



## **CKP Constructions Pty Ltd** **(Administrators Appointed)** **A.C.N. 105 552 510**

Date of Meeting:  
**10 May 2017 at 10.30 am**

[Brisbane](#)

File Number: 8526

ABN 40 151 214 174

Administrators: Lee Crosthwaite & Chris Cook  
8th Floor 102 Adelaide St Brisbane Qld 4000  
GPO Box 2228 Brisbane Qld 4001






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<h3>ASIC AND ARITA GUIDES</h3> <p>ASIC and ARITA have Guides to assist directors, shareholders, creditors, and employees of companies in external administration. The details of these guides are set out on the following page.</p> <p>We suggest creditors refer to these guides (and our factsheets) when considering any resolutions for the approval of any remuneration. Go to our website to the 'ARITA &amp; ASIC Guides' page.</p> <p>(ASIC – Australian Securities &amp; Investments Commission) (ARITA – Australian Restructuring Insolvency &amp; Turnaround Association)</p> <h3>GLOSSARY OF TERMS</h3> <p>A glossary of terms can be found in the 'Glossary' page on our website.</p>		

## Insolvency information for directors, employees, creditors and shareholders



ASIC

Australian Securities & Investments Commission

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Australian Restructuring Insolvency & Turnaround Association (ARITA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### **List of information sheets**

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

### **Getting copies of the information sheets**

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the ARITA website at [www.arita.com.au](http://www.arita.com.au). The ARITA website also contains the ARITA's Code of Professional Practice for Insolvency Professionals, which applies to ARITA members.

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

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## 1. Introduction

This report to creditors concerns the voluntary administration of CKP Constructions Pty Ltd.

### **Purpose**

The purpose of the Report is to outline:

- The company's current financial position.
- The administrators' investigations into the affairs of the company, including any insolvent transactions.
- The anticipated dividend to creditors.
- The administrators' recommendation for the most appropriate future for the company.
- Calling a meeting of creditors to decide the future of the company
- Creditors' voting options.
- The administrators' remuneration.

### **Administrators**

Information in this report is based on investigations and analysis by the administrators, Lee Crosthwaite and Chris Cook, of Worrells Solvency and Forensic Accountants.

The appointment commenced on 23 March 2017. Our role since then has been to secure and realise any assets of the company, to secure the books and records of the company and to investigate the affairs of the company. Our findings are presented in this report.

The administrators confirm that they have had no previous dealings with the company or its directors. Neither the company nor its directors have been clients of the firm and we have not offered any professional advice to the company or its directors.

### **Declaration of Independence, Relevant Relationships and Indemnities**

Our initial advice to creditors dated 27 March included a Declaration of Independence, Relevant Relationships and Indemnities (DIRRI), signed by both administrators of the company. There have been no changes to the position of this DIRRI.

### **The Voluntary Administration Process**

A first meeting of creditors was held on 4 April 2017. The next step in the voluntary administration process is to convene a second meeting of the company's creditors to decide the future of the company. That meeting will be held on 10 May 2017. A Notice of Meeting and other relevant documents are included with this report.

## 2. Overview and Statutory Information

### Background

CKP Constructions Pty Ltd was incorporated on 16 July 2003 and operated within the construction industry. It traded from premises at Newstead, Queensland, and had four ongoing projects at the time the voluntary administrators were appointed. The company ceased trading on 20 March 2017.

The director has advised that the reason for the insolvency of the company is non-collection of debtors and marital/family disputes.

In particular a leading factor in the failure of the company relates to the collapse of a substantial debtor, Gabba Holdings Pty Ltd (In Liquidation) in January 2017. The company suffered a direct loss from this project exceeding \$1.2 million, being a judgement debt of \$701,000 plus legal costs incurred and a cashed \$214,00 bank guarantee, which depleted all available cash flow of the company to continue trading.

### Project Analysis

The company was performing work on the following projects at the time the voluntary administrators were appointed:

Principal	Site	Percentage Completion (%)
Aqui Projects Pty Ltd	30 Trackson Street, Alderley QLD	4%
P3 Projects Pty Ltd	"Ison 3.9" Ison & Lawson St, Morningside QLD	63%
Glenday Group of Companies	63 Ison St, Morningside QLD	11%
Definitive Developments Pty Ltd	"Nido Apartments" 59 Lapraik Street, Ascot QLD	28%

At the date of this report I have received contract terminations from all principals. A review of the current projects reflect the following margins for these works from the original tender to the date of the last rollover performed on the company accounting system (21 February 2017). The information indicates a target margin for these works between 3 – 4.5% exclusive of GST considerations. The director advised that this percentage was utilised due to the competition within the construction industry over the past two years. With slim margins the company was reliant upon timely receipts from debtors and cost savings being greater than budgeted in order to remain cashflow positive.

#### 30 Trackson Street, Alderley:

	Original Tender	21 February 2017
Forecast Final Revenue	1,145,151	1,150,570
Forecast Final Cost	1,094,151	1,023,571
Forecast Final Margin	51,000	126,998
Forecast Final Margin (%)	4.4%	11.0%
Committed cost	-	246,982
Forecast cost to complete	-	776,589
Progress Claims Claimed & Received	-	174,670

The project commenced on 19 December 2016 and was due for completion on 20 July 2017.

#### "Ison 3.9", Ison & Lawson St, Morningside:

	Original Tender	21 February 2017
Forecast Final Revenue	6,700,000	7,744,202
Forecast Final Cost	6,442,307	7,583,551
Forecast Final Margin	257,692	160,650
Forecast Final Margin (%)	3.8%	2.0%
Committed cost	-	7,341,449
Forecast cost to complete	-	242,102
Progress Claims Claimed & Received	-	4,575,484

The project commenced on 6 January 2016 and was originally due for completion on 15 December 2016.

63 Ison St, Morningside QLD:

	<b>Original Tender</b>	<b>21 February 2017</b>
Forecast Final Revenue	1,519,911	1,519,911
Forecast Final Cost	1,463,092	1,646,768
Forecast Final Margin	56,819	(126,857)
Forecast Final Margin (%)	3.7%	-8.3%
Committed cost	-	453,381
Forecast cost to complete	-	1,193,387
Progress Claims Claimed & Received	-	130,769

The project commenced on 8 September 2016 and was due for completion on 13 July 2017.

"Nido Apartments", 59 Lapraik Street, Ascot QLD:

	<b>Original Tender</b>	<b>21 February 2017</b>
Forecast Final Revenue	4,375,000	5,076,636
Forecast Final Cost	4,213,267	4,297,290
Forecast Final Margin	161,732	779,345
Forecast Final Margin (%)	3.7%	15.3%
Committed cost	-	2,781,914
Forecast cost to complete	-	1,515,376
Progress Claims Claimed & Received	-	1,299,187

The project commenced on 1 February 2016 and was due for completion on 3 June 2017.

**Legal Proceedings against Gabba Holdings Pty Ltd & Ivy Property Advisory Pty Ltd**

The company undertook works for Gabba Holdings Pty Ltd ("Gabba") to construct 41 apartments and a commercial space, known as Veritas Apartments, at 21 Nile Street, Woolloongabba, Queensland. The construction works were completed several months ago.

There have previously been disputes between the company and Gabba. There was a district court trial in relation to an issue of monies owed by Gabba to CKP in which CKP was successful, receiving judgment on 22 December 2016 for \$701,321.17.

