ul style="list-style-type: none"> ▪ Initial contact with GEERS including provision of quote for services. ▪ Liaising with GEERS regarding employee entitlements. ▪ Review of Employee Discrepancy Reports. ▪ Receipt and distribution of funding from GEERS.
Employees 515.8 hours \$149,218	Calculation of entitlements	<ul style="list-style-type: none"> ▪ Reviewing employee files and the Company's books and records. ▪ Calculating employee entitlements. ▪ Reconciling superannuation accounts. ▪ Reviewing awards.
	Workers compensation claims	<ul style="list-style-type: none"> ▪ Review insurance policies. ▪ Receipt of claim. ▪ Liaising with claimant. ▪ Liaising with insurers and solicitors regarding claims ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding initial ongoing workers compensation insurance requirements. ▪ Correspondence with previous brokers.
	Other employee issues	<ul style="list-style-type: none"> ▪ Correspondence with Child Support. ▪ Correspondence with Centrelink and Unions. ▪ Preparation of PAYG and ETP Statements.
	Trade On Management	<ul style="list-style-type: none"> ▪ Liaising with suppliers . ▪ Liaising with management and staff. ▪ Attendance on site. ▪ Authorising purchase orders. ▪ Maintaining purchase order registry. ▪ Preparing and authorising receipt vouchers. ▪ Preparing and authorising payment vouchers. ▪ Liaising with superannuation funds regarding contributions, termination of employees employment. ▪ Liaising with OSR regarding payroll tax issues.
Trade On 62.7 hours \$20,285	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system.

Task Area	General Description	Includes:
Investigations 65.4 hours \$21,193	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of the Company's books and records. ▪ Reconstruction of financial statements. ▪ Reviewing the Company's books and records and Report as to Affairs. ▪ Review and preparation of the Company's nature and history. ▪ Liaising with directors regarding certain transactions. ▪ Preparation of investigation file.
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports. ▪ Liaising with ASIC.
	Correspondence Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ General correspondence. ▪ Six (6) month administration review. ▪ Filing documents. ▪ File reviews. ▪ Updating checklists.
Administration 434.5 hours \$111,475	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists. ▪ Correspondence with Blue Broking regarding ongoing insurance requirements. ▪ Reviewing insurance policies.
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts. ▪ Requesting bank statements. ▪ Bank account reconciliations. ▪ Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc. ▪ Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of appointment. ▪ Preparing BAS Statements. ▪ Completing group certificates.
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration.
	Books and records/storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage. ▪ Sending job files to storage.

