

**D&G Hoists & Cranes Pty Ltd (In Liquidation)**  
**ACN 084 148 096**

**Liquidators' Annual Report**  
**Pursuant to Section 508 of the Corporations Act 2001**

**2 December 2013**

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## 1 Work Conducted and Current Status

### Background

I confirm that Andrew Saker and I were appointed Joint and Several Administrators of the Company on 10 August 2012 pursuant to Section 436A of the Corporations Act 2001 (the Act).

Immediately following our appointment as Administrators, we took control of the Company's assets and continued to carry on the Company's business in a limited capacity whilst a potential restructure of the Company (together with the related entity, DGV) was assessed by the Company's major shareholder, JP Nelson. During this time we identified that the business generated insufficient cashflow to sustain operations and it was subsequently closed on 27 August 2013.

At the second meeting of creditors held on 14 September 2012 pursuant to section 446A of the Act, absent a suitable Deed of Company Arrangement proposal, creditors resolved for the Company to be placed into Liquidation. As a result, we were appointed as Joint and Several Liquidators of the Company on that day.

### Asset realisation process

The majority of the Company's plant and equipment was subject to the security of third party financiers. We have, since the date of our appointment, been liaising with the various financiers to determine an appropriate and acceptable realisation strategy, given the lack of funds in the administration, and independent auctioneers and valuers were engaged to prepare a strategy to realise that equipment.

As a result of the above, the asset realisation programme for the Company's plant and equipment started in September 2012 after the cessation of the business operations (due to the lack of funding) and with the consent and engagement of the relevant financiers who had a financial interest in the Company. This sale process ran through to the end of October 2012 and the collection of funds and removal process of the majority of the equipment occurred between the months of November and December 2012.

We note that the lengthy asset realisation process was due to complexity of the assignment, the number of major financiers (15) involved and the nature of the equipment. The Company's fleet of assets had been acquired over a number of years and effectively mixed to fit operating circumstances, making tracing of components to financiers challenging. The equipment was also spread throughout the country at a combination of Company controlled sites and clients' building projects across Australia.

As an example, the crane and hoist assets predominantly share similar accessories with no identifying serial numbers on the equipment other than the main cabin of the crane or hoist. The associated componentry, such as the vertical and horizontal mast sections, cables, platforms and other accessories were not serialised and scattered amongst the different yards maintained by DGWA for its Western Australian operations and DGV for the operations in New South Wales, Victoria and Queensland.

To date, we have received a net total of \$548,338 from the sale of plant and equipment as tabled below:

Summary of sale of Plant and Equipment	Amount (\$)
<b>Sale of Assets:</b>	
Plant and Equipment	559,822
Plant and Equipment - St George	105,460
Preston Decks	110,000
Motor Vehicles	10,000
Scrap Metal	258
GST on sales	76,423
<b>Total Gross Sale Proceeds</b>	<b>\$861,963</b>
<b>Less Auctioneer Expenses:</b>	
Advance on rental	(131,623)
Commission	(30,788)
Labour	(19,545)
Charges	(11,236)
Advertising	(7,788)
Insurance	(2,911)
Repairs and Maintenance	(1,173)
GST on expenses	(7,313)
<b>Total Auctioneer Expenses</b>	<b>(212,115)</b>
<b>Less Payments to Financiers</b>	<b>(101,510)</b>
<b>Net Sale Proceeds</b>	<b>\$548,338</b>

At the time of writing, there are certain minor pieces of equipment (generators and a crane) which are under contract; however the proceeds are not expected to be received until the end of December 2013.

### Collection of Debtors

#### Pre - 10 August 2012 Debtors

DGWA previously entered into a debtor finance facility agreement with National Australia Bank (NAB). Accordingly, all the outstanding debts owed to the Company (approximately \$1.875M) prior to the 10 August 2012 are subject to the debtor finance facility agreement and are to be paid to NAB. On 13 August 2012, the NAB appointed agents from PwC who have attended to the collection of the debtors.

At the time of writing, PwC have collected approximately \$1.23M from outstanding debtors and are continuing their collection efforts. It is anticipated that, due to various counterclaims and set-offs for dismantling equipment and non-completion of contracts, it is unlikely there will be a surplus available to the Company after the satisfaction of the amounts owed to NAB.

#### Post - 10 August 2012 debtors

At the time of writing, we had collected a total of \$400,459 (GST inclusive) from debtors for invoices which were raised after the Voluntary Administration period – i.e. after 10 August 2012 and not captured by the NAB facility. Our collection efforts have also been hampered by various claims of set-off by the debtors.

The various set-off and back charges that have been raised or otherwise applied towards the amounts outstanding relate to items such as:

- The additional cost of engaging replacement sub-contractors to continue on the project;
- The additional cost to dismantle and transport; and
- The additional cost of on-site labour and equipment resources to demobilise the equipment.

Discussions held with the representatives of each of the debtors indicate that it is unlikely we will receive receipt of any further amounts outstanding until all set off costs have been accounted for. We will continue to liaise with the debtors to progress and close-off this matter.

## 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 24 November 2013.

### **Assets Subject to Circulating Charge, and Assets Subject to Non-Circulating Charge**

We have made a preliminary determination of assets falling under the respective circulating and non-circulating charges by reference to the relevant securities held by the secured creditors. The following notes should be read in conjunction with the table overleaf:

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Statement of Position as at 24 November 2013	Notes	Liquidators' ERV	
		High (\$)	Low (\$)
<b>Assets Subject to Circulating Charges</b>			
Cash at bank as at 24 November 2013		276,083	276,083
Debtors - post VA - estimated to collect	i	10,029	6,017
<b>Total Assets Subject to Circulating Charge</b>		<b>286,112</b>	<b>282,100</b>
<b>Total Available to meet Cost of Administration</b>		<b>286,112</b>	<b>282,100</b>
<b>Less: VA cost outstanding</b>			
GST Payable		(13,851)	(13,851)
Liquidators fees to 31 October 2013		(302,100)	(302,100)
Estimated future liquidators fees and disbursements		(250,000)	(250,000)
Estimated future legal fees and costs		(15,000)	(25,000)
Contingencies for other expenses		(40,000)	(50,000)
<b>Total Cost of Administration</b>		<b>(620,951)</b>	<b>(640,951)</b>
<b>Surplus / (Deficit) after Cost of Administration</b>		<b>(334,839)</b>	<b>(358,851)</b>
<b>Less: Payment of subordinated cost of VA</b>			
JP Nelson advance for wages (W1&W2)		(252,291)	(252,291)
<b>Amounts available to Priority Creditors</b>		<b>(587,131)</b>	<b>(611,142)</b>
Priority Creditors Claims (Employee Entitlements)	ii	(1,589,088)	(1,589,088)
<b>Surplus / (Deficit) of Circulating Charge Assets</b>		<b>(2,126,218)</b>	<b>(2,150,230)</b>
<b>Assets Subject to Non Circulating Charges</b>			
Estimated value of remaining plant and equipment	iii	55,000	45,000
Less: Costs of Realisation (est.)	iii	(11,000)	(9,000)
<b>Total Assets Subject to Non Circulating Charge and available to secured crs</b>		<b>44,000</b>	<b>36,000</b>
<b>Less: Secured Creditors</b>			
NAB (estimated)	iv	(54,078)	(173,083)
DLL / Manitowoc (estimated, to be reduced by value of assets)	iv	(7,512,183)	(7,512,183)
ME Bank	iv	(215,932)	(215,932)
<b>Total Secured Creditors' Debt</b>		<b>(7,738,193)</b>	<b>(7,865,198)</b>
Total Voidable Transaction and Other Recoveries	v	6,459,515	Unascertained
Less: Estimated cost of recoveries	v	(500,000)	Nil
Less: Estimated Deficit of Circulating Charge Assets (see above)		(2,176,218)	(2,200,230)
<b>Total Assets Available to Unsecured Creditors</b>		<b>3,783,296</b>	<b>Nil</b>
Unsecured Trade Creditors		(11,146,894)	(12,500,000)
Australian Taxation Office		(600,632)	(600,632)
Payroll Tax		(69,863)	(69,863)
Contingent Claims - Shortfall to HP financiers		(5,004,261)	(7,148,944)
<b>Total Unsecured Creditors' Claims</b>	vi	<b>(16,821,649)</b>	<b>(20,319,439)</b>
<b>Estimated Surplus / (Deficiency)</b>		<b>(13,038,353)</b>	<b>Nil</b>
<b>Estimated Dividend Rate (cents in \$)</b>		<b>22.49 cents</b>	<b>Nil</b>