The following transpired after CKP obtained that judgement:

- On 23 December 2016, CKP issued a Statutory Demand to Gabba for \$701,321.17;
- On 17 January 2017, Gabba filed Application number 531/17 in the Supreme Court of Queensland seeking to set aside the Creditor's Statutory Demand;
- On 18 January 2017, Gabba resolved that it was insolvent and to appoint Mr Nick Combis of Vincents Chartered Accountants as voluntary administrator;
- On that same day, 18 January 2017, Gabba called upon a Bank Guarantee issued by Westpac Banking Corporation at the request of CKP and received a sum of \$214,813.33 which it deposited to its bank account and subsequently the administrator came into control of those monies.
- The company subsequently applied to the courts seeking a restraint on the use of the Bank Guarantee monies.

The Bank Guarantee monies have been the subject of restraining orders made in the District Court on 28 February 2017, which expired on 21 April, 2017. The orders required Gabba and its administrator not to deal with the called upon bank guarantee funds.

Since my appointment, I have reviewed this matter, liaised with the respective parties solicitors and attended a meeting of creditors of Gabba at which creditors resolved to wind up that company. It does not appear there is proper basis for the call upon the Bank Guarantee. According to my investigations at

the time the Bank Guarantee was presented there were no monies owing to Gabba at all or for defect rectification.

On this basis I am proceeding with an application for leave to continue the Supreme Court proceedings against Gabba in respect of the Bank Guarantees monies. The matter is continuing in the court.

A secondary legal matter being pursued by the company was in respect to Ivy Property Advisory Pty Ltd ("Ivy"), a related company of Gabba. The relevant details in respect to this action are as follows:

- There was a common director in both Gabba and Ivy.
- Ivy has asserted a loan agreement was prepared and signed by both Gabba and Ivy on 24 June 2015.
- Ivy proceeded to advance funds to Gabba in the amount of \$1,764,500 from 29 June 2015 to 7 March 2016.
- On or about 20 October 2016, Gabba granted to Ivy a third registered mortgage over the subject property, Veritas Apartments.
- At the time the mortgage was granted Gabba was in dispute with CKP and construction of the project was substantially complete.

CKP had been seeking a declaration that the mortgage granted by Gabba to Ivy be set aside, thus making proceeds from the sale of property available to the general unsecured creditors of Gabba.

Since my appointment I have received demands from Ivy's solicitors to put up security or undertakings as to costs to continue this aspect of the legal actions. Due to the costs involved to continue the action, the unknown return to CKP as an unsecured creditor of Gabba Holdings, and the inability to obtain an indemnity for costs to continue the proceedings, I have had to drop the claims against Ivy. However, now that Gabba is in liquidation the validity of this mortgage is something its liquidator is obliged to investigate.

### **General Investigations**

Part of the administrator's role is to conduct preliminary investigations into various matters. This report is partly to advise creditors on whether I believe that there would be amounts recovered for Insolvent Trading and Preferential Payment should the company be wound up and to compare these results against what would be achieved if a deed of company arrangement was accepted (if applicable).

These matters have been examined as far as time will allow in the Administration period and the results of all of these examinations are set out in summary in the next section of this report and in detail in the Investigations and Insolvent Transactions section of the report. These investigations have been also limited due to the fact that no deed of company arrangement has been proposed therefore no comparison to that alternate course of action can be made.

I am also required to examine whether there were any offences committed by the directors of the company and report our findings to the Australian Securities and Investments Commission (ASIC). The results of these examinations are also set out in this Report. To date no report has been issued to the ASIC.

	<b>Yes</b>	<b>No</b>
Have we established an initial date of insolvency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have we found any potential Void Transactions?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have we found a potential Insolvent Trading claim?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### **Future of Company**

The Voluntary Administration provisions of the Corporations Act provide the following alternatives for the future of the company and for creditors to consider at the second meeting:

- (a) To accept a proposed deed of company arrangement;
- (b) To wind up the company; or
- (c) To hand the company back to the director.



To date no party has submitted a proposal for a Deed of Company Arrangement. Accordingly the alternatives presently available for the future of CKP Constructions Pty Ltd are to wind up the company or handing the company back to the director.

**Recommendation**

The administrators recommend that creditors vote to wind up the company as it has ceased trading and insolvent.

Creditors should read the body of this report before attending the next meeting.

**Note to creditors whose debts are guaranteed by other parties**

If your debt in this estate is guaranteed by another party, and your guarantee contains a clause restricting that other party from proving their debt (if they have one) in this estate until your debt is paid, you must provide this office with a copy of that guarantee document before any meeting of creditors or payment of dividend.



**Lee Crosthwaite**  
**Administrator**

## Statutory Information

Company Name:	CKP Constructions Pty Ltd
ACN	105 552 510
Director/ Secretary:	Craig Petersen
Shareholders:	Bailiar Pty Ltd Kathy Petersen Craig Petersen
Date of Incorporation:	16/7/20013
Registered Office:	Level 1, 112 Barry Parade, Fortitude Valley, QLD 4006
Principal Place of Business:	24 Henderson Street, Camp Hill, QLD 4152
Registered Security Interests:	Westpac Banking Corporation Toyota Finance Australia Ltd Kennards Hire Pty Limited Sitemax Group Pty Ltd National Masonry Pty Ltd Dincel Construction System Pty Limited Actron Engineering Pty Ltd Royal Wolf Trading Australia Pty Limited Sampford Ixl Pty Ltd Winning Appliances Pty Ltd CSR Building Products Limited Waco Kwikform Limited Hitec Glazing Pty Ltd Mesh & Bar Pty. Limited Alliance Equipment Finance Pty Limited The Trustee for The Low Family Trust Charles Porter and Sons Proprietary Limited Gill & Co. Pty. Ltd. Trend Windows & Doors Pty Limited Pivot Australia Pty Ltd Gill & Co. (Cleveland) Pty. Ltd. Retracom Hire Pty Ltd The Australian Steel Company (Operations) Pty Ltd De Lage Landen Pty Limited Konica Minolta Business Solutions Australia Pty Ltd Polyaire Pty. Ltd. ATF Services Pty Ltd
Acting as Trustee?	No
Associated Companies:	Bailiar Pty Ltd as Trustee for the Petersen Family Trust

## Appointment Details

Administrators:	Lee Crosthwaite Chris Cook
Date of Appointment:	23 March 2017
Date First Meeting held:	10 May 2017

### 3. Notice of Meeting of Creditors

Corporations Act 2001  
Paragraph 439A(3)(b)  
Regulation 5.3A.03AB

#### NOTICE OF SECOND MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION

CKP Constructions Pty Ltd (Administrators Appointed)  
A.C.N. 105 552 510  
Appointed: 23 March 2017

#### Meeting Details

Notice is given that a second meeting of the creditors of the company will be held:

Location: Worrells Solvency & Forensic Accountants  
8th Floor 102 Adelaide St Brisbane Qld 4000  
Date: 10 May 2017  
Time: 10:30 AM

#### Agenda

The purpose of the meeting is:

1. to receive the report by the administrator about the business, property, affairs and financial circumstances of the company; and
2. for the creditors of the company to resolve that:
  - a. the administration should end; or
  - b. the company be wound up.

Other agenda items are:

1. to determine the remuneration of the administrator
2. to determine the liquidator future remuneration if appointed
3. to consider the appointment of an alternative liquidator
4. if the company is wound up, to consider the appointment of a committee of inspection and, if so, who are to be the committee members
5. if the company is wound up to consider the early destruction of books and records
6. any other business

#### Proofs of Debt and Proxies

Creditors need to submit a *Proof of Debt* form and supporting documentation to participate in the meeting.