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area											
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
J Soo	Accountant	225	66.1	14,872	8.9	2,002	24.4	5,490	5.3	1,192	-	-	0.4	90	27.1	6,098
		200	192.9	38,580	23.6	4,720	45.8	9,160	20.4	4,080	0.3	60	2.7	540	100.1	20,020
S Foley	Accountant	225	0.2	45	-	-	-	-	-	-	-	-	-	-	0.2	45
		200	15.1	3,020	7.8	1,560	-	-	0.6	120	-	-	-	-	6.7	1,340
P Doyle	Accountant	200	7.8	1,560	-	-	0.3	60	-	-	-	-	-	-	7.5	1,500
		225	8.3	1,867	-	-	-	-	0.5	112	-	-	-	-	7.8	1,755
N Shah	Accountant	200	8.7	1,740	-	-	-	-	-	-	-	-	-	-	8.7	1,740
D Dalziel	Personal Assistant	170	6.0	1,020	-	-	-	-	-	-	-	-	-	-	6.0	1,020
G Caldera	Personal Assistant	170	1.2	204	-	-	-	-	-	-	-	-	-	-	1.2	204
J Titlestad	Personal Assistant	180	0.5	90	-	-	-	-	-	-	-	-	-	-	0.5	90
		170	19.7	3,349	-	-	-	-	-	-	-	-	-	-	19.7	3,349
J Nelson	Personal Assistant	170	8.3	1,411	-	-	-	-	-	-	-	-	-	-	8.3	1,411
M Kroon	Personal Assistant	180	0.4	72	-	-	-	-	-	-	-	-	-	-	0.4	72
		170	0.2	34	-	-	-	-	-	-	-	-	-	-	0.2	34
A Jamieson	Accounts Assistant	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54
		170	1.5	255	-	-	-	-	-	-	-	-	-	-	1.5	255
T Newland	Clerk	170	8.3	1,411	-	-	-	-	-	-	-	-	-	-	8.3	1,411
		115	1.1	127	-	-	-	-	-	-	-	-	-	-	1.1	127
M Seward	Clerk	170	12.8	2,176	-	-	-	-	-	-	-	-	-	-	12.8	2,176
		115	0.9	104	-	-	-	-	-	-	-	-	-	-	0.9	104
A Findlay	Junior Accountant	120	14.7	1,764	-	-	-	-	-	-	-	-	-	-	14.7	1,764
M Tuck	Junior Accountant	120	22.8	2,736	-	-	-	-	-	-	-	-	-	-	22.8	2,736
Total Hours			1,659.2	485,055	381.0	127,257	195.8	55,627	515.8	149,218	62.7	20,285	65.4	21,193	434.5	11,475
Less: Fees approved and drawn				(250,000)												
Less: Remuneration recovered from external sources*				(31,620)												
Further fees to be approved				203,435												
GST				20,343												
Total				\$223,778												

*see comment in part 6: Remuneration Recoverable from External Sources

Resolution 2

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
Administration Type: Creditors Voluntary Liquidation
Practitioners: Martin Jones and Andrew Saker of Ferrier Hodgson
Date Range: 1 November 2013 to 30 September 2014

Task Area	General Description	Includes:	
Assets 103.1 hours \$34,589	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and agents regarding the sale of remaining equipment. ▪ Liaising with valuers, auctioneers and agents to close-off reconciliation of accounts. ▪ Meetings and correspondences with the purchaser of the remaining equipment. ▪ Negotiating terms of settlement of sale including a contribution towards rent by the purchaser for the delays encountered. ▪ Reporting to financiers regarding the progress of realisation strategy. ▪ Remittance and accounting of funds to financiers. 	
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors re outstanding amount. ▪ Reviewing and assessing debtors ledgers. ▪ Correspondence with Scottish Pacific re status of collection of debtors' monies and assist in collection where necessary. 	
	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone and email. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. 	
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditor. ▪ Responding to secured creditors queries. 	
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparation of annual report to creditors. ▪ Prepare further reports to creditors. 	
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend. ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend. 	
	Processing proofs of debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of proofs of debt. • Receipt of proofs of debt. • Maintain proof of debt register. • Adjudicating proofs of debt. • Request further information from claimants regarding proofs of debt. • Preparation of correspondence to claimant advising outcome of adjudication. 	
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation of meeting notices, proxies and advertisements. ▪ Forward notice of meeting to all known creditors. ▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ▪ Preparation and lodgement of minutes of meetings with ASIC. ▪ Respond to stakeholder queries and questions immediately following meeting. ▪ Holding of annual meeting of members and creditors. 	
	Creditors 141.9 hours \$44,483		