We make the following comments in respect of the above:

**i. Debtors**

As noted previously, any further recovery of debtors will be subject to resolution of counterclaims and offsets as a result of the inability of the Company to meet servicing requirements under the contracts as well as costs incurred by the clients in dismantling and returning the equipment at the end of the hire period.

We will continue with our collection efforts (with regards to post- appointment debtors only) and for the purposes of this report, we estimate the future recoveries to be between \$6,017 to \$10,029.

**ii. Employee entitlements**

The amount employee entitlements as at the date of our appointment are as follows:

Employees entitlements	Amount (\$)
Wages (including allowances and backpay)	132,747
Superannuation	83,365
Annual Leave and Loading	436,043
Long Service Leave	135,030
Payment in Lieu of Notice	314,162
Redundancy	144,589
Rostered Days Off	167,859
Personal Leave	161,733
Employee Benefits	13,560
<b>Total</b>	<b>\$1,589,088</b>

Employee entitlements are afforded a statutory priority of repayment over circulating charge assets pursuant to section 556(1) of the Act.

Given that there will be insufficient funds available to meet priority claims of employees, the Federal Government's GEERS have responded to the claims of the employees and they have advanced funds (other than superannuation) to pay 45 out of 56 employees who had outstanding entitlements as at the date of our appointment.

The remaining employees who have yet to be paid from the GEERS advance have either failed the eligibility criteria or have not lodged their claims with GEERS.

In this regard, we note that the amounts advanced by GEERS have enabled employees to be paid approximately 80% of their outstanding entitlements in respect of wages, annual leave, redundancy and rostered days off. Entitlements met by GEERS rank as a priority in a distribution alongside superannuation and other entitlements not covered by GEERS.

**iii. Plant and equipment**

Almost all of the plant and equipment owned by DGWA was subject to asset finance arrangements with third party equipment financiers and no equity in the financed

equipment (that is, the amount owed to the financier exceeded the realisable value of the equipment). As noted in section 1 above, the Company has received a net amount of \$548,338 from the sale of the various unencumbered plant and equipment.

The amount in the table above, represents the sale value of the unencumbered portion of DGWA's interest in plant and equipment which is currently under contract and the estimated applicable selling agents costs and other cost of preservation. As discussed previously, the proceeds are not expected to be received until the end of December 2013.

#### **iv. Secured Creditors' Debts**

##### NAB

As noted previously, on 13 August 2012, the NAB appointed PwC as agents to collect the recovery of the factored debtors. Accordingly, whilst the NAB remains exposed to DGWA, we are unable to collect the surplus debtors until they have been paid out in full.

In the event that NAB are unsuccessful in collecting sufficient debtors to satisfy their liability, then they will have a claim against the Company and rank as a secured creditor for the balance of their debt per the nature of their security agreement with the Company.

##### DLL / Manitowoc

DLL provided a number of hire purchase facilities to DGWA. On 30 October 2012, we were notified that on 11 October 2012, DLL transferred all of its interest and rights in the equipment subject its security to Manitowoc. The amount of debt owing to DLL / Manitowoc will be reduced by the value of their security and pursuant to a Deed of Priority entered into by the NAB with DLL, the NAB is entitled to claim a priority to the extent of \$1.5M in priority of DLL should a shortfall eventuate.

##### ME Bank

ME Bank had also provided a number of hire purchase / equipment finance facilities to DGWA. ME Bank's circulating security interest ranks third (3rd) in line following the NAB and DLL/ Manitowoc. ME Bank did not participate in the asset realisation process conducted by our auctioneer and lodged a claim for \$215,932 in respect of the shortfall after the realisation of the equipment (cranes) subject to their security.

#### **v. Voidable Transaction and Other Recoveries**

We have identified a number of voidable antecedent transactions which may be recoverable and at this stage have yet to determine if the claims are fully recoverable.

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.

#### **vi. Unsecured Creditors' Debts**

Accounting for formal proofs of debt received to date and the Company's records, we estimate the Company's liability to unsecured creditors at \$16,821,649 to \$20,319,439.

This figure is subject to the receipt and adjudication of final proofs of debt from creditors.

### **3 Return to Priority Creditors**

We advise that the successful applicants to the GEERS Scheme, administered by the DEEWR have resulted in the DEEWR advancing funds totalling \$868,873 to the Company for payment of outstanding employee entitlements. These funds (after the applicable tax) were subsequently distributed to employees over 5 separate distributions between 23 January 2013 to 25 June 2013.

As you will note from the statement of position above, any distribution will be subject to the recovery of the identified voidable transactions as discussed in section 2 (v) above.

### **4 Return to Ordinary Unsecured Creditors**

No distributions have been made to unsecured creditors of the Company at this stage of the liquidation. Similarly, any distribution will be subject to the recovery of the identified voidable transactions as discussed in section 2 (v) above.

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

### **5 Investigations into the Company's Affairs**

We are required to lodge a report to the ASIC pursuant to Section 533 of the Act in circumstances where a past or present office 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, DGV and CI. In this regard, we confirm that our investigations are progressing and we will report to the ASIC once the work has been completed. Once the report is lodged, the Regional Commissioner for the ASIC will advise us if he intends to carry out further investigations into the affairs of the Company and the conduct of its officers.

Our investigations so far into the affairs of the Company have identified a number of possible transactions to trade creditors of the Company in the amount of \$446k that may fall under the provisions of unfair preferences under Section 588FA of the Act. We confirm that we are currently collating further evidence in respect of those transactions with a view to submitting claims directly to the relevant creditor/s.

Our investigations also revealed a number of transactions that may be captured under the unfair preferences provision in respect to payments to the ATO totalling approximately \$3.27M. At the time of writing, we have issued notice to the ATO identifying our claim and the evidence supporting our request for repayment, and have been advised it is being reviewed by their legal services branch.

## 6 Receipts and Payments

We table at **Annexure A**, a summary of the receipts and payments for the period 14 September 2012 to 24 November 2013.

## 7 Administrators' / Liquidators' remuneration

Set out below is a summary of the Administrators' and Liquidators' remuneration (GST exclusive) for the period 10 August 2012 to 31 October 2013:

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount invoiced (\$)	Balance to be approved (\$)
Administrators remuneration incurred for the period 10 August 2012 to 13 September 2012	215,018	225,458	215,018	N/A	NIL
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	570,545	250,000	250,000	(18,445)*	302,100
<b>Total</b>	<b>\$785,563</b>	<b>\$493,908</b>	<b>\$465,018</b>		<b>\$302,100</b>

*\*see comments in Annexure B: Remuneration Request Approval Report, part 7: Remuneration Recoverable from External Sources*

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

## 8 Annual General Meeting of Members and Creditors

The annual general meeting of members and creditors is scheduled to be held at **10.30am (WST) on Tuesday, 17 December 2013 at the offices of Ferrier Hodgson, Level 26, 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 2 December 2013. Creditors attending should arrive twenty (20) minutes prior to the commencement of the meeting.