Creditors need to submit a *Proxy* form if the creditor is a company or you would like somebody to represent you at the meeting.

Creditors are advised their *Proof of Debt* and *Proxy* forms should be submitted to the administrator by:

Time: 5.00pm  
Date: 9 May 2017

**Date of Notice:** 2 May 2017



**Lee Crosthwaite**  
Administrator

#### 4. Financial Position Summary

The following tables summarise the results of our preliminary investigations into the financial position of the company. A potential dividend is set out at the end of the financial position statement table. No proposal has been made for a deed of company arrangement.

<b>Realisable Assets</b>	<b>Note</b>	<b>Liquidation (Low)</b>	<b>Liquidation (High)</b>
Available Cash	1	-	-
Ongoing Projects - Progress Claims	2	-	To be determined
Completed Projects - Cash Retentions	3	-	To be determined
Trade Debtors	4	-	267,968
Called Upon Banker's Undertaking Matter	5	-	214,813
Stock on Hand	6	-	-
Real Property	7	-	-
Tools & Office Equipment	8	1,500	2,367
Motor Vehicles	9	6,000	15,000
Loans - Assets	10	-	1,062,973
QBCC Deed of Covenant	11	-	106,143
<b>Total Realisable Assets</b>		<b>7,500</b>	<b>To be determined</b>
<b>Potential Recoveries</b>			
Preferential Payments	12	-	-
Insolvent Trading	13	-	2,080,000
Other Void Transactions	14	-	-
<b>Indemnity Paid to Administrators</b>	15	<b>30,000</b>	<b>30,000</b>
<b>Total Resources Available</b>		<b>37,500</b>	<b>To be determined</b>
<b>Priority Creditors</b>			
Registered Securities - AIIPAAP Westpac	16	495,280	694,177
Employee Superannuation	17	55,599	55,599
Employee Retrenchment Entitlements	17	137,966	137,966
<b>Total Priority Creditors</b>		<b>688,845</b>	<b>887,742</b>
<b>Non Priority Creditors</b>			
Trade Creditors	18	3,218,250	3,218,250
Secured Party Shortfalls	19	35,000	35,000
Contingent Project Principal Claims	20	-	1,333,511
<b>Total Non Priority Creditors</b>		<b>3,253,250</b>	<b>4,586,761</b>
<b>Administration Costs</b>			
Voluntary Administrators' Remuneration	21	104,927	104,927
Estimated Liquidators' Future Remuneration	21	75,000	100,000
Outlays	21	5,000	60,000
Total Administration Costs		184,927	264,927
Available for Distribution		Nil	<b>To be determined</b>
Dividend to Priority Creditors		Nil	To be determined
<b>Potential Dividend to Priority Creditors</b>		<b>Nil</b>	<b>To be determined</b>
Available for Trade Creditors		Nil	To be determined
<b>Potential Dividend to Trade Creditors</b>		<b>Nil</b>	<b>To be determined</b>

## 4.2 Financial Position Notes

### Note 1 - Available Cash

The company banked with Westpac Bank and at the time of appointment there were no available funds. The company was operating from an overdraft account at the time it ceased trading with a balance of -\$189,867.79.

Searches were also conducted with all major Australian banks and financial institutions; no further accounts were identified.

### Note 2 - Ongoing Projects - Progress Claims:

As detailed earlier in this report the company had four ongoing projects at the time of the voluntary administration. The company had been paid all progress claims for work up to 31 January 2017. The company had also been paid for February 2017 work on two of the ongoing projects, with the other two projects in the middle of assessments by the relevant principals at the time of cessation of works. I am liaising with all four principals in relation to assessing and claiming the work that has been done for the first 3 weeks of March (note the company ceased trading on 20 March 2017).

At this stage all principals have taken back possession of their sites. There are also a number subcontractors giving notice of an intention to lodge claims with the principals under the Subcontractors Charges Act (Qld). I am working through these issues however it is likely that once I have established the value of the progress claims for work up to 20 March 2017 I will then have to wait for the principals to complete the projects to address the final claims and liabilities under the building contract, including retention/rectification claims, works and bank guarantees. Additionally, if the Subcontractors Charges are successfully registered the company's claim will rank behind that of the subcontractor.

To date I have received the following responses from site principals in respect to their expected costs & damages pursuant to the contract.

#### Ison 3.9 – P3 Projects Pty Ltd

The principal has terminated the construction contract. I am liaising with the principal in respect to having the March 2017 progress claim assessed for work completed by CKP during 1<sup>st</sup> to 20<sup>th</sup> March 2017, and receiving a copy of the assessment.

The principal has obtained a quote for a replacement builder to complete the works remaining on the project as well as estimated liquidated damages and transition costs. The below table sets out the principal's estimated damages as compared to the agreed contract with CKP:

	CKP Contract	Replacement Builder
Costs to Complete	2,475,764	3,577,798
Transition costs	(60,000)	-
<b>Sub-total costs</b>	<b>2,415,764</b>	<b>3,577,798</b>

The principal has estimated forecasted liquidated damages as \$354,000 however will need to await practical completion to confirm the damages amount. The principal has also lodged a Proof of Debt in the amount of \$573,366 in respect to overpayments believed to have been made on the progress claims to date.

I also note the principal has already called upon a banker's undertaking in the amount of \$184,250 which will reduce the total damages claim. I have requested confirmation for the basis upon which this undertaking was called, as its initial purpose was as surety for defects.

Two subcontractors have provided notices of intention to lodge a subcontractor's charge against this principal. The total amount sought under the charges totals \$303,576. If successfully registered, these charges will hold priority to the company from any proceeds payable pursuant to the construction contract.

Based on the above it would appear unlikely that there will be a surplus provided to the company after accounting for the damages pursuant to the contract and subcontractor's charges. I will however be reviewing the costs incurred by the principal and the final accounting of the claim at practical completion.

Nido Apartments – Definitive Developments Pty Ltd

The principal has terminated the construction contract. I am liaising with the principal in respect to having the March 2017 progress claim assessed for work completed by CKP during 1<sup>st</sup> to 20<sup>th</sup> March 2017, and receiving a copy of the assessment.

The principal has obtained a quote for a replacement builder to complete the works remaining on the project as well as estimated liquidated damages and transition costs. The below table sets out the principal's estimated damages as compared to the agreed contract with CKP:

	<b>CKP Contract</b>	<b>Replacement Builder</b>
Costs to Complete	3,629,449	3,800,000
Transition costs	(30,000)	-
<b>Sub-total costs</b>	<b>3,599,449</b>	<b>3,800,000</b>

The principal has estimated forecasted liquidated damages as \$494,585 however will need to await practical completion to confirm the damages amount.

I will be reviewing the costs incurred by the principal and the final accounting of the claim at practical completion.

30 Trackson Street, Alderley - Aquil Projects Pty Ltd:

The principal has terminated the construction contract. I am liaising with the principal in respect to having the March 2017 progress claim assessed for work completed by CKP during 1<sup>st</sup> to 20<sup>th</sup> March 2017, and receiving a copy of the assessment.

I will be reviewing the costs incurred by the principal and the final accounting of the claim at practical completion. I note however that minimal works had been performed at this site at the time of my appointment and am therefore doubtful after accounting for future completion costs if there will be payment to come to CKP.