Task Area	General Description	Includes:
Employees 111.3 hours \$29,221	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone.
	GEERS	<ul style="list-style-type: none"> Liaising with GEERS regarding employee entitlements. Correspondence with GEERS regarding reimbursements. Review of Employee Discrepancy Reports.
	Calculation of entitlements	<ul style="list-style-type: none"> Reviewing employee files and the Company's books and records. Calculating employee entitlements. Reviewing awards. Reconciliation of outstanding employee entitlements subsequent to distribution of GEERS advances.
Trade On 19.9 hours \$6,886	Trade On Management	<ul style="list-style-type: none"> Correspondence with employees regarding entitlements owed during the Voluntary Administration. Calculation and payment of entitlements for employees accrued during the Voluntary administration.
	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipt and payments into accounting system.
Investigation 284.2 hours \$98,733	Conducting investigation	<ul style="list-style-type: none"> Reviewing the Company's books and records and Report as to Affairs. Review and preparation of the Company's nature and history. Preparation of investigation file.
	Recoveries	<ul style="list-style-type: none"> Review of Company records to identify and quantify antecedent transactions Prepare correspondence to creditors to identify recoverability Internal meetings to discuss status of recoveries. Liaise with creditor to progress preference claim including negotiating settlement for full amount of claim. Preparing brief to solicitors and liaising with solicitors regarding recovery actions.
	ASIC reporting	<ul style="list-style-type: none"> Preparing statutory investigation reports. Lodging the statutory investigation report prepared pursuant to Section 533 of the Act with ASIC.
	Correspondence Document maintenance/file review/checklist	<ul style="list-style-type: none"> General correspondence. Six (6) month administration review. Filing documents. Updating checklists.
Administration 82.5 hours \$20,270	Bank account administration	<ul style="list-style-type: none"> Reviewing bank statements and bank reconciliations.
	Insurance	<ul style="list-style-type: none"> Identification of potential issues requiring attention of insurance specialists. Correspondence with Blue Broking regarding ongoing insurance requirements. Reviewing insurance policies. Terminating insurance cover following the completion of asset realisation process.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 5011 etc. Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	<ul style="list-style-type: none"> Preparing BAS statements. Completing group certificates.
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status/strategy of administration.
	Books and records/storage	<ul style="list-style-type: none"> Dealing with records in storage. Sending job files to storage.

Summary of Liquidators Remuneration by employee and task area for the period 1 November 2013 to 30 September 2014

Employee	Position	\$ / hour (ex GST)	Total				Task Area										
			Hrs	\$	Assets		Creditors		Employees		Trade On		Investigation		Administration		
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
M Jones	Partner	595	0.9	536	-	-	-	-	-	-	-	-	-	-	0.9	536	
S Powell	Director	495	0.5	248	-	-	-	-	-	-	-	-	0.5	248	-	-	
K Chu	Manager	400	31.2	12,480	11.7	4,680	6.6	2,640	1.7	680	-	-	10.0	4,000	1.2	480	
		385	171.8	66,143	54.0	20,790	54.1	20,829	5.6	2,156	4.7	1,810	43.5	16,748	9.9	3,812	
L McCann	Assistant Manager	360	15.7	5,652	-	-	0.1	36	-	-	-	-	15.6	5,616	-	-	
		345	229.9	79,316	0.7	242	9.9	3,416	7.7	2,657	13.8	4,761	194.7	67,172	3.1	1,070	
A Weaver	Analyst	265	0.8	212	-	-	0.3	80	-	-	-	-	0.5	133	-	-	
W Hulmes	Analyst	265	98.1	25,997	1.1	292	35.5	9,408	49.6	13,144	-	-	10.8	2,862	1.1	292	
J Soo	Analyst	270	19.8	5,346	12.8	3,456	2.3	621	1.6	432	-	-	0.3	81	2.8	756	
	Accountant	225	89.0	20,025	22.8	5,130	27.5	6,188	8.5	1,913	-	-	1.1	248	29.1	6,548	
N Shah	Accountant	225	19.1	4,298	-	-	4.2	945	-	-	1.4	315	3.7	833	9.8	2,205	
M Gould	Accountant	230	1.2	276	-	-	0.6	138	-	-	-	-	0.6	138	-	-	
		225	4.8	1,080	-	-	-	-	1.5	338	-	-	2.0	450	1.3	293	
W George	Accountant	230	11.9	2,737	-	-	0.8	184	1.0	230	-	-	0.9	207	9.2	2,116	
		225	34.1	7,673	-	-	-	-	34.1	7,673	-	-	-	-	-	-	
K Melissa	Team Assistant	180	0.1	18	-	-	-	-	-	-	-	-	-	-	0.1	18	
J Titlestad	Team Assistant	180	6.7	1,206	-	-	-	-	-	-	-	-	-	-	6.7	1,206	
A Jamieson	Accounts Supervisor	180	1.1	198	-	-	-	-	-	-	-	-	-	-	1.1	198	
T Newland	Administration Assistant	140	0.2	28	-	-	-	-	-	-	-	-	-	-	0.2	28	
		115	1.1	127	-	-	-	-	-	-	-	-	-	-	1.1	127	
M Seward	Administration Assistant	140	0.4	56	-	-	-	-	-	-	-	-	-	-	0.4	56	
		115	1.6	184	-	-	-	-	-	-	-	-	-	-	1.6	184	
S Smith	Administration Assistant	140	0.1	14	-	-	-	-	-	-	-	-	-	-	0.1	14	
S Herriman	Administration Assistant	140	0.3	42	-	-	-	-	-	-	-	-	-	-	0.3	42	
		115	0.3	35	-	-	-	-	-	-	-	-	-	-	0.3	35	