## 9 Outstanding Matters to Finalise the Liquidation

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

- The finalisation of the sale of the remaining plant and equipment held by our agent, GraysOnline.

- Resolution of the collection of the outstanding debtors and subsequent identification of any surplus.
- Completion of our investigations and the pursuit (and resolution) of potential antecedent transactions.
- Lodgement of the Section 533 report and conduct any further investigations as requested by the ASIC.
- Calling for proofs and adjudication of same and declaration of dividends to priority 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 of a final meeting of creditors and members; and
- Attending to final statutory requirements of the liquidation.

## 10 Queries

Should creditors have any queries in relation to this report, or the liquidation process in general, please do not hesitate to contact either Lauren McCann or William Hulmes of this office.

DATED this 2<sup>nd</sup> day of December 2013.



**Martin Jones**  
Joint and Several Liquidator

## Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CI	Crane Investments (WA) Pty Ltd (In Liquidation) ACN 103 911 226 Formerly trading as Northern Suburbs Crane Hire
Company or DGWA	D&G Hoists & Cranes Pty Ltd (In Liquidation) ACN 084 148 096
DEEWR	Australian Government Department of Employment (previously Department of Education, Employment and Workplace Relations)
DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
DLL	De Lage Landen Pty Ltd
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
GEERS	General Employee Entitlement Redundancy Scheme
IPAA	Insolvency Practitioners Association of Australia
JP Nelson	JP Nelson Equipment Pty Ltd
Manitowoc	Manitowoc Crane Group Australia Pty Ltd
ME Bank	Members Equity Bank
NAB	National Australia Bank Limited
PwC	Pricewaterhouse Coopers

## Summary of Receipt and Payments for the period 14 September 2012 to 24 November 2013

Summary of Receipts & Payments	(\$)	(\$)
<b>Receipts</b>		
Transfer from Administrators		221,374.96
Administrators/Liquidators Fees recovered from Financiers	90,846.59	
Advance from GEERS	868,873.12	
Advance from GraysOnline	100,000.00	
Debtors recovered (post - VA only)	400,458.50	
Insurance refund	96,537.70	
Motor vehicle expenses refund	111.63	
Other asset	59,430.95	
Rental contribution	39,632.00	
Sale of plant & equipment	707,456.41	
Sale of plant & equipment - St George	154,506.00	
Workers compensation - CGU	27,011.60	2,544,864.50
<b>Payments</b>		
Advance payment for rental	(131,362.50)	
Auctioneer's advertising cost	(8,566.31)	
Auctioneer's charges	(12,328.52)	
Auctioneer's commission	(33,866.65)	
Auctioneer's expenses (Labour)	(21,499.57)	
GST Control	(12,447.00)	
Distribution of GEERS advance (net)	(712,847.12)	
Employee Benefits	(9,609.21)	
Freight outwards	(1,055.86)	
Fuel & Oil	(4,100.54)	
Hire & Leasing	(1,198.00)	
Insurance	(123,344.32)	
IT expenses	(7,045.83)	
Legal fees	(79,741.69)	
Liquidators' disbursements	(16,661.70)	
Liquidators' fees	(275,000.00)	
Loan from JP Nelson to D&G Verticon	(128,817.54)	
Mail redirection fees	(300.00)	
PAYG - GEERS	(154,005.00)	
PAYG - wages	(85,352.00)	
Payment to child support agency	(3,206.41)	
Payment to financier - St George	(101,510.00)	
Payroll Tax	(15,553.68)	
Printing & Stationery	(3,641.26)	
Rent & Rates	(209,419.79)	
Repairs & Maintenance	(1,290.00)	
Subcontractors	(6,057.72)	
Superannuation	(23,239.36)	
Utilities	(13,641.25)	
Voluntary Administrators' disbursements	(7,559.58)	
Voluntary Administrators' fees	(236,519.80)	
Wages and other accrued entitlements during VA (net)	(49,368.09)	(2,490,156.30)
<b>Account Balance as at 24 November 2013</b>		<b>276,083.16</b>

# Annexure B

## Remuneration Request Approval Report

**CORPORATIONS ACT 2001**

Section 449E

**D&G Hoists & Cranes Pty Ltd (In Liquidation)  
ACN 084 148 096 (the Company) (DGWA)**

**REMUNERATION REQUEST APPROVAL REPORT**

**Part 1: Declaration**

We, Martin Jones and Andrew Saker of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claimed for our appointment as Liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work properly performed in the conduct of the Liquidation.

The Liquidators' Remuneration Request Approval Report, prepared pursuant to Section 449E of the Corporations Act 2001, takes the following form:

***Part 2: Remuneration approved and drawn to date***

To date, remuneration totalling \$475,458 has been approved and remuneration totalling \$465,018 has been paid in this Administration/Liquidation. This remuneration report details approval sought for the following fees:

Period	Amount (ex GST)
<b>Past remuneration approved:</b>	
10 August 2012 to 13 September 2013 (VA period)	\$225,458
14 September 2013 onwards (Liquidation period)	\$250,000
<b>Total past remuneration approved</b>	<b>\$475,458</b>
<b>Current remuneration approval sought:</b>	
<i>Resolution 1</i>	
14 September 2012 to 31 October 2013	\$302,100
<i>Resolution 2</i>	
1 November 2013 to completion of Liquidation*	\$250,000
<b>Total</b>	<b>\$552,100</b>

\* 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.

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

**Summary of remuneration approval sought for the Company:**

Description	Amount Incurred (\$)	Amount Approved (\$)	Amount Drawn (\$)	Less: Amount invoiced (\$)*	Balance to be approved (\$)
Administrators remuneration incurred for the period 10 August 2012 to 13 September 2012	215,018	225,458	215,018	N/A	NIL
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	570,545	250,000	250,000	(18,445)*	302,100
<b>Total</b>	<b>\$785,563</b>	<b>\$493,908</b>	<b>\$465,018</b>		<b>\$302,100</b>

\*see comment in part 7: Remuneration Recoverable from External Sources

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

Title	Rate (\$)		Experience
	2012	2013	
Partner	580	595	The Partner/Appointee is a registered liquidator and member of the ICAA and, generally, the IPA, bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at <a href="http://www.ferrierhodgson.com">www.ferrierhodgson.com</a>
Director	490	495	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 IPA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	440	455	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the ICAA and, generally, the IPA; very strong knowledge of relevant insolvency legislation and issues.
Manager	370	385	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and generally, the IPA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	330	345	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	285	295	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	255	265	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	200	225	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	120	140	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	170	180	Appropriate skills including machine usage.
Administration Supervisor/Assistant	140	115	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 change from time to time. The hourly rates reflect the total cost of providing professional services and should **not** be compared to an hourly rate. See Part B1 for details of disbursements.