63 Ison St, Morningside – Glenday Group of Companies:

The principal has terminated the construction contract. I am liaising with the principal in respect to having the March 2017 progress claim assessed for work completed by CKP during 1<sup>st</sup> to 20<sup>th</sup> March 2017, and receiving a copy of the assessment.

I will be reviewing the costs incurred by the principal and the final accounting of the claim at practical completion.

**Note 3 – Completed Projects – Cash Retentions**

I have identified one completed project which has cash retentions outstanding in the amount of \$37,773. The cash retention is able to be withheld up until the expiration of the defects liability period, being one year after practical completion. I have notified the developer of my appointment and informed the retention monies will need to be paid to me at expiration of the period as well as any accounting for monies withdrawn from the retention.

**Note 4 - Trade Debtors**

Gabba Holdings Pty Ltd (In Liquidation):

Gabba Holdings Pty Ltd (In Liquidation) owes the company \$701,321 pursuant to a judgement in relation to a building development in Woollongabba finished in September 2016. The current proceedings as detailed earlier in this report were in relation to this debtor amount and called upon bank guarantee. Gabba Holdings Pty Ltd (In Liquidation) has lodged a counter Proof of Debt in the administration of CKP Constructions Pty Ltd in the amount of \$760,145.19.

Gabba Holding's claim against the company is summarised below.

<b>Reason</b>	<b>Amount</b>
Error in progress claim 23	\$189,793.68
Unclaimable EOT claims	\$108,000.00
Progress Claim 24	\$166,163.00
Costs incurred from incomplete design	\$63,866.47
Lift repair costs	\$51,988.00
Items subject to insurance claim	\$180,334.04
<b>Total</b>	<b>\$760,145.19</b>

I note that some of the said errors are subject to the judgment obtained against Gabba Holdings Pty Ltd (In Liquidation). Further the repair and insurance claim components arose after practical completion and handover. A liquidator would have more time to review and adjudicate upon the claim further.

I will be awaiting the Liquidator's further reports to creditors in respect to a likelihood of a dividend to creditors and the Liquidator's review of security granted over the property of the company to Ivy Holdings Pty Ltd. At this time it is unknown whether there will be a distribution to unsecured creditors.

Raphill Pty Ltd:

The company is also owed \$52,138.11 from Raphill Pty Ltd ('Raphill'). The company obtained a judgement against Raphill for this amount, and subsequently entered a settlement deed with Raphill to pay the debt in instalments. A personal guarantee was also obtained from Raphill's director as surety for the settlement arrangement. Payments have not been made per the settlement deed and I have instructed my solicitors to serve a statutory demand on the debtor.

Cameron McColl & Ella Riggert:

These debtors relate to a completed residential development finalised in December 2014 and an amount of \$110,631.50 is outstanding. I have issued a demand for payment. At this time I am not aware of any dispute to payment nor of the debtor's financial position.

**Note 5 - Called Upon Banker's Undertaking – Gabba Holdings Pty Ltd (In Liquidation)**

As detailed earlier a bank guarantee had been called upon by Gabba Holdings Pty Ltd. The monies are currently the subject of court proceedings and as such it is uncertain if any monies will become available to the company.

**Note 6 - Stock on Hand**

At the time of the appointment there was stock at the buildings sites belonging to, or ordered by, the company. I have informed registered PMSI creditors, who have provided me with sufficient supporting documentation, of notice of intention not to exercise property rights.

An amount of stock was identified at the work site at Ison 3.9. This stock was found to not have appropriate registrations in accordance with the Personal Property & Securities Act (PPSA) and as such vested in the company upon administration. I have notified the project principal of this stock and will be making an allowance for the stock in the final accounting for this debtor.

**Note 7 - Real Property**

Real property searches were conducted in QLD, NSW and VIC, no registered interests were identified.

**Note 8 - Tools & Office Equipment**

The company had office equipment, tools and miscellaneous building equipment. Shortly after appointment I arranged with my agent to secure and remove the items from the company's office premises in Newstead. A member of my office also attended the company's former work sites to determine the tools and equipment on hand and made arrangements with the site principals for my agent to collect those items. The assets secured can be broadly attributed as follows:

<b>Description</b>	<b>Indicative Auction Value</b>
Office Furniture & Equipment	\$305.00
Tools	\$2,062.00

My agents expected costs for transporting and securing the company assets as well as commissions are expected to exceed this amount.

In addition to the above there is a site office which is presently unobtainable, I will be reviewing with my agent as to whether it is commercial to recover the item once the work site is completed and the item able to be recovered.

#### **Note 9 - Motor Vehicles**

At the time of the voluntary administration the company had six (6) motor vehicles. I made arrangements with the people in possession of the vehicles to secure the vehicles in my agent's auction yard. My agent has provided indicative auction values for the vehicles and the table below sets out this position:

<b>Make</b>	<b>Model</b>	<b>Auction Value</b>	<b>Finance Outstanding</b>
Toyota	Corolla Ascent Sport	15,000.00	22,339.34
Toyota	Hilux Workmate	9,000.00	To be determined
Mitsubishi	Triton GL	6,000.00	Unencumbered
Toyota	Hilux SR5 Diesel	32,000.00	28,955.77
BMW	X5	70,000.00	87,618.07
Toyota	Hilux	13,500.00	23,345.40

All financed vehicles, except for the Toyota Hilux Workmate, have been returned to the financier as after accounting for costs there did not appear to be surplus equity available to benefit creditors. It appears a defective Purchase Money Security Interest (PMSI) was registered over the Toyota Hilux Workmate by the financier. The effect of this defective registration is that the asset may vest with the company, (however will still be subject to Westpac's security). I am liaising with the financier in relation to same.

I am arranging for the Mitsubishi Triton to be listed at auction and will account to the AIPAAP secured creditor (Westpac) as to the proceeds pursuant to their security.

In addition to the above the following vehicles were also identified on a search performed on QLD Transport's registers:

<b>MAKE</b>	<b>MODEL</b>	<b>DESCRIPTION</b>	<b>REGO</b>
Toyota	Hilux	Light Coml or Van (LCOM)	633XBS
Toyota	Hilux	Light Coml or Van (LCOM)	02CKP
Toyota	Landcruiser	Passenger Car (PCAR)	01CKP
Toyota	Kluger	Passenger Car (PCAR)	05CKP

#### Toyota Hilux – 633XBS:

A registration search on the vehicle confirms the plate is registered to CKP Constructions Pty Ltd. I have performed a further VIN search and identified that the plate was registered to the same VIN as the Toyota Hilux SR5 Diesel, which holds a personalised plate. Accordingly this is a double up of the same vehicle due to two plates being registered to the vehicle.

#### Toyota Hilux – 02CKP:

I have reviewed the company records and identified this vehicle was sold in February 2016 to an external party. The sale paid out the finance outstanding in full.

#### Toyota Landcruiser – 01CKP:

I have ascertained the vehicle was sold to a related party of the director in October 2016. The purchase price of the vehicle was the outstanding payout value of \$65,000. I am informed the purchaser obtained



finance to payout the vehicle and have confirmed with the financier the receipt of the monies in October 2016.

I have performed a Redbook valuation of the vehicle which indicates the current trade-in value of the vehicle is \$66,400 - \$73,100. I note the sale price is in the general range of the value of the vehicle and I am not aware of the condition of the vehicle (maintenance history, mileage, wear & tear etc.) at the time of the sale of the vehicle.

