

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

**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 – Plant and Equipment

In our previous report, we advised that there were certain items of plant and equipment which remained under contract but not sold 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 also been sold and we outline below a summary of the total assets sold and the cost incurred:

Summary of asset realisation	Amount (\$) (excl GST)
Sale of plant and equipment (not subject to equipment financier's security)	744,298
Less: Auctioneer's commission and costs incurred	(72,585)
Less: Other cost incurred in dealing with non-circulating assets	(154,225)
Net proceeds from sale / Amounts remitted to NAB	\$517,487

The items of plant and equipment was subject to the NAB's non-circulating charge and accordingly, following the conclusion of the asset realisation process, net proceeds totalling \$517,487 was forwarded to NAB as partial repayment of the secured debts owed by the Company to NAB.

The other items of plant and equipment controlled by DGWA were subject to asset finance arrangements with various 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

Pre - 10 August 2012 Debtors

As outlined in our previous report, DGWA previously entered into a debtor finance facility agreement with NAB and as a result of this all the outstanding debts owed to the Company (approximately \$1.875M) prior to the 10 August 2012 were subject to NAB's security and are to be paid to NAB. NAB also appointed agents from PWC who have attended to the collection of the pre – 10 August 2012 debtors since 13 August 2012.

At the time of writing, PWC have collected approximately \$1.575M (out of \$1.875M) from outstanding debtors and are continuing their collection efforts. As previously advised, 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

Since our last report, we have collected a further \$63,190 (GST exclusive) 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. Similarly, our collection efforts have been hampered by various claims of set-off by the debtors as a result of the Company's failure to complete the hire contracts.

We have continued our efforts to liaise with the representative of the remaining debtors with a view to progress and close-off those claims, however we do not anticipate that there will be any further recovery from post – 10 August 2012 debtors.

Recovery of Unfair Preference Payment from the ATO

Our investigations into the affairs of DGWA have identified a number of possible transactions that may be voidable as unfair preferences under section 588FA of the Corporations Act 2001.

In particular, we have identified that the ATO received payments totalling \$3,270,945 which may be recovered as an unfair preference and a demand for repayment was lodged with the ATO in August 2013. Since then, we have been negotiating the merits of our claim with the appropriate legal division of the ATO.

In mid-April 2014, we accepted a settlement offer from the ATO and received a sum of \$3,270,345 from the ATO in full and final settlement of our claim for unfair preference.

-----*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 not subject to charges			
Cash at Bank as at 30 September 2014		15,513	15,513
Cash held in Term Deposit	i	3,312,206	3,312,206
Total Assets not subject to charges		3,327,719	3,327,719
Total Available to meet Cost of Liquidation		3,327,719	3,327,719
Less: Cost of Liquidation			
Liquidators fees to 30 September 2014		(602,604)	(602,604)
Estimated future liquidators fees and disbursements		(200,000)	(200,000)
Estimated future legal fees and costs		(20,000)	(30,000)
Contingencies for other expenses		(10,000)	(20,000)
Total Cost of Administration		(832,604)	(852,604)
Surplus / (Deficit) after Cost of Liquidation		2,495,115	2,475,115
Less: Payment of subordinated cost of VA			
JP Nelson advance for wages (W1&W2)	ii	(740,000)	(740,000)
Interest and fees	ii	(184,226)	(184,226)
Amounts available to Priority Creditors		1,570,888	1,550,888
Less: Priority Creditors			
Total Priority Creditors (Employee Entitlements)	iii	(1,537,688)	(1,537,688)
Estimated amount available to unsecured creditors prior to further recoveries		33,201	13,201
Total Voidable Transaction and Other Recoveries	iv	2,118,162	Unascertained
Less: Estimated cost of recoveries		(350,000)	Unascertained
Total Assets Available to Unsecured Creditors		1,801,363	NIL
Estimated amount owing to NAB (secured creditor)	v	(176,671)	(222,645)
Estimated amount owing to DLL / Manitowoc (secured creditor)	v	(7,512,183)	(7,512,183)
ME Bank (secured creditor)	v	(215,932)	(215,932)
Unsecured Trade Creditors		(11,155,140)	(12,500,000)
Australian Taxation Office		(3,871,578)	(3,871,578)
Payroll Tax		(69,863)	(69,863)
Contingent Claims - Shortfall to HP financiers		(5,004,261)	(7,148,944)
Total Unsecured Creditors' Claims	vi	(28,005,628)	(31,541,144)
Estimated Surplus / (Deficiency)		(26,204,265)	(31,541,144)
Estimated Dividend Rate (cents in \$)		6.43	Nil