**Part 4: Description of work completed / to be completed**

**Company:** D&G Hoists & Cranes Pty Ltd (In Liquidation)  
**Administration Type:** Voluntary Administration  
**Practitioners:** Martin Jones and Andrew Saker of Ferrier Hodgson  
**Period:** 10 August 2012 to 13 September 2012

<b>Task Area</b>	<b>General Description</b>	<b>Includes:</b>
<b>Assets</b> 142.4 hours \$45,839.00	Sale of business as a going concern	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, auctioneers and interested parties.</li> <li>▪ Internal meetings to discuss/review offers received.</li> <li>▪ Meetings with major shareholder on reconstructions of company.</li> </ul>
	Plant and equipment	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, auctioneers and interested parties.</li> <li>▪ Reviewing asset listings.</li> </ul>
	Assets subject to specific charges	<ul style="list-style-type: none"> <li>▪ Understand locality of all HP assets.</li> <li>▪ Preparing and comparing the fixed asset register with the HP assets.</li> <li>▪ Meeting with various financiers.</li> </ul>
	Debtors	<ul style="list-style-type: none"> <li>▪ Correspondence with debtors.</li> <li>▪ Reviewing and assessing debtors ledgers.</li> <li>▪ Liaising with debt collectors.</li> </ul>
	Stock	<ul style="list-style-type: none"> <li>▪ Conducting stock takes.</li> <li>▪ Reviewing stock values.</li> <li>▪ Liaising with ROT creditors.</li> </ul>
	Leasing	<ul style="list-style-type: none"> <li>▪ Reviewing leasing documents.</li> <li>▪ Liaising with owners/lessors.</li> <li>▪ Tasks associated with disclaiming leases.</li> </ul>
	Other assets	<ul style="list-style-type: none"> <li>▪ Tasks associated with realising other assets.</li> </ul>
<b>Creditors</b> 134.6 hours \$37,588.50	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up creditor enquiries via telephone and email.</li> <li>▪ Maintaining creditor enquiry register.</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> <li>▪ Correspondence with committee of creditors members.</li> </ul>
	Retention of Title Claims	<ul style="list-style-type: none"> <li>▪ Receive initial notification of creditor's intention to claim.</li> <li>▪ Provision of retention of title claim form to creditor.</li> <li>▪ Receive completed retention of title claim form.</li> <li>▪ Maintain retention of title file.</li> <li>▪ Adjudicate retention of title claim.</li> </ul>
	Secured creditor reporting	<ul style="list-style-type: none"> <li>▪ Preparing reports to secured creditor/financers.</li> <li>▪ Responding to secured creditors queries.</li> </ul>
	Creditor reports/circulars	<ul style="list-style-type: none"> <li>▪ Prepare further reports to creditors pursuant to section 439A of the Act.</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's when not related to a dividend.</li> <li>▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.</li> </ul>
	Meeting of Creditors	<ul style="list-style-type: none"> <li>▪ Preparation of meeting notices, proxies and advertisements.</li> <li>▪ Forward notice of meeting to all known creditors.</li> <li>▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of</li> </ul>

<b>Task Area</b>	<b>General Description</b>	<b>Includes:</b>
		<ul style="list-style-type: none"> <li>meeting and draft minutes of meeting.</li> <li>▪ Preparation and lodgement of minutes of meetings with ASIC.</li> <li>▪ Respond to stakeholder queries and questions immediately following meeting.</li> </ul>
<b>Employees</b> 20.6 hours \$6,162.00	Employee enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up employee enquiries via telephone.</li> <li>▪ Maintain employee enquiry register.</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> <li>▪ Preparation of letters to employees advising of their entitlements and options available.</li> <li>▪ Receive and prepare correspondence in response to employees objections to leave entitlements.</li> </ul>
	Calculation of entitlements	<ul style="list-style-type: none"> <li>▪ Reviewing employee files and the Company's books and records.</li> <li>▪ Calculating employee entitlements.</li> <li>▪ Reconciling superannuation accounts.</li> <li>▪ Reviewing awards (EBAs).</li> </ul>
	Workers compensation claims	<ul style="list-style-type: none"> <li>▪ Review insurance policies.</li> <li>▪ Receipt of claim.</li> <li>▪ Liaising with claimant.</li> <li>▪ Liaising with insurers and solicitors regarding claims.</li> <li>▪ Identification of potential issues requiring attention of insurance specialists.</li> <li>▪ Correspondence with Blue Broking regarding initial ongoing workers compensation insurance requirements.</li> <li>▪ Correspondence with previous brokers.</li> </ul>
	Other employee issues	<ul style="list-style-type: none"> <li>▪ Correspondence with Child Support.</li> <li>▪ Correspondence with Unions.</li> </ul>
	Trade On Management	<ul style="list-style-type: none"> <li>▪ Liaising with suppliers.</li> <li>▪ Liaising with management and staff.</li> <li>▪ Attendance on site.</li> <li>▪ Authorising purchase orders.</li> <li>▪ Maintaining purchase order registry.</li> <li>▪ Preparing and authorising receipt vouchers.</li> <li>▪ Preparing and authorising payment vouchers.</li> <li>▪ Liaising with OSR regarding payroll tax issues.</li> </ul>
<b>Trade On</b> 112 hours \$38,412.00	Processing receipts and payments	<ul style="list-style-type: none"> <li>▪ Entering receipt and payments into accounting system.</li> </ul>
	Budgeting & financial reporting	<ul style="list-style-type: none"> <li>▪ Reviewing the Company's budgets and financial statements.</li> <li>▪ Preparing budgets and cashflow forecast.</li> <li>▪ Meetings to discuss cashflow forecast.</li> </ul>
<b>Investigations</b> 28.6 hours \$11,578.00	Conducting investigation	<ul style="list-style-type: none"> <li>▪ Collection of the Company's books and records.</li> <li>▪ Correspondence with ASIC to receive assistance in obtaining books and records.</li> <li>▪ Reconstruction of financial statements.</li> <li>▪ Reviewing the Company's books and records and Report as to Affairs.</li> <li>▪ Review and preparation of the Company's nature and history.</li> <li>▪ Liaising with directors regarding certain transactions.</li> <li>▪ Preparation of investigation file.</li> </ul>

Task Area	General Description	Includes:
<b>Administration</b> 219.9 hours \$75,440.00	Litigation/Recoveries	<ul style="list-style-type: none"> <li>▪ Internal meetings to discuss status of litigation.</li> <li>▪ Preparing brief to solicitors.</li> <li>▪ Liaising with solicitors regarding recovery actions.</li> <li>▪ Attending to negotiations.</li> <li>▪ Attending to settlement matters.</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>▪ Preparing statutory investigation reports.</li> <li>▪ Preparing affidavits seeking non lodgements assistance.</li> <li>▪ Liaising with ASIC.</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>▪ General correspondence.</li> </ul>
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▪ First month administration review.</li> <li>▪ Filing documents.</li> <li>▪ File reviews.</li> <li>▪ Updating checklists.</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>▪ Identification of potential issues requiring attention of insurance specialists.</li> <li>▪ Correspondence with Blue Broking regarding initial and ongoing insurance requirements.</li> <li>▪ Reviewing insurance policies.</li> <li>▪ Correspondence with previous brokers.</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>▪ Preparing correspondence opening and closing accounts.</li> <li>▪ Requesting bank statements.</li> <li>▪ Bank account reconciliations.</li> <li>▪ Correspondence with bank regarding specific transfers .</li> </ul>
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> <li>▪ Preparing and lodging ASIC forms including 505, 5011 etc.</li> <li>▪ Correspondence with ASIC regarding statutory forms.</li> </ul>
	ATO & other statutory reporting	<ul style="list-style-type: none"> <li>▪ Notification of appointment.</li> <li>▪ Preparing BAS statements.</li> <li>▪ Completing group certificates.</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>▪ Discussions regarding status/strategy of administration.</li> </ul>
	Books and records/storage	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage.</li> <li>▪ Sending job files to storage.</li> </ul>