Toyota Kluger – 05CKP:

I have ascertained the vehicle was sold to an employee of the company in March 2017. The purchase price of the vehicle was the outstanding payout value of \$29,389. I am informed the purchaser obtained finance to payout the vehicle and have confirmed with the financier the receipt of the monies in March 2017.

I have performed a Redbook valuation of the vehicle which indicates the current trade-in value of the vehicle is \$26,200 - \$29,200. It therefore appears that the vehicle was sold for fair value.

**Note 10 - Loans - Assets**

Bailar Pty Ltd as trustee for the Petersen Family Trust:

I identified that an associated company, in its capacity as trustee, owned the premises from which the company had its office. I have been advised that the company performed the fit-out of the premises and the company's records indicate a loan was created in respect of the repayment of the costs of this fitout. In this regard the company's ongoing rental amounts were being offset against the ledger of this loan. I understand the balance remaining in respect of this fit-out cost loan is \$46,805. I have confirmed there was no formal lease agreement.

The premises have now been sold and I understand has paid \$198,897 from the sale proceeds towards debts owing by CKP to Westpac. The debtor therefore may have a right of offset due to the amounts paid. I have requested the AllPAAP secured creditor confirm the amount of the payment.

Director Related Loan accounts:

I have identified director related loan accounts in the company records totalling \$1,062,973. I have been provided with the external accountant's working papers which provides for a split of the loan account as follows:

<b>Account</b>	<b>Amount</b>
Craig Petersen	\$236,469
Craig & Kathy Petersen	\$610,302
Kathy Petersen	\$209,669

I have also obtained Division 7A loan agreements executed by Craig & Kathy Petersen. The line entries in the ledger for these accounts indicate approximately \$735,000 was incurred prior to March 2014. The remaining balance of the account appears to have been during the 2016 calendar year. I have identified that a large portion of this loan account was provided to the director and Mrs Kathy Petersen for the building/renovation of their residential premises. I also am informed Mr Petersen transferred his interest in the property to Mrs Kathy Petersen in 2014.

I have issued a demand to Mr & Mrs Petersen in respect to their separate and joint debts and am awaiting confirmation of their financial position. I have performed investigations into their financial position and identified the following.

*Craig Petersen:*

Property searches have been performed in Mr Petersen's name and no registered property interests have been identified. I have also identified Mrs Peterson holds shares in Bailar Pty Ltd. As far as I am aware Bailar Pty Ltd itself has no assets and operates solely as the trustee of the Petersen Family Trust.

I have identified Mr Petersen transferred his share of property held jointly with Mrs Petersen to Mrs Petersen in 2014. I also understand Mr Petersen has guaranteed the debt to the Westpac.

I note at the first meeting of creditors Mr Petersen made a statement to creditors in which he verbally indicated he has no assets.

A statutory declaration form was provided to Mr Petersen to detail his financial position.

*Kathy Petersen:*

Property searches have identified a property in Camp Hill registered in Mrs Petersen's name. The land title confirms a registered mortgage to Westpac Bank and a caveat to Mr Craig Petersen. I am unable to ascertain the value of any equity in the property based on the searches available to me, however I was able to ascertain the property was offered as security for CKP debts with the Westpac.

I have also identified Mrs Peterson holds shares in Bailar Pty Ltd. As far as I am aware Bailar Pty Ltd itself has no assets and operates solely as the trustee of the Petersen Family Trust.

I will be awaiting Mrs Petersen's response to my demand as to likelihood of recoverability of her loan account.

**Note 11 - QBCC – Deed of Covenant**

A Deed of Covenant and Assurance provided by the director in March 2010 to the Queensland Building and Construction Commission (then known as the QBSA) in order to meet the asset requirements for licensing purposes. The Deed was relied upon up until September 2012 when the QBCC accepted a Minimum Financial Requirements report which did not rely upon the deed. I note however the Deed was not formally revoked. The details of the Deed of Covenant and Assurance are as follows:

Amount:	\$106,143.00
Covenantor:	Craig Petersen

Creditors should note that the director's personal guarantee under the Deed of Covenant and Assurance is not able to be enforced until such time as the company enters into liquidation. A liquidator may also need to obtain legal advice to confirm the guarantee can be enforced due to the time that has elapsed since the deed was entered and last relied upon.

**Note 12 - Preferential Payments**

The results of our examinations are set out in the Investigations and Insolvent Transactions area of this report. Any amount recovered from a creditor as a preferential payment will be able to be claimed by that creditor in the winding up.

**Note 13 - Insolvent Trading**

The results of our examinations are set out in the Investigations and Insolvent Transactions area of this report.

**Note 14 - Void Transactions**

The results of our examinations are set out in the Investigations and Insolvent Transactions area of this report.

**Note 15 - Indemnity**

Mr Petersen provided an indemnity of \$30,000 to the voluntary administrators as detailed in the Declaration of Independence, Relevant Relationships and Indemnities.

**Note 16- Registered Securities - AIIPAAP**

An AIIPAAP security provides the creditor with priority over the assets of the company in priority to general unsecured creditors and employees from non-circulating security assets. It is not expected there will be a surplus return from non-circulating security assets after accounting for costs. Subject to *section 561 of the Corporations Act 2001* employee entitlements hold priority to circulating security assets.

In addition to the security over motor vehicles detailed above, I note the Westpac Banking Group has an All-PAAP security registered against the company for a number of facilities. Those facilities are detailed as follows:

<b>Facility</b>	<b>Amount Outstanding</b>
Unpaid Banker's Undertaking	\$68,920.12
Unpaid Banker's Undertaking	\$222,493.32
Unpaid Banker's Undertaking	\$185,245.37
Temporary Overdraft	\$189,867.79
Corporate Card Facility	\$27,650.63
<b>Total</b>	<b>\$694,177.23</b>

As noted earlier, Gabba Holdings Pty Ltd called in a \$214,813 banker's undertaking and those monies are currently the subject of ongoing proceedings. The banker's undertaking is for \$222,493.32 after accounting for interest and penalties.

I have requested the two additional parties who have called upon banker's undertakings confirm the basis on which those funds were called upon.

I have been advised that Bailar Pty Ltd has paid \$198,897 to Westpac in payment of CKP debts pursuant to security, and note there are a number of other parties personally liable for the Westpac debt. If a creditor was to pay the Westpac debt in full they may be able to step into the shoes of the Westpac as a secured creditor.

#### **Note 17 - Priority Employee Entitlements**

Section 556 of the *Corporations Act 2001* provides for employee entitlements to be paid in priority to other unsecured creditors of the company if the company is in liquidation. Further, any recoveries from circulating assets will in the first instance need to be withheld for payment of employee entitlements pursuant to s561 of the *Corporations Act 2001*.

The majority of the employees were terminated on Monday 20 March 2017. The final employee was terminated on the date of the voluntary administration. I have reviewed the company records and it appears there are outstanding entitlements owing to the employees of:

Termination Entitlements:	\$137,965.98
Unpaid Superannuation:	\$ 55,598.86

I have written to the employees separately in respect of the amounts individually owed and the process for them to make claims for the outstanding entitlements.

#### **Fair Entitlements Guarantee (FEG)**

If it is expected that insufficient funds will be recovered during liquidation to enable a full distribution to employees, the government FEG system may be of assistance to those employees.

This government body specialises in assisting employees with outstanding entitlements that become due because of employers becoming insolvent. The scheme provides assistance with regard to the following employee entitlements:

- up to a maximum of 13 weeks unpaid wages for the period prior to the appointment of the Liquidator;
- unpaid annual leave;
- unpaid long service leave;
- up to a maximum of 5 weeks unpaid payment in lieu of notice; and
- up to a maximum of 4 weeks unpaid redundancy entitlement for each completed year of service.