i. Cash in term deposits

As noted previously, we have recovered an amount of \$3,270,945 from the ATO in full and final settlement of our claim for unfair preference. We confirm that this amount has been deposited into an interest bearing fixed term deposit account.

ii. Advance from JP Nelson

In August 2012, during our time as Administrators of the Company, we 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 its related entity, DGV.

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 the Company 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.

The Company is to repay the loan amount to JP Nelson 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 45 out of 56 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 table below our estimates of the outstanding employee entitlements:

Employees entitlements	Amount (\$)
Wages (including allowances and backpay)	132,747
Superannuation	74,489
Payment in Lieu of Notice	298,822
Redundancy	118,567
Annual Leave and Loading	436,043
Long Service Leave	147,427
Rostered Days Off	167,859
Personal Leave	161,733
Total	\$1,537,688

From our analysis, we anticipate that there are sufficient funds available to meet priority creditor claims in full and intend to make a distribution in or around January 2015. For completeness, we note that the amount owed to employees is subject to the receipt and adjudication of formal proofs of debt from employees and this may change the rate of returns.

Please refer to section 3 of this report for further details on the proposed distribution.

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 \$2,118,162.

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

NAB

As noted previously, on 13 August 2012, the NAB appointed PwC as agents to collect factored debts. 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.

DGWA had also previously provided a guarantee to the NAB in relation to the obligation of CI (a related entity) for the purchase of a Demag 350 Tonne AC350 mobile crane (Demag 350) which was purchased by the Company in or around November 2008 for \$4.0M. We have been advised that the shortfall from the sale of the Demag 350 is approximately \$735,000 (before accrued interest).

After taking into consideration of the above shortfall and the partial repayment as mentioned in Section 1 above it is estimated that the current amount owing to NAB is between \$176,671 and \$222,645.

DLL / Manitowoc and ME Bank

At the time of writing, the debt position of DLL/Manitowoc and ME Bank remained unchanged from 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 proceeds from the sale of the Company's assets 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 \$28.0M to \$31.5M.

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

3 Return to Priority Creditors

From our analysis in Section 2 above, we anticipate that there will be sufficient funds to pay priority creditors in full for the outstanding employee entitlements as mentioned in Section 2 (iii).

In this regard, we confirm that we will be calling for formal proof of debt from priority creditors in November 2014 and with payment to occur in or around January 2015.

For completeness, we note that the amount owed to employees is subject to the receipt and adjudication of formal proofs of debt from employees and this may affect the ultimate rate of return to priority creditors.

4 Return to Ordinary Unsecured Creditors

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

Any return to ordinary unsecured creditors will be subject to the further 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 ordinary unsecured creditors we have not called for formal proofs of debt from ordinary unsecured creditors.

5 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, DGV 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.

6 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.

7 Liquidators' Remuneration

Set out below is a summary of the Liquidators' remuneration (GST exclusive) for the period of 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	570,545	250,000	250,000	18,445	302,100
Liquidators remuneration incurred for the period 1 November 2013 to 30 September 2014	300,504	-	-	N/A	300,504
Total	\$871,049	\$250,000	\$250,000	\$18,445	\$602,604

*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 Liquidator' Remuneration Request Approval Report as outlined 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 **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.