**Part 5: Calculation of Remuneration**

**Part 5.1: Administrators Remuneration**

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area											
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner	580	48.9	28,362	-	-	4.1	2,378	-	-	6.8	3,944	-	-	38.0	22,040
A Saker	Partner	580	0.3	174	-	-	-	-	-	-	-	-	-	-	0.3	174
D Weaver	Partner	580	0.1	58	-	-	0.1	58	-	-	-	-	-	-	-	-
M Field	Director	490	1.4	686	-	-	0.3	147	-	-	1.1	539	-	-	-	-
S Powell	Senior Manager	440	101.5	44,440	22.8	10,032	12.8	5,632	1.7	748	11.0	4,840	20.0	8,800	32.7	14,388
B Bickford	Assistant Manager	330	5.4	1,782	0.3	99	-	-	-	-	-	-	-	-	5.1	1,683
K Chu	Assistant Manager	330	140.4	46,365	39.5	13,068	8.1	2,673	10.3	3,399	61.2	20,196	7.5	2,475	13.8	4,554
S Coleman	Assistant Manager	330	68.1	22,473	5.3	1,749	21.7	7,161	1.2	396	0.9	297	0.3	99	38.7	12,771
D Musulin	Senior Analyst	285	1.1	314	-	-	1.1	314	-	-	-	-	-	-	-	-
L McCann	Senior Analyst	285	103.8	29,982	67.7	19,295	6.9	1,966	0.6	171	26.3	7,496	-	-	3.7	1,054
G Swan	Analyst	255	12.8	3,264	-	-	-	-	-	-	-	-	0.8	204	12.0	3,060
A Madetko	Analyst	255	1.0	255	-	-	1.0	255	-	-	-	-	-	-	-	-
L Telles	Analyst	255	1.1	280	-	-	-	-	-	-	-	-	-	-	1.1	280
W Hulmes	Analyst	255	52.0	13,260	4.3	1,096	23.7	6,044	1.6	408	2.9	740	-	-	19.5	4,973
T Guthrie	Accountant	200	8.7	1,740	-	-	8.7	1,740	-	-	-	-	-	-	-	-
A Weaver	Accountant	200	12.0	2,400	-	-	5.5	1,100	1.5	300	-	-	-	-	5.0	1,000
A Siekierka	Accountant	200	8.8	1,760	-	-	-	-	-	-	-	-	-	-	8.8	1,760
J Soo	Accountant	200	71.9	14,380	2.5	500	40.6	8,120	3.7	740	1.8	360	-	-	23.3	4,660
G Caldera	Personal Assistant	170	1.2	204	-	-	-	-	-	-	-	-	-	-	1.2	204
J Titlestad	Personal Assistant	170	10.4	1,768	-	-	-	-	-	-	-	-	-	-	10.4	1,768
T Newland	Clerk	170	5.9	1,003	-	-	-	-	-	-	-	-	-	-	5.9	1,003
M Seward	Clerk	170	0.3	51	-	-	-	-	-	-	-	-	-	-	0.3	51
A Jamieson	Clerk	170	0.1	17	-	-	-	-	-	-	-	-	-	-	0.1	17
<b>Total Hours</b>			<b>657.2</b>	<b>215,018</b>	<b>142.4</b>	<b>45,839</b>	<b>134.6</b>	<b>37,588</b>	<b>20.6</b>	<b>6,162</b>	<b>112.0</b>	<b>38,412</b>	<b>28.6</b>	<b>11,578</b>	<b>219.9</b>	<b>75,440</b>
GST				21,501		4,583		3,758		616		3,841		1,157		7,544
<b>Total (Including GST)</b>				<b>236,519</b>		<b>50,422</b>		<b>41,346</b>		<b>6,778</b>		<b>42,253</b>		<b>12,735</b>		<b>82,984</b>
Average hourly rate				327		322		279		299		343		405		343

**Resolution 1**

**Company:** D&G Hoists & Cranes 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

<b>Task Area</b>	<b>General Description</b>	<b>Includes:</b>
<b>Assets</b> 582.5 hours \$178,702	Plant and equipment	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, auctioneers and interested parties.</li> <li>▪ Reviewing asset listings.</li> <li>▪ Negotiations with landlords regarding the storage of plant and equipment.</li> <li>▪ Maintaining rental schedules.</li> <li>▪ Liaising with third parties regarding the removal and transportation of assets.</li> <li>▪ Negotiations with interested parties / purchasers.</li> <li>▪ Re-sale of assets either not sold at initial auction, or where offers have not eventuated.</li> </ul>
	Assets subject to specific charges	<ul style="list-style-type: none"> <li>▪ Liaising with financiers to determine strategy.</li> <li>▪ Liaising with valuers, auctioneers and agents regarding the sale of secured equipment.</li> <li>▪ Reporting to financiers regarding the progress of realisation strategy.</li> <li>▪ Remittance and accounting of funds returned to financiers.</li> <li>▪ Review of PPSR registers.</li> <li>▪ Preparing reports to secured creditor.</li> <li>▪ Responding to secured creditors queries.</li> </ul>
	Debtors	<ul style="list-style-type: none"> <li>▪ Correspondence with debtors.</li> <li>▪ Reviewing and assessing debtor ledgers.</li> <li>▪ Liaising with Price Waterhouse Coopers, Lavan Legal and NAB in respect of the pre-appointment debt book.</li> </ul>
	Leasing	<ul style="list-style-type: none"> <li>▪ Reviewing leasing documents.</li> <li>▪ Liaising with owners/lessors.</li> <li>▪ Tasks associated with disclaiming leases.</li> </ul>
	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up creditor enquiries via telephone and email.</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> </ul>
<b>Creditors</b> 161.20 hours \$44,459	Retention of Title Claims	<ul style="list-style-type: none"> <li>▪ Receive initial notification of creditor's intention to claim.</li> <li>▪ Provision of retention of title claim form to creditor.</li> <li>▪ Receive completed retention of title claim form.</li> <li>▪ Meeting claimant on site to identify goods.</li> <li>▪ Adjudicate retention of title claim.</li> <li>▪ Forward correspondence to claimant notifying outcome of adjudication.</li> </ul>
	Creditor reports/circulars	<ul style="list-style-type: none"> <li>▪ Prepare further reports to creditors.</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's when not related to a dividend.</li> <li>▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.</li> </ul>
	Meeting of Creditors	<ul style="list-style-type: none"> <li>▪ Preparation of meeting notices, proxies and advertisements.</li> </ul>

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> <li>▪ Forward notice of meeting to all known creditors.</li> <li>▪ 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.</li> <li>▪ Preparation and lodgement of minutes of meetings with ASIC.</li> <li>▪ Respond to stakeholder queries and questions immediately following meeting.</li> </ul>
	Employee enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up employee enquiries via telephone.</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> <li>▪ Preparation of letters to employees advising of their entitlements and options available.</li> <li>▪ Receive and prepare correspondence in response to employees objections to leave entitlements.</li> </ul>
	GEERS	<ul style="list-style-type: none"> <li>▪ Initial contact with GEERS including provision of quote for services.</li> <li>▪ Liaising with GEERS regarding employee entitlements.</li> <li>▪ Review of Employee Discrepancy Reports.</li> <li>▪ Receipt and distribution of funding from GEERS.</li> </ul>
<b>Employees</b> 287.4 hours \$80,563	Calculation of entitlements	<ul style="list-style-type: none"> <li>▪ Reviewing employee files and the Company's books and records.</li> <li>▪ Calculating employee entitlements.</li> <li>▪ Reconciling superannuation accounts.</li> <li>▪ Reviewing awards.</li> </ul>
	Workers compensation claims	<ul style="list-style-type: none"> <li>▪ Review insurance policies.</li> <li>▪ Receipt of claim.</li> <li>▪ Liaising with claimant.</li> <li>▪ Liaising with insurers and solicitors regarding claims</li> <li>▪ Identification of potential issues requiring attention of insurance specialists.</li> <li>▪ Correspondence with Blue Broking regarding initial ongoing workers compensation insurance requirements.</li> <li>▪ Correspondence with previous brokers.</li> </ul>
	Other employee issues	<ul style="list-style-type: none"> <li>▪ Correspondence with Child Support.</li> <li>▪ Correspondence with Centrelink and Unions.</li> <li>▪ Preparation of PAYG and ETP Statements.</li> </ul>
	Trade On Management	<ul style="list-style-type: none"> <li>▪ Liaising with suppliers .</li> <li>▪ Liaising with management and staff.</li> <li>▪ Attendance on site.</li> <li>▪ Authorising purchase orders.</li> <li>▪ Maintaining purchase order registry.</li> <li>▪ Preparing and authorising receipt vouchers.</li> <li>▪ Preparing and authorising payment vouchers.</li> <li>▪ Liaising with superannuation funds regarding contributions, termination of employees employment.</li> <li>▪ Liaising with OSR regarding payroll tax issues.</li> </ul>
<b>Trade On</b> 51.6 hours \$16,551	Processing receipts and payments	<ul style="list-style-type: none"> <li>▪ Entering receipt and payments into accounting system.</li> </ul>