If employees need to contact the Department of Employment, the details are below.

Web site:	<a href="http://employment.gov.au/fair-entitlements-guarantee-feg">http://employment.gov.au/fair-entitlements-guarantee-feg</a>
E-Mail:	<a href="mailto:feg@employment.gov.au">feg@employment.gov.au</a>
Phone:	1300 135 040

In the interim, employees should contact us with details of their outstanding entitlements.

Employees will only be able to begin the claim process once the company enters into liquidation.

#### **Note 18 - Trade Creditors and Taxation Debts**

The Australian Taxation Office has lodged a Proof of Debt in the amount of \$124,574.22 for outstanding BAS amounts. I note there are outstanding lodgements for BASs due February/March 2017 and income tax returns for 2016 and 2017 (to date). These lodgements may increase should the outstanding lodgements be filed.

The creditors ledger in the company's records indicates there were outstanding trade creditors of approximately \$1,858,280 as at 23 March 2017. Further creditor invoices for recent work and supplies during February/March 2017 that had yet to be invoiced have now been received and this has increased the trade creditor figure. I estimate total trade creditors are \$3,218,250.

A listing of the Proofs of Debt received to date is included at the back of this report. The table below summarises the position to date.

	<b>Number</b>	<b>Value</b>
Proofs of Debt received	77	2,673,077
Known Taxation & Trade Creditors	136	3,218,250

#### **Note 19 - Finance Shortfalls**

It is expected the company will have an estimated finance shortfall on the motor vehicles of approximately \$35,000. Exact amounts of shortfall will not be quantified until the relevant assets have been sold.

#### **Note 20 - Contingent Project Principal Claims**

The following principals have lodged Proofs of Debts, details of the claims have been touched on earlier in the Report. Claims may also be received from the remaining principals; these claims have not been adjudicated upon:

	<b>Amount</b>
Gabba Holdings Pty Ltd (In Liquidation)	760,145
P3 Projects Pty Ltd	573,366

#### **Note 21 – Administration Costs**

Details of the Administrators' remuneration and outlays are detailed in Annexure A.

## 5. Investigations and Insolvent Transactions

### 5.1 Financial Statement Examination

#### Financial Statements

We have obtained the latest external financial statements of the company. These are for the period ended 31 December 2016. These Financial statements are summarised below.

#### Balance Sheet Summary

	Year Ended 31 December 2016	Year Ended 30 June 2016
	\$	\$
Current Assets	3,313,920	3,651,844
Non-Current Assets	1,469,049	1,386,471
<b>Total Assets</b>	<b>4,782,969</b>	<b>5,038,315</b>
<u>Less:</u>		
Current Liabilities	2,954,477	3,395,289
Non-Current Liabilities	156,802	190,010
<b>Total Liabilities</b>	<b>3,111,279</b>	<b>3,585,299</b>
 <b>NET ASSETS</b>	 <b>1,671,690</b>	 <b>1,453,015</b>

#### Profit and Loss Statement Summary

	Year Ended 31 December 2016	Year Ended 30 June 2016
	\$	\$
Income	8,028,528	13,044,419
Gross Profit	640,652	1,159,980
Other Income	12,515	103,603
<u>Less:</u>		
Expenses	434,494	950,262
 <b>NET PROFIT (LOSS)</b>	 <b>218,673</b>	 <b>313,320</b>

The Balance Sheets and Profit and Loss Statements have not been audited. It is reasonable to assume that the accounts were prepared from source documentation generated by the company and if such documentation is incorrect or incomplete, this would cause the financial statements to be incorrect.

## 5.2 Adequacy of Books and Records

I have made enquiries with the directors about the types of records kept by the company and made a preliminary assessment of their adequacy.

	Yes	No
Adequate Trading Budgets and Cash Budgets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Regular Internal Management Statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Preparation of Quarterly Financial Statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Last Year Tax Return Lodged	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Detail Aged Trade Debtors Ledger Maintained	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Detail Aged Trade Creditors Ledger Maintained	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Use of External Accountant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dedicated Internal Accountant	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Basic Source Documentation (i.e. Bank statements, invoices etc)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Failure to maintain proper books and records in accordance with section 286 of the *Corporations Act* 2001 provides a rebuttable presumption of insolvency. A liquidator can rely upon this presumption in an application for compensation for insolvent trading.

	Yes	No
Do these records comply with Section 286 of the Act?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 5.3 Solvency Examination

### *Corporations Act Section 95A*

Part of my role as Administrator is to conduct a preliminary examination of the company's solvency to determine whether the company is currently solvent, whether the company may be able to return to solvency and when the company first became insolvent. This examination is preliminary and based on the best information available at this time.

#### Findings:

I have performed the analysis based upon a review of the current ratio over the past year. The analysis indicates the company begun to experience severe financial difficulties in January 2017, around the time of the voluntary administration of Gabba Holdings Pty Ltd. However I note that the company's solvency margin had been low for much of the prior year.

Adjustments have been made to the analysis regarding the recoverability of the debtor account owing by Gabba Holdings Pty Ltd to a realistic amount following the appointment of the voluntary administrator to that company. Further trade creditors have been accounted for based on the further invoices received for works performed in the weeks leading up to my appointment.

**Report for CKP Constructions Pty Ltd (Administrators Appointed)**  
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**Solvency Analysis:**