Employee	Position	\$ / hour (ex GST)	Total		Task Area											
			Hrs	\$	Assets		Creditors		Employees		Trade On		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
J Newland	Administration Assistant	140	0.2	28	-	-	-	-	-	-	-	-	-	-	0.2	28
		115	2.0	230	-	-	-	-	-	-	-	-	-	-	2.0	230
Total Hours			742.9	234,181	103.1	34,589	141.9	44,483	111.3	29,221	19.9	6,886	284.2	98,733	82.5	20,270
GST (\$)				23,418		3,459		4,448		2,922		689		9,873		2,027
TOTAL (Including GST)				257,599		38,048		48,931		32,143		7,574		108,606		22,297
Average hourly rate (ex GST)				315		335		313		263		346		347		246

Resolution 3

Company: D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation)
Administration Type: Creditors Voluntary Liquidation
Practitioner: Martin Jones of Ferrier Hodgson
Date Range: 1 October 2014 to conclusion of the Liquidation

Task Area	General Description	Includes:
Assets 21.0 hours \$6,445	Debtors	<ul style="list-style-type: none"> Correspondence with debtors with regards to amount outstanding Reviewing and assessing debtors ledgers. Correspondence with JP Nelson and its solicitors on status of collection of pre-appointment debtors' monies and assist in collection where necessary.
	Creditor Enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone and email. Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
Creditors 128.0 hours \$44,000	Secured creditor reporting	<ul style="list-style-type: none"> Preparing reports to secured creditor. Responding to secured creditors queries.
	Creditor reports/circulars	<ul style="list-style-type: none"> Preparation of annual report to creditors. Prepare further reports to creditors (as required).
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing POD's when not related to a dividend. Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of members and creditors	<ul style="list-style-type: none"> Preparation of meeting notices, proxies and advertisements. Forward notice of meeting to all known creditors. Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement of minutes of meeting with ASIC. Respond to stakeholder queries and questions immediately following meeting.
Employees 36.0 hours \$11,595	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone. Review and prepare correspondence to creditors and their representatives via facsimile, email and post. Receive and prepare correspondence in response to payment of outstanding pre-appointment entitlements
	GEERS	<ul style="list-style-type: none"> Liaising with GEERS regarding employee entitlements. Repayment of GEERS advance
Trade On 13.0 hours \$3,895	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipt and payments into accounting system.
Investigation 183.2 hours \$71,467	Conducting investigation	<ul style="list-style-type: none"> Reconstruction of financial statements. Reviewing the Company's books and records and Report as to Affairs. Preparation of investigation file. Prepare and lodge Supplementary Section 533 Report with ASIC.