Task Area	General Description	Includes:
<b>Investigations</b> 324.0 hours \$112,723	Conducting investigation	<ul style="list-style-type: none"> <li>▪ Collection of the Company's books and records.</li> <li>▪ Reconstruction of financial statements.</li> <li>▪ Reviewing the Company's books and records and Report as to Affairs.</li> <li>▪ Review and preparation of the Company's nature and history.</li> <li>▪ Liaising with directors regarding certain transactions.</li> <li>▪ Preparation of investigation file.</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>▪ Preparing statutory investigation reports.</li> <li>▪ Liaising with ASIC.</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>▪ General correspondence.</li> </ul>
<b>Administration</b> 468.6 hours \$137,549	Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▪ Six (6) month administration review.</li> <li>▪ Filing documents.</li> <li>▪ File reviews.</li> <li>▪ Updating checklists.</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>▪ Identification of potential issues requiring attention of insurance specialists.</li> <li>▪ Correspondence with Blue Broking regarding ongoing insurance requirements.</li> <li>▪ Reviewing insurance policies.</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>▪ Preparing correspondence opening and closing accounts.</li> <li>▪ Requesting bank statements.</li> <li>▪ Bank account reconciliations.</li> <li>▪ Correspondence with bank regarding specific transfers.</li> </ul>
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> <li>▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc.</li> <li>▪ Correspondence with ASIC regarding statutory forms.</li> </ul>
	ATO & other statutory reporting	<ul style="list-style-type: none"> <li>▪ Notification of appointment.</li> <li>▪ Preparing BAS statements.</li> <li>▪ Completing group certificates.</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>▪ Discussions regarding status/strategy of administration.</li> </ul>
	Books and records/storage	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage.</li> <li>▪ Sending job files to storage.</li> </ul>

Part 5.2: Resolution 1

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area												
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration		
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	
M Jones	Partner	580	78.4	45,499	-	-	1.7	986	-	-	-	-	-	-	-	76.7	44,513
A Saker	Partner	595	0.2	119	-	-	-	-	0.1	60	-	-	-	-	-	0.1	60
		580	0.5	290	-	-	-	-	0.3	174	-	-	-	-	-	0.2	116
M Field	Director	490	0.4	196	-	-	-	-	-	-	0.4	196	-	-	-	-	-
S Powell	Director	495	7.9	3,911	-	-	-	-	-	-	-	-	5.2	2,574	2.7	1,337	-
	Senior Manager	440	117.0	51,480	24.9	10,956	3.0	1,320	2.2	968	12.6	5,544	57.7	25,388	16.6	7,304	-
K Chu	Manager	385	47.0	18,095	27.8	10,703	8.5	3,273	3.3	1,271	0.8	308	3.0	1,155	3.6	1,386	-
		370	189.9	70,263	136.8	50,616	17.6	6,512	6.7	2,479	0.6	222	12.6	4,662	15.6	5,772	-
		330	254.8	84,084	171.6	56,628	18.2	6,006	19.6	6,468	9.7	3,201	20.4	6,732	15.3	5,049	-
L Smith	Manager	385	8.1	3,119	-	-	-	-	-	-	-	-	8.1	3,119	-	-	-
	Assistant Manager	330	79.4	26,202	-	-	-	-	-	-	-	-	79.4	26,202	-	-	-
G Smith	Assistant Manager	330	69.8	23,034	2.3	759	2.0	660	4.8	1,584	-	-	59.2	19,536	1.5	495	-
S Coleman	Assistant Manager	330	0.5	165	0.5	165	-	-	-	-	-	-	-	-	-	-	-
M Stephens	Assistant Manager	330	0.5	165	-	-	0.5	165	-	-	-	-	-	-	-	-	-
B Bickford	Assistant Manager	330	21.5	7,095	-	-	-	-	-	-	-	-	16.1	5,313	5.4	1,782	-
		345	47.1	16,250	-	-	11.5	3,968	0.4	138	-	-	34.4	11,868	0.8	276	-
		330	14.4	4,752	0.4	132	-	-	10.3	3,399	1.7	561	-	-	2.0	660	-
L McCann	Senior Analyst	285	188.7	53,780	29.6	8,436	3.6	1,026	144.9	41,297	2.0	570	3.0	855	5.6	1,596	-
	Analyst	265	45.1	11,952	18.0	4,770	6.2	1,643	11.0	2,915	0.6	159	-	-	9.3	2,465	-
W Hulmes	Analyst	255	145.8	37,179	18.9	4,820	15.8	4,029	42.1	10,736	17.1	4,361	4.3	1,097	47.6	12,138	-
		255	2.6	663	-	-	1.4	357	-	-	-	-	-	-	1.2	306	-
L Telles	Analyst	255	1.2	306	-	-	-	-	-	-	-	-	-	-	1.2	306	-
J El Badoui	Analyst	255	5.4	1,377	-	-	-	-	-	-	-	-	-	-	5.4	1,377	-
J Taljaard	Analyst	265	3.1	822	-	-	-	-	-	-	3.1	822	-	-	-	-	-
K Quigley	Analyst	265	1.5	398	-	-	-	-	-	-	-	-	1.5	398	-	-	-
A Weaver	Analyst	265	1.7	451	-	-	-	-	-	-	-	-	1.7	451	-	-	-
	Accountant	200	1.8	360	-	-	-	-	0.3	60	-	-	-	-	1.5	300	-
J Soo	Accountant	225	80.9	18,203	17.5	3,938	11.0	2,475	28.6	6,435	-	-	-	-	23.8	5,355	-
		200	363.1	72,620	126.8	25,360	58.1	11,620	9.5	1,900	2.7	540	13.9	2,780	152.1	30,420	-
S Foley	Accountant	200	19.5	3,900	7.1	1,420	1.5	300	2.5	500	-	-	-	-	8.4	1,680	-
T Guthrie	Accountant	200	0.6	120	-	-	0.6	120	-	-	-	-	-	-	-	-	-
C Ronaldson	Accountant	200	1.0	200	-	-	-	-	-	-	-	-	-	-	1.0	200	-