A	B Feb 16	C Mar 16	D Apr 16	E May 16	F Jun 16	G Jul 16	H Aug 16	I Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
<b>Resources</b>														
Debtors	1,864,419.50	1,611,005.64	1,722,987.00	2,711,561.05	2,464,680.63	2,838,541.81	2,304,026.10	1,059,269.50	1,744,074.88	1,773,651.63	2,254,072.73	2,268,884.68	1,563,690.47	1,282,977.54
Cash at Bank	- 128,141.67	- 104,495.81	566,582.85	964,257.08	263,586.57	1,255,791.02	909,353.83	774,909.00	154,792.20	284,769.59	- 5,893.26	255,798.60	517,081.56	- 42,754.07
Prepayments	765,705.60	347,764.86	468,371.01	373,221.01	508,286.79	680,217.29	428,518.30	535,358.86	604,681.61	261,890.31	349,453.02	402,572.91	506,000.21	506,395.55
WIP on Hand	538,017.43	522,003.07	175,171.19	20,563.72	- 236,000.63	- 42,060.71	81,899.13	327,341.33	415,036.51	158,701.94	282,644.65	542,997.76		
<b>Total Resources</b>	<b>3,040,000.86</b>	<b>2,376,277.76</b>	<b>2,933,112.05</b>	<b>4,069,602.86</b>	<b>3,000,553.36</b>	<b>4,732,489.41</b>	<b>3,723,797.36</b>	<b>2,696,878.69</b>	<b>2,918,585.20</b>	<b>2,479,013.47</b>	<b>2,880,277.14</b>	<b>3,470,253.95</b>	<b>2,586,772.24</b>	<b>1,746,619.02</b>
<b>Due &amp; Payable Debt</b>														
Tax Payable	971,219.23	622,219.16	756,461.24	589,477.30	663,173.37	857,460.65	362,270.40	410,467.66	591,838.73	255,696.73	438,278.61	545,144.23	572,170.50	616,031.50
Payroll Clearing	- 8,511.98		23.68	23.68	23.68	- 13,185.27	- 13,185.27	47.39	13,347.37	13,397.05	14,723.66	27,958.64	13,284.66	17,204.84
Trade Creditors	1,863,305.81	1,436,205.45	2,511,282.80	3,239,842.62	2,124,303.59	3,718,638.14	3,722,581.84	3,285,988.94	2,664,637.91	2,602,994.25	2,251,854.53	2,464,202.30	3,155,811.81	2,466,057.57
Banks Payable	52,716.35	97,200.28	- 426,462.05	40,101.29	41,441.63	34,391.28	- 548,831.64	- 1,272,776.51	- 638,829.25	- 620,494.34	47,525.00	21,928.28	37,691.20	- 5,925.62
SGC Payable	20,153.04	36,364.42	23,338.51	41,224.44	51,841.96	27,403.14	36,253.96	55,188.21	61,853.83	71,858.40	82,153.45	88,062.97	99,512.21	113,143.90
Hire Purchase Liabilities	75,964.40	60,199.65	59,808.02	59,423.16	61,354.19	60,982.98	67,860.67	67,503.26	49,922.66	49,922.66	49,922.66	49,922.66	49,922.66	49,922.66
<b>Total</b>	<b>2,974,846.85</b>	<b>2,252,188.96</b>	<b>2,924,452.20</b>	<b>3,970,092.49</b>	<b>2,942,138.42</b>	<b>4,685,690.92</b>	<b>3,626,949.96</b>	<b>2,546,418.95</b>	<b>2,742,771.25</b>	<b>2,373,374.75</b>	<b>2,884,457.91</b>	<b>3,197,219.08</b>	<b>3,928,393.04</b>	<b>3,256,434.85</b>
<b>Net Resources</b>	<b>65,154.01</b>	<b>124,088.80</b>	<b>8,659.85</b>	<b>99,510.37</b>	<b>58,414.94</b>	<b>46,798.49</b>	<b>96,847.40</b>	<b>150,459.74</b>	<b>175,813.95</b>	<b>105,638.72</b>	<b>- 4,180.77</b>	<b>273,034.87</b>	<b>- 1,341,620.80</b>	<b>- 1,509,815.83</b>
<b>Adjustments</b>														
Further Trade Creditors												- 60,222.81	- 335,925.66	- 572,513.92
Gabba Holdings												- 596,122.85	- 596,122.85	- 596,122.85
<b>Net Resources</b>	<b>65,154.01</b>	<b>124,088.80</b>	<b>8,659.85</b>	<b>99,510.37</b>	<b>58,414.94</b>	<b>46,798.49</b>	<b>96,847.40</b>	<b>150,459.74</b>	<b>175,813.95</b>	<b>105,638.72</b>	<b>- 4,180.77</b>	<b>- 383,310.79</b>	<b>- 2,333,892.12</b>	<b>- 3,074,601.07</b>

Our preliminary examination indicates that the company became insolvent at about **January 2017**. For the purposes of calculating an insolvent trading claim I have calculated the insolvent date as the date on which Gabba Holdings Pty Ltd (In Liquidation) entered into external administration, 18 January 2017.

## **5.4 Offences, Recoverable transactions and Insolvent Trading**

To reduce the amount of generic information provided by Administrators in reports such as this, the ARITA has released an information sheet with explanations about offences, voidable transactions and insolvent trading. A copy of that information sheet is attached at the rear of this report.

### **Voidable Transactions**

I have considered whether certain transactions made by the company may be voidable if the company is wound up. These views are preliminary but I must estimate a potential recovery using this information for the purposes of this report. These recoveries are only available to a liquidator.

The provisions of the *Corporations Act 2001* that relate to voidable transactions are:

#### *Preferential Payments – Corporations Act Section 588FA*

The provisions of the Corporations Act allow certain payments made to creditors within the 6 months before the commencement of the winding up (the original date of the appointment of the Administrator) to be recovered by a Liquidator should those payments prove to be “preferential” to the recipients.

A payment may be preferential if:

- It gives the recipient more than they would have received if the debt had been proved in the liquidation; and
- Payment was made at a time that the company was insolvent.

#### *Uncommercial Transactions – Corporations Act Section 588FB*

Certain transactions may be voidable if they are of no benefit or of some detriment to the company and the transaction was entered into within 2 years (and in some cases up to 4 years) before the commencement of the winding up (the original date of the appointment of the Administrator).

#### *Unfair Loans – Corporations Act Section 588FD*

A loan to a company may be regarded as an unfair loan where interest or fees and charges in relation to the loan were extortionate. Transactions relating to unfair loans may be recovered by a liquidator if they occurred at any time on or before the commencement of the winding up (the original date of the appointment of the Administrator).

#### *Unfair Director Related Benefits – Corporations Act Section 588FDA*

Any payments, dispositions or issuing of securities made to or on behalf of a director or a close associate of a director may be voidable if they occurred within 4 years before the commencement of the winding up (the original date of the appointment of the Administrator).

The findings of my investigations are as follows:

#### Preferential Payments:

Most creditor outstanding creditor accounts are within the 90 days prior to the external administration. At the time of appointment no creditors had initiated proceedings against the company seeking repayment of debt, nor have I been able to any identify statutory demands for payment.

The company entered into a number of payment plans with the Australian Taxation Office however the amount that may be considered preferential for recovery by a liquidator is only \$5,000. Given the costs of performing a preference claim analysis and seeking repayment from the creditor there is not likely to be a net commercial benefit to creditors in seeking repayment of these funds. A liquidator would have more time and powers to investigate this in a liquidation scenario.

#### Uncommercial Transactions:



I have identified several vehicles owned by the company were sold at various times prior to the voluntary administration to a former employee and to a related party of the director. My review of those transactions indicate that the motor vehicles were most likely sold for fair value. A liquidator would have more time and powers to investigate this in a liquidation scenario.

Checkpoint Constructions Pty Ltd:

Creditors have requested I review the circumstances surrounding the incorporation of the above company. My investigations reveal that Checkpoint Constructions Pty Ltd was registered on 13 February 2017 and the director is George Petersen. I am informed that George Petersen is the father of the director of CKP.

The available records of QBCC show that company holds an open Builder License able to perform works up to \$600,000.

Creditors have also asked if there had been any transfers of assets from CKP to this company, or if this company had taken over any of the project works contracted to CKP at the time of voluntary administration. To date I have not identified any such asset transfers, nor am I aware of any works being transferred to this entity. I also note that all current projects being performed by the company were of a higher value than the licence held by this entity.

**Insolvent Trading by Directors**  
***Corporations Act Section 588G***

Many creditors will be aware of the concept that directors may be held liable for company debts incurred at a time when the directors should have known that the company was insolvent. Under those circumstances, section 588G gives the liquidator the right to recover compensation from directors for debts.

The initial part of our investigation lies with proving the date of insolvency. This has been set out earlier in this report. The second part of that preliminary assessment is to determine what unpaid debts were incurred after the date of insolvency.