Task Area	General Description	Includes:
	Recoveries	<ul style="list-style-type: none"> ▪ Review of Company records to identify and quantify antecedent transactions ▪ Prepare correspondence to creditors to identify recoverability ▪ Internal meetings to discuss status of recoveries. ▪ Preparing brief to solicitors. ▪ Liaising with solicitors regarding recovery actions. ▪ Attending to negotiations. ▪ Attending to settlement matters.
	Processing proofs of debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of proofs of debt. • Receipt of proofs of debt. • Maintain proof of debt register. • Adjudicating proofs of debt. • Request further information from claimants regarding proofs of debt. ▪ Preparation of correspondence to claimant advising outcome of adjudication.
Dividend 81.5 hours \$23,730	Dividend procedures	<ul style="list-style-type: none"> • Preparation of correspondence to creditors / employees advising of intention to declare preferential dividend. • Advertisement of intention to declare first and final preferential dividend. • Obtain clearance from ATO to allow distribution of Company's assets. • Preparation of dividend calculations. • Preparation of correspondence to creditors announcing declaration of dividend. • Preparation of distribution and dividend file. • Preparation of payment vouchers to pay dividend. ▪ Preparation of correspondence to creditors /employees enclosing payment of dividend.
	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence.
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Six (6) month administration review. ▪ Filing documents. ▪ File reviews. ▪ Updating checklists.
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence closing accounts. ▪ Requesting bank statements. ▪ Bank account reconciliations. ▪ Correspondence with bank regarding specific transfers.
Administration 118.0 hours \$38,868	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc. ▪ Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of cessation of appointment ▪ Preparing BAS statements.
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration.
	Books and records/storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage. ▪ Sending job files to storage.

Summary of Liquidators Remuneration by employee and task area for the period 1 October 2014 to conclusion of the liquidation

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area													
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade on		Investigation		Dividend		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner	595	33.0	19,635	1.0	595	18.0	10,710	1.0	595	1.0	595	1.0	595	1.0	595	10.0	5,950
S Powell	Director	510	50.2	25,602	-	-	-	-	-	-	-	-	42.2	21,522	-	-	8.0	4,080
K Chu	Manager	400	127.0	50,800	5.0	2,000	35.0	14,000	10.0	4,000	2.0	800	40.0	16,000	15.0	6,000	20.0	8,000
L McCann	Assistant Manager	360	115.0	41,400	-	-	15.0	5,400	5.0	1,800	-	-	75.0	27,000	5.0	1,800	15.0	5,400
J Soo	Analyst	270	162.5	41,965	10.0	2,700	50.0	11,590	15.0	4,050	5.0	1,350	15.0	4,050	35.5	9,585	32.0	8,640
M Gould	Accountant	230	75.0	17,250	5.0	1,150	10.0	2,300	5.0	1,150	5.0	1,150	10.0	2,300	25.0	5,750	15.0	3,450
J Titlestad	Personal Assistant	180	10.5	1,890	-	-	-	-	-	-	-	-	-	-	-	-	10.5	1,890
T Newland	Administration Assistant	140	7.5	1,458	-	-	-	-	-	-	-	-	-	-	-	-	7.5	1,458
Total Hours			580.7	200,000	21.0	6,445	128.0	44,000	36.0	11,595	13.0	3,895	183.2	71,467	81.5	23,730	118.0	38,868
GST				20,000		645		4,400		1,160		390		7,147		2,373		3,887
Total (Including GST)				220,000		7,090		48,400		12,755		4,285		78,614		26,103		42,755
Average hourly rate				344		307		344		322		300		390		291		329

Part 5: Statement of Remuneration Claim

5.1 Resolutions to be put to Creditors at the meeting convened for 21 October 2014.

At the meeting convened for 21 October 2014, creditors will be asked to consider the following resolutions:

Resolution 1:

"That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 7 October 2014, for the period from 14 September 2013 to 31 October 2013 be fixed in the amount of \$203,435, plus any applicable GST, and may be paid."