9 Outstanding matters to finalise the Liquidation

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

- Attending to the collection of post-10 August 2012 debtors;
- Completion of our investigations and lodgement of the supplementary Section 533 report to the ASIC;
- The pursuit (and resolution) of further potential unfair preference and insolvent trading claims; and
- 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 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 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
DGV	D&G Hoists & Cranes (Aus) Pty Ltd (In Liquidation) ACN 136 357 054 formerly trading as D&G Verticon Hoists & Cranes
Company or 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
ME Bank	Members Equity Bank
NAB	National Australia Bank Limited
PwC	Pricewaterhouse Coopers

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		2,766,239
Administrators/Liquidators Fees recovered from Financiers	11,944	
Bank interest	41,261	
Conduct money - subpoena to produce	73	
Debtors recovered (post - VA only)	63,190	
Insurance refund	797	
Motor vehicle expenses refund	178	
Rental contribution	43,180	
Recovery of preference payment from ATO	3,270,946	
Sale of plant & equipment	64,218	
GST on receipt	18,331	3,514,118
Payments		
Balance c/f from 24 November 2013		(2,490,156)
Auctioneer's charges	(435)	
Auctioneer's commission	(3,211)	
Auctioneer's expenses (Labour)	(500)	
Auctioneer's expenses (OH&S)	(150)	
GST control	(30,675)	
Insurance	(716)	
Legal fees	(6,437)	
Payment to secured creditor - National Australia Bank	(517,487)	
Printing & Stationery	(1,573)	
GST on payments	(1,298)	(562,482)
Account balance as at 30 September 2014		\$3,227,719

* GST inclusive where applicable

Remuneration Request Approval Report

CORPORATIONS ACT 2001
Section 499(7)

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

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 DGWA

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	\$302,100
<i>Resolution 2</i>	
1 November 2013 to 30 September 2014	\$300,504
<i>Resolution 3</i>	
1 October 2014 to end of Liquidation*	\$200,000
Total	\$802,604

* 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	Zolfo Cooper
MELBOURNE	CARIBBEAN
ADELAIDE	UNITED KINGDOM
BRISBANE	UNITED STATES
PERTH	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 (\$)
Liquidators remuneration incurred for the period 14 September 2012 to 31 October 2013	570,545	250,000	250,000	18,445	302,100
Liquidators remuneration incurred for the period 1 November 2013 to 30 September 2014	300,504	-	-	N/A	300,504
Total	\$871,049	\$250,000	\$250,000	\$18,445	\$602,604
Further Remuneration					
Future Liquidators remuneration for the period 1 October 2014 to the end of the liquidation	200,000	-	-	N/A	200,000
Total	\$1,071,049	\$250,000	\$250,000	\$18,445	\$802,604

*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;
- Attending to debtor collections and responding to claims from debtors who raised various claims for set-off for non-completion of contractual terms;
- 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 recover preference claims; and
- Further investigations conducted as requested by ASIC following the lodgement of preliminary 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 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:	
Assets 582.5 hours \$178,702	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 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 Price Waterhouse Coopers, Lavan Legal and NAB in respect of the pre-appointment debt book. 	
	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. 	
	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. 	
	Creditors 161.20 hours \$44,459		

Task Area	General Description	Includes:
	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.
	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 287.4 hours \$80,563	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 51.6 hours \$16,551	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.
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system.

Task Area	General Description	Includes:
Investigation 324.0 hours \$112,723	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	<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.
Administration 468.6 hours \$137,549	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.