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area												
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration		
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	
A Siekierka	Accountant	200	8.5	1,700	-	-	-	-	-	-	-	-	-	-	-	8.5	1,700
V Willie	Accountant	200	6.0	1,200	-	-	-	-	-	-	-	-	-	-	-	6.0	1,200
P Doyle	Accountant	200	6.4	1,280	-	-	-	-	-	-	-	-	-	-	-	6.4	1,280
N Shah	Accountant	225	3.7	833	-	-	-	-	0.8	180	0.3	68	-	-	-	2.6	585
		200	2.9	580	-	-	-	-	-	-	-	-	-	-	-	2.9	580
M tran	Personal Assistant	170	3.5	595	-	-	-	-	-	-	-	-	3.5	595	-	-	-
G Caldera	Personal Assistant	170	2.4	408	-	-	-	-	-	-	-	-	-	-	-	2.4	408
J Titlestad	Personal Assistant	180	1.0	180	-	-	-	-	-	-	-	-	-	-	-	1.0	180
		170	14.1	2,397	-	-	-	-	-	-	-	-	-	-	-	14.1	2,397
A Jamieson	Accounts Assistant	180	0.4	72	-	-	-	-	-	-	-	-	-	-	-	0.4	72
		170	1.6	272	-	-	-	-	-	-	-	-	-	-	-	1.6	272
T Newland	Clerk	115	1.3	150	-	-	-	-	-	-	-	-	-	-	-	1.3	150
		170	8.7	1,479	-	-	-	-	-	-	-	-	-	-	-	8.7	1,479
M Seward	Clerk	170	11.0	1,870	-	-	-	-	-	-	-	-	-	-	-	11.0	1,870
		115	1.5	173	-	-	-	-	-	-	-	-	-	-	-	1.5	173
M Tuck	Junior Accountant	120	2.6	312	-	-	-	-	-	-	-	-	-	-	-	2.6	312
<b>Total Hours</b>			<b>1,875.0</b>	<b>570,545</b>	<b>582.2</b>	<b>178,702</b>	<b>161.2</b>	<b>44,459</b>	<b>287.4</b>	<b>80,563</b>	<b>51.6</b>	<b>16,551</b>	<b>324.0</b>	<b>112,723</b>	<b>468.6</b>	<b>137,549</b>	
GST				57,054		17,870		4,446		8,056		1,655		11,272		13,755	
<b>Total (Including GST)</b>				<b>627,600</b>		<b>196,572</b>		<b>48,904</b>		<b>88,619</b>		<b>18,206</b>		<b>123,995</b>		<b>151,303</b>	
Average hourly rate				304		307		276		280		321		348		294	

**Resolution 2**

**Company:** D&G Hoists & Cranes Pty Ltd (In Liquidation)  
**Administration Type:** Liquidation  
**Practitioners:** Martin Jones and Andrew Saker of Ferrier Hodgson  
**Date Range:** 1 November 2013 to end of liquidation

Task Area	General Description	Includes:
<b>Assets</b> 40.4 hours \$13,342	Assets subject to specific charges	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, auctioneers and agents regarding the sale of remaining equipment.</li> <li>▪ Reporting to financiers regarding the progress of realisation strategy.</li> <li>▪ Remittance and accounting of funds returned to financiers.</li> </ul>
	Debtors	<ul style="list-style-type: none"> <li>▪ Correspondence with debtors.</li> <li>▪ Reviewing and assessing debtors ledgers.</li> </ul>
	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up creditor enquiries via telephone and email.</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> </ul>
	Secured creditor reporting	<ul style="list-style-type: none"> <li>▪ Preparing reports to secured creditor.</li> <li>▪ Responding to secured creditors queries.</li> </ul>
	Creditor reports/circulars	<ul style="list-style-type: none"> <li>▪ Preparation of annual report to creditors.</li> <li>▪ Prepare further reports to creditors.</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's when not related to a dividend.</li> <li>▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend.</li> </ul>
	Processing proofs of debt	<ul style="list-style-type: none"> <li>• Preparation of correspondence to potential creditors inviting lodgement of proofs of debt.</li> <li>• Receipt of proofs of debt.</li> <li>• Maintain proof of debt register.</li> <li>• Adjudicating proofs of debt.</li> <li>• Request further information from claimants regarding proofs of debt.</li> <li>• Preparation of correspondence to claimant advising outcome of adjudication.</li> </ul>
<b>Creditors</b> 230.4 hours \$71,880	Dividend procedures	<ul style="list-style-type: none"> <li>• Preparation of correspondence to creditors advising of intention to declare dividend.</li> <li>• Advertisement of intention to declare dividend.</li> <li>• Obtain clearance from ATO to allow distribution of Company's assets.</li> <li>• Preparation of dividend calculations.</li> <li>• Preparation of correspondence to creditors announcing declaration of dividend.</li> <li>• Advertise announcement of dividend.</li> <li>• Preparation of distribution.</li> <li>• Preparation of dividend file.</li> <li>• Preparation of payment vouchers to pay dividend.</li> <li>• Preparation of correspondence to creditors enclosing payment of dividend.</li> </ul>
	Meeting of Creditors	<ul style="list-style-type: none"> <li>▪ Preparation of meeting notices, proxies and advertisements.</li> <li>▪ Forward notice of meeting to all known creditors.</li> <li>▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of</li> </ul>

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> <li>meeting and draft minutes of meeting.</li> <li>Preparation and lodgement of minutes of meetings with ASIC.</li> <li>Respond to stakeholder queries and questions immediately following meeting.</li> </ul>
	Employee enquiries	<ul style="list-style-type: none"> <li>Receive and follow up employee enquiries via telephone.</li> <li>Review and prepare correspondence to creditors and their representatives via facsimile, email and post.</li> <li>Preparation of letters to employees advising of their entitlements and options available.</li> <li>Receive and prepare correspondence in response to employees' objections to leave entitlements.</li> </ul>
<b>Employees</b> 59.3 hours \$18,866	GEERS	<ul style="list-style-type: none"> <li>Initial contact with GEERS including provision of quote for services.</li> <li>Liaising with GEERS regarding employee entitlements.</li> <li>Review of Employee Discrepancy Reports.</li> <li>Receipt and distribution of funding from GEERS.</li> </ul>
	Calculation of entitlements	<ul style="list-style-type: none"> <li>Reviewing employee files and the Company's books and records.</li> <li>Calculating employee entitlements.</li> <li>Reconciling superannuation accounts.</li> <li>Reviewing awards.</li> </ul>
	Other employee issues	<ul style="list-style-type: none"> <li>Correspondence with Child Support.</li> <li>Correspondence with Centrelink and Unions.</li> </ul>
	Conducting investigation	<ul style="list-style-type: none"> <li>Reconstruction of financial statements.</li> <li>Reviewing the Company's books and records and Report as to Affairs.</li> <li>Review and preparation of the Company's nature and history.</li> <li>Preparation of investigation file.</li> </ul>
<b>Investigations</b> 265.4 hours \$83,075	Recoveries	<ul style="list-style-type: none"> <li>Review of Company records to identify and quantify antecedent transactions</li> <li>Prepare correspondence to creditors to identify recoverability</li> <li>Internal meetings to discuss status of recoveries.</li> <li>Preparing brief to solicitors.</li> <li>Liaising with solicitors regarding recovery actions.</li> <li>Attending to negotiations.</li> <li>Attending to settlement matters.</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>Preparing statutory investigation reports.</li> <li>Liaising with ASIC.</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>General correspondence.</li> </ul>
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>Six (6) month administration review.</li> <li>Filing documents.</li> <li>File reviews.</li> <li>Updating checklists.</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Identification of potential issues requiring attention of insurance specialists.</li> <li>Correspondence with Blue Broking regarding ongoing insurance requirements.</li> <li>Reviewing insurance policies.</li> </ul>
<b>Administration</b> 194.8 hours \$62,837	Bank account administration	<ul style="list-style-type: none"> <li>Preparing correspondence opening and closing accounts.</li> <li>Requesting bank statements.</li> </ul>