Resolution 2:

"That the remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 7 October 2014, for the period from 1 November 2013 to 30 September 2014 be fixed in the amount of \$234,181, plus any applicable GST, and may be paid."

Resolution 3:

"That the further remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 7 October 2014, for the period from 1 October 2014 to completion of the Liquidation, be fixed at the scale of rates (disclosed in this report) up to a maximum amount of \$200,000, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff "title" by up to 5% per annum reviewable at 1 July each year."

Please note that the above is an estimate only. The ultimate costs of the Liquidation will be dependent on the depth of investigations and level of actions brought against various parties (and their ultimate defence) in regards to the voidable antecedent transactions.

If costs exceed the estimate, creditors will be advised accordingly and further approval of the Liquidators remuneration will be sought in the future.

Part 6: Remuneration Recoverable from External Sources

Apart from the remuneration of \$31,620 (excluding GST) received from the Department of Employment and Workplace Relations in relation to the Fair Entitlements Guarantee Act 2012 or its predecessor schemes (i.e. GEERS) as outlined in the Liquidators' Remuneration Request Approval Report dated 2 December 2013, the Liquidators have not received, and are not entitled to receive, any funding from external sources in respect of the Liquidators' remuneration.

Part 7: Disbursements

7.1 Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the liquidation, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The relevant rates are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
Couriers	At cost
Mileage reimbursement	\$0.67 per kilometre
Photocopying (colour)	\$0.50 per page
Photocopying (mono)	\$0.20 per page
Photocopying (outsourced)	At cost
Printing (colour)	\$0.50 per page
Printing (mono)	\$0.20 per page
Printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2015

7.2 Disbursements paid from the liquidation to Ferrier Hodgson

The following disbursements have been incurred from the liquidation to Ferrier Hodgson for the period from 25 November 2013 to 30 September 2014.

Disbursements from 25 November 2013 to 30 September 2014

Disbursement	Total (\$) (Excluding GST)
Advertising	\$72.50
Photocopy Charges	\$41.20
Postage Charges	\$88.28
Printing	\$838.30
Stationery	\$15.75
Storage and Storage Transit	\$965.70
Search Fees	\$45.40
Courier	\$167.49
Telephone Calls	\$4.46
Total	\$2,239.08

I note that above disbursements have not been paid by the Administration to Ferrier Hodgson.

In relation to disbursements incurred from the liquidation to Ferrier Hodgson for the period from 25 November 2013 to 30 September 2014, I advise the following:

- I have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.
- Where amounts have been paid to Ferrier Hodgson for externally provided services and costs, those payments are in reimbursement of costs previously paid by Ferrier Hodgson, either due to a lack of funds in the liquidation at the time the payment was due, or the direct invoicing of Ferrier Hodgson by the supplier.
- All of the transactions in the above table will not appear in the summary of receipts and payments at Part 9 as Liquidator's disbursements as they have not been paid. Where payments to third parties are paid directly from the liquidation bank account, they are included in the summary of receipts and payments at Part 9.
- Creditor approval for the payment of disbursements is not required. However, the Liquidator must account to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.
- Future disbursements provided by Ferrier Hodgson will be charged to the liquidation on the same basis as the table in Part 7.1.

Part 8: Report on Progress of the Administration

The Remuneration Approval Request Report must be read in conjunction with the Liquidator's Annual Report dated 7 October 2014, which outlines the progress of the liquidation.

Part 9: Summary of Receipts and Payments

A summary of receipts and payments for the period from 25 November 2013 to 30 September 2014 is included in the accompanying Liquidator's Annual Report dated 7 October 2014.

Part 10: Queries

If you require further information in respect of the above, or have other questions, please contact Jason Soo of this office on 08 9214 1444.

Part 11: Information Available

The partners of Ferrier Hodgson are, generally, members of ARITA. Ferrier Hodgson follows the Code. A copy of the Code may be found on the ARITA website at www.arita.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the ARITA website (<http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>).

Dated this 7th day of October 2014.



Martin Jones
Liquidator