Summary of Liquidators Remuneration by employee and task area for the period 14 September 2012 to 31 October 2013

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
	Assistant Manager	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
L McCann	Assistant Manager	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
	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
W Hulmes	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
		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
A Madetko	Analyst	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	-	-	-	-

Employee	Position	Rate (ex GST) (\$/Hour)	Total		Task Area											
			(Hrs)	(\$)	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)
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
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
		180	1.0	180	-	-	-	-	-	-	-	-	-	-	1.0	180
J Titlestad	Personal Assistant	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
Total Hours			1,875.0	\$570,545	582.2	178,702	161.2	44,459	287.4	80,563	51.6	16,551	324.0	112,723	468.6	137,549
Less: Fees approved and drawn				(250,000)												
Less: Remuneration recovered from external sources*				(18,445)												
Further fees to be approved				302,100												
GST				30,210												
Total				\$332,310												

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

Resolution 2

Company: D&G Hoists & Cranes 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 169.8 hours \$52,870	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. ▪ Reconciling debtors accounts. ▪ Correspondence with PWC / Lavan Legal re status of collection of pre-appointment debtors' monies. ▪ Finalising debtors accounts. 	
	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 361.4 hours \$112,435		

Task Area	General Description	Includes:
Employees 65.3 hours \$19,371	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 21.6 hours \$7,451	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 217.0 hours \$76,910	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 110.2 hours \$31,468	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 Hrs	\$	Creditors Hrs	\$	Employees Hrs	\$	Trade On Hrs	\$	Investigation Hrs	\$	Administration Hrs	\$	
M Jones	Partner	595	13.1	7,795	-	-	9.6	5,712	-	-	-	-	-	-	-	3.5	2,083
A Saker	Partner	595	0.1	60	-	-	-	-	-	-	-	-	-	-	-	0.1	60
S Powell	Director	510	16.9	8,619	0.3	153	-	-	-	-	-	-	16.6	8,466	-	-	
		495	7.0	3,465	-	-	-	-	-	0.1	50	3.9	1,931	3.0	1,485		
K Chu	Manager	400	40.0	16,000	10.5	4,200	14.0	5,600	-	-	-	-	1.3	520	14.2	5,680	
		385	272.5	104,913	74.0	28,490	116.4	44,814	6.4	2,464	5.6	2,156	59.7	22,985	10.4	4,004	
L Smith	Manager	400	0.8	320	-	-	-	-	-	-	-	-	0.8	320	-	-	
L McCann	Assistant Manager	360	7.0	2,520	-	-	0.8	288	0.4	144	-	-	5.8	2,088	-	-	
		345	157.6	54,372	2.0	690	24.1	8,315	25.9	8,936	13.9	4,796	89.2	30,774	2.5	863	
A Weaver	Analyst	265	5.0	1,325	-	-	-	-	-	-	-	-	5.0	1,325	-	-	
W Hulmes	Analyst	265	80.3	21,280	1.7	451	48.2	12,773	12.3	3,260	-	-	17.3	4,585	0.8	212	
J Soo	Analyst	270	70.7	19,089	13.2	3,564	34.8	9,396	-	-	-	-	-	-	22.7	6,129	
	Accountant	225	202.3	45,518	67.8	15,255	102.9	23,153	0.7	158	-	-	2.5	563	28.4	6,390	
N Shah	Accountant	225	24.7	5,558	0.3	68	2.6	585	0.4	90	2.0	450	14.4	3,240	5.0	1,125	
M Gould	Accountant	225	26.1	5,873	-	-	6.6	1,485	19.2	4,320	-	-	-	-	0.3	68	
W George	Accountant	230	6.7	1,541	-	-	-	-	-	-	-	-	0.5	115	6.2	1,426	
		225	1.4	315	-	-	1.4	315	-	-	-	-	-	-	-	-	
G Caldera	Team Assistant	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54	
J Titlestad	Team Assistant	180	4.7	846	-	-	-	-	-	-	-	-	-	-	4.7	846	
A Jamieson	Accounts Supervisor	180	1.2	216	-	-	-	-	-	-	-	-	-	-	1.2	216	
T Newland	Administration Assistant	140	0.2	28	-	-	-	-	-	-	-	-	-	-	0.2	28	
		115	1.2	138	-	-	-	-	-	-	-	-	-	-	1.2	138	
M Seward	Administration Assistant	140	0.5	70	-	-	-	-	-	-	-	-	-	-	0.5	70	
		115	1.6	184	-	-	-	-	-	-	-	-	-	-	1.6	184	
S Smith	Administration Assistant	140	0.1	14	-	-	-	-	-	-	-	-	-	-	0.1	14	
S Herriman	Administration Assistant	140	0.1	14	-	-	-	-	-	-	-	-	-	-	0.1	14	