Task Area	General Description	Includes:
		<ul style="list-style-type: none"> <li>▪ Bank account reconciliations.</li> <li>▪ Correspondence with bank regarding specific transfers.</li> </ul>
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> <li>▪ Preparing and lodging ASIC forms including 505, 524, 5011 etc.</li> <li>▪ Correspondence with ASIC regarding statutory forms.</li> </ul>
	ATO & other statutory reporting	<ul style="list-style-type: none"> <li>▪ Notification of appointment.</li> <li>▪ Preparing BAS statements.</li> <li>▪ Completing group certificates.</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>▪ Discussions regarding status/strategy of administration.</li> </ul>
	Books and records/storage	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage.</li> <li>▪ Sending job files to storage.</li> </ul>

Part 5.3: Resolution 2

Employee	Position	Rate	Total		Task Area									
		(ex GST)			Assets		Creditors		Employees		Investigation		Administration	
		(\$/Hour)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
M Jones	Partner	595	41.6	24,767	-	-	8.3	4,953	-	-	-	-	33.3	19,814
K Chu	Manager	385	200.0	77,000	22.0	8,470	48.0	18,480	14.0	5,390	88.0	33,880	28.0	10,780
L MCCann	Assistant Manager	345	168.4	58,089	-	-	62.3	21,493	18.5	6,390	60.6	20,912	26.9	9,294
W Hulmes	Analyst	265	167.1	44,288	18.4	4,872	45.1	11,958	26.7	7,086	50.1	13,286	26.7	7,086
J Soo	Accountant	225	166.6	37,491	-	-	66.7	14,996	-	-	66.7	14,996	33.3	7,498
J Titlestad	Personal Assistant	180	46.5	8,365	-	-	-	-	-	-	-	-	46.5	8,365
<b>Total Hours</b>			<b>790.2</b>	<b>250,000</b>	<b>40.4</b>	<b>13,342</b>	<b>230.4</b>	<b>71,880</b>	<b>59.3</b>	<b>18,866</b>	<b>265.4</b>	<b>83,075</b>	<b>194.8</b>	<b>62,837</b>
GST				25,000		1,334		7,188		1,887		8,307		6,284
<b>Total (Including GST)</b>				<b>275,000</b>		<b>14,676</b>		<b>79,069</b>		<b>20,753</b>		<b>91,382</b>		<b>69,121</b>
Average hourly rate				316		330		312		318		313		323

**Part 6: Statement of Remuneration Claim**

***Resolutions to be put to Creditors at the meeting convened for 17 December 2013.***

At the meeting of Creditors convened for 17 December 2013, 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 2 December 2013, for the period from 14 September 2013 to 31 October 2013 be fixed in the amount of \$302,100.00, plus any applicable GST, and may be paid."

**Resolution 2:**

"That the further remuneration of the Liquidators, as set out in the Remuneration Request Approval Report dated 2 December 2013, for the period from 1 November 2013 to completion of the Liquidation, be fixed up to a maximum amount of \$250,000.00, 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."

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 7: Remuneration Recoverable from External Sources**

Remuneration payments received in relation to the Fair Entitlements Guarantee Act 2012 or its predecessor schemes (i.e. GEERS) are considered a separate arrangement involving a limited or partial funding agreement.

We have invoiced the Department of Employment and Workplace Relations a total of \$18,445.00 (excluding GST) in respect of work done administering employee entitlements under GEERS, in particular the work involved in calculating employee entitlements and disbursing the funds advanced by GEERS to the former employees of the Company. The amount invoiced to DEEWR is calculated on the number of employees reviewed at an agreed fixed rate and prior creditor approval is not required.

**Part 8: Disbursements**

Disbursements are divided into three types: **A, B1, B2.**

- A** disbursements are all externally provided professional services. These are recovered at cost. An example of an “A” disbursement is legal fees.
- B1** disbursements are externally provided non-professional costs such as travel, accommodation and search fees. “B1” disbursements are recovered at cost.
- B2** disbursements are internally provided non-professional costs such as photocopying, printing and postage. “B2” disbursements, if charged to the Administration, 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.

Disbursements	Charges (Excluding 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

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

Disbursements incurred to date are shown in the summary of receipts and payments. 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.

The following disbursements have been paid by the Administration to Ferrier Hodgson for the period from 10 August 2012 to 24 November 2013. Where amounts have been paid to Ferrier Hodgson for externally provided services and costs, that is in reimbursement of a cost previously paid by Ferrier Hodgson either due to a lack of funds in the Administration at the time the payment was due or the direct invoicing to Ferrier Hodgson by the supplier.

All of the below transactions appear in the receipts and payments listing attached to this report as Appointee disbursements. Where payments to third parties are paid directly from the Administration bank account, they are only included in the attached listing of receipts and payments.

**Disbursements paid from 10 August 2012 to 24 November 2013**

Disbursement	Classification	Total (\$) (Excluding GST)
<b>Disbursements paid from the Voluntary Administration period:</b>		
<i>10 August 2012 to 13 September 2012</i>		
ASIC Fees	B1	400.00
Computer Hard Drive	B1	166.36
Courier	B1	122.21
Air Fares-Domestic	B1	1,088.83
Hire of Meeting room	B1	2,201.64
Photocopying	B2	29.20
Printing	B2	2,459.40
Search Fees	B1	22.21
Stationery	B2	223.60
Telephone & Fax	B2	195.25
<b>Total</b>		<b>\$6,908.70</b>
<b>Disbursements paid from the Liquidation period:</b>		
<i>14 September 2012 to 24 November 2013</i>		
Accommodation / Hotel	B1	852.73
ASIC Fees (GST Free)	B1	400.00
Courier	B1	269.97
Facsimile Charges	B2	3.50
Hire Of Meeting Room	B1	1,038.34
Locksmith Expenses	B1	25.00
Meals	B1	251.97
Meals (GST Free)	B1	56.10
Mileage Reimbursement (GST Free)	B1	491.12
Miscellaneous Travel Costs	B1	478.50
Miscellaneous Travel Costs (GST Free)	B2	758.86
Photocopy Charges	B2	151.30
Postage Charges	B2	228.83
Printing	B2	2,618.30
Search Fees	B1	1,573.90
Security Expenses	B1	678.64
Stationery	B2	44.10
Storage and Storage Transit	B1	1,593.95
Taxi Fares	B1	1,596.48
Taxi Fares (GST Free)	B1	72.45
Telephone Calls	B2	2,124.64
<b>Total</b>		<b>\$15,308.68</b>
<b>Total Disbursements Paid</b>		<b>\$22,217.38</b>

**Part 9: Report on Progress of the Administration**

A report on the progress of the administration has been included in the Liquidators' Annual Report to Creditors pursuant to section 508 of the Act.

**Part 10: Summary of Receipts and Payments**

A summary of receipts and payments from the commencement of the Liquidation (i.e. 14 September 2012) to 24 November 2013 is included in the accompanying Liquidators' Annual Report to Creditors pursuant to section 508 of the Act.

**Part 11: Queries**

If you require further information in respect of the above, or have other queries, please contact William Hulmes or Lauren McCann of this office on 08 9214 1444.

**Part 12: Information Sheet**

The partners of Ferrier Hodgson are, generally, members of the Insolvency Practitioners Association of Australia (IPA). Ferrier Hodgson follows the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at [www.ipaa.com.au](http://www.ipaa.com.au).

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

Dated this 2<sup>nd</sup> day of December 2013.



**Martin Jones**  
Joint and Several Liquidator