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	0.5	70	-	-	-	-	-	-	-	-	-	-	0.5	70
		115	2.7	311	-	-	-	-	-	-	-	-	-	-	2.7	311
Total Hours			945.3	300,504	169.8	52,870	361.4	112,435	65.3	19,371	21.6	7,451	217	76,910	110.2	31,468
GST (\$)				30,050	5,287	11,244	1,937	745	7,691	3,147						
TOTAL (Including GST)				330,554	58,157	123,679	21,308	8,196	84,601	34,614						
Average hourly rate (ex GST)				318	311	311	297	345	354	286						

Resolution 3

Company: D&G Hoists & Cranes 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 36.0 hours \$11,595	Debtors	<ul style="list-style-type: none"> Correspondence with debtors with regards to amount outstanding Reviewing and assessing debtor's ledger. Reconciling debtors accounts. Correspondence with PWC / Lavan Legal o status of collection of pre-appointment debtors' monies. Finalising debtors accounts.
	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 133.0 hours \$48,215	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 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. Receive and prepare correspondence in response to payment of outstanding pre-appointment entitlements
Employees 36.0 hours \$11,595	GEERS	<ul style="list-style-type: none"> Liaising with GEERS regarding employee entitlements. Repayment of GEERS advance
	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipt and payments into accounting system.
Trade On 13.0 hours \$3,895		
Investigation 151.0 hours \$59,145	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

Task Area	General Description	Includes:
		Report with ASIC.
	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 86.0 hours \$24,945	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 125.5 hours \$40,610	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"> ▪ Production of document subject to Subpoena to Produce ▪ 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	30.0	17,850	1.0	595	15.0	8,925	1.0	595	1.0	595	1.0	595	1.0	595	10.0	5,950
S Powell	Director	510	50.0	25,500	-	-	-	-	-	-	-	-	40.0	20,400	-	-	10.0	5,100
K Chu	Manager	400	137.0	54,800	10.0	4,000	50.0	20,000	10.0	4,000	2.0	800	30.0	12,000	15.0	6,000	20.0	8,000
L McCann	Assistant Manager	360	100.0	36,000	5.0	1,800	15.0	5,400	5.0	1,800	-	-	55.0	19,800	5.0	1,800	15.0	5,400
J Soo	Analyst	270	168.0	45,340	15.0	4,050	43.0	11,590	15.0	4,050	5.0	1,350	15.0	4,050	40.0	10,800	35.0	9,450
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	10.0	1,800	-	-	-	-	-	-	-	-	-	-	-	-	10.0	1,800
T Newland	Administration Assistant	140	10.5	1,460	-	-	-	-	-	-	-	-	-	-	-	-	10.5	1,460
Total Hours			580.5	200,000	36.0	11,595	133.0	48,215	36.0	11,595	13.0	3,895	151.0	59,145	86.0	24,945	125.5	40,610
GST				20,000		1,160		4,822		1,160		390		5,915		2,495		4,061
Total (Including GST)				220,000		12,755		53,037		12,755		4,285		65,060		27,440		44,671
Average hourly rate				345		322		363		322		300		392		290		324

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 \$302,100, 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 \$300,504, 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 \$18,445 (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	\$36.80
Postage Charges	\$25.00
Printing	\$731.30
Stationery	\$28.35
Storage and Storage Transit	\$399.87
Telephone Calls	\$43.93
Total	\$1,337.75

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