Findings

Date of suspected Insolvency – **18 January 2017**

Amount of unpaid debt incurred after date of suspected Insolvency - **\$2,080,000**

Defences to Insolvent Trading

The Corporations Act 2001 provides several defences to any potential Insolvent Trading claims. These defences are available to any person the subject of such a claim and are similar for claims against directors and holding companies. The defences can be summarised as follows:

- **Reasonable Presumption of Solvency**  
It is a defence to a claim for insolvent trading if a person can prove that they had reasonable grounds to presume the company was solvent and would remain solvent even if a debt or other debts were incurred at that time.
- **Reliance on Others**  
It is a defence to a claim for insolvent trading if a person had reasonable grounds to rely on a competent and reliable person to provide information regarding the company's solvency and that the information provided the person could reasonably presume that the company was solvent.
- **Reasonable Steps**  
It is a defence to a claim for insolvent trading if a person can prove that they took all reasonable steps to prevent the company incurring the debt, including but not limited to appointing Voluntary Administrators.
- **Illness**

It is a defence to a claim for insolvent trading if a person can prove that at the time due to illness or some other good reason that the person did not take part in managing the company.

Based on my enquiries to date I believe it is unlikely the director would be able to rely upon any of these defences.

#### Potential Value of Claim

I have identified the company was insolvent as at 18 January 2017, as discussed earlier in section 5.3. I have identified additional creditor Proof of Debt amounts which were not on the company's creditor ledger because it appears the relevant invoices were issued by the creditor, or received by the company, near or after the date of administration. I have performed a reconciliation of those extra amounts

Accordingly I have determined Mr Petersen may be subject to a claim by a liquidator for insolvent trading in excess of \$2 Million. A liquidator will have more power and time under the Corporations Act to examine in depth the time of insolvency and the dates incurred thereafter.

#### Directors' Potential to satisfy Claim

I have also attempted to determine whether Mr Petersen would have the capacity to meet such a demand if one was made upon him. Property searches have been performed in Mr Petersen's name and no registered property interests have been identified. I have also identified Mr Peterson holds shares in Bailar Pty Ltd. As far as I am aware Bailar Pty Ltd itself has no assets and operates solely as the trustee of the Petersen Family Trust.

I have identified Mr Petersen sold his share of property Mr & Mrs Petersen jointly owned to Mrs Petersen in 2014. I also understand Mr Petersen has guaranteed the company debt to Westpac.

I note at the first meeting of creditors Mr Petersen made a statement to creditors in which he verbally indicated he has no assets. A liquidator can investigate this position further should the company be placed into Liquidation.

#### **Offences under the Corporations Act**

Under the provisions of the Corporations Act, we must investigate any potential offences and report those offences to the Australian Securities and Investments Commission for its consideration. Our preliminary investigations have shown the following potential offences:

	<b>Yes</b>	<b>No</b>
Contravention of Care and Diligence (s180)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contravention of Good Faith (s181)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contravention of Use of Position (s182)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contravention of Use of Information (s183)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contravention of Good Faith, Use of Position and Information (s184)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Non-Disclosure, misrepresentation on certain matters (s590(1))	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Knowingly receiving property (s590(5))	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Frauds by Officers (s596)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Falsification of books (s1307)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
False or Misleading Statement (s1308)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
False information (s1309)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Insolvent Trading (s588G(3))	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## **6. Voting Option and Recommendation**

### **6.1 Proposal for Deed of Company Arrangement**

There is no proposal for a Deed of Company Arrangement.

### **6.2 Potential Resolutions**

*Corporations Act Section 439C*

#### **Approval of Voluntary Administrators' Remuneration**

Creditors will be asked to consider a resolution for the approval of the Administrators remuneration. Creditors should refer to the schedules attached to this report for details of that remuneration.

#### **To liquidate the company**

Winding up the company will place Liquidators into the company to wind up its affairs and, eventually, deregister the company. It will also allow for the recovery of various monies under the provisions of the Corporations Act. These potential recoveries are set out earlier in this report.

If creditors resolve that the company go into liquidation, the voluntary administrator becomes the liquidator unless creditors vote at the second meeting to appoint a different liquidator of their choice. The liquidation proceeds as a creditors' voluntary liquidation with any payments of dividends to creditors made in the order set out in the Corporations Act.

#### **To end the administration (if the company is not wound up)**

Ending the Administration will cause the control of the company to be passed back to the directors of the company. It will place the company back into the same position it had before the appointment of the Administrators. That will mean that the company will not be protected from recovery actions by creditors and there will be no formal process in place for the payment of creditors debts.

#### **Appointment of Committee of Inspection (if the company is wound up)**

The creditors have a right to resolve that a committee of inspection of 3 to 7 creditors be appointed to represent the general body of creditors.

#### **Approval of Liquidators' Remuneration (if the company is wound up)**

Creditors will be asked to consider a resolution for the remuneration of the Liquidators. Creditors should refer to the schedules attached to this report for details of that remuneration.

#### **Approval for Destruction of Company Records (if the company is wound up)**

Liquidators can seek approval for the destruction of the company's records six months after the finalisation of the liquidation and with the approval of the ASIC. We seek this resolution so that the liquidation does not need to pay for the storage of the records for the normal 5 years period.

#### **Adjourning the Meeting**

Creditors have the right to resolve that the meeting be adjourned for up to 45 business days to allow the Administrators more time to conduct investigations, or to allow the directors time to finalise formulating a Deed to propose to creditors.

### 6.3 Recommendation

The Voluntary Administration process can conclude in one of the following ways:

- i. Creditors resolve for control of the company to revert back to the director;
- ii. Creditors resolve for the winding up of the company; or
- iii. Creditors resolve to accept a proposal for a Deed of Company Arrangement.

The administrators have not received any proposals for a Deed of Company Arrangement from the director, or any other parties, to date. This limits the alternatives available to creditors to winding up the company or handing the company back to the director. As outlined further in this report the company is clearly insolvent, and therefore we cannot recommend that control of the company revert to the directors. Accordingly the only option we can recommend for the future of the company is for it to be wound up.

Under Section 439A, Administrators must provide a recommendation to creditors based on the information available to them.

<b>Recommendation: That the company be wound up.</b>
--

#### Whether to liquidate the Company

In our view the company should be wound up.

The company is insolvent in that it has insufficient current assets to meet its commitments. Placing the company into liquidation will also provide the Liquidator with powers to conduct further investigations into the affairs of the company; look at the matter of Insolvent Trading; recover any Preferential Payments made to creditors; examine and recover any other Insolvent Transactions (if any); and examine the general affairs of the company.

- Benefits

	Yes	No
Will there be a recovery of preferential payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will there be a claim for insolvent trading?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are there other void transactions to recover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will we be issuing a report to the A.S.I.C?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Will the company be deregistered after the liquidation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- Dividend Prospects

Prospective dividends are shown in the Financial Position Statement.

#### Whether to End the Administration

In our view it would not be in the interest of the creditors for the Administration to end. Should the company's creditors resolve that the Administration be ended, the control of the company would revert back to the directors. The company is insolvent and the affairs of the company should be formally resolved.

It is likely that a creditor would apply to have the company wound up shortly after the Administration is ended as the company is unable to pay its debts.

## 7. Electronic Notification of Reports and Correspondence

The Corporations Act allows us to email reports and notices to those creditors who have provided us with a nominated email address. Creditors can nominate their email address in the space provided on the attached Proof of Debt form to receive future reports and notices issued in respect of this matter.

The following reports and notices may be issued to the nominated email address:

- Regulation 5.6.12(1) – Notice of meeting
- Regulation 5.6.16(6) – Notice of adjournment of meeting
- Regulation 5.6.48(2)(b) – Notice to persons claiming to be creditor to submit formal proof
- Regulation 5.6.53(1) – Liquidator dealing with formal proof of debt or claim
- Regulation 5.6.54(1) – Notice of rejection of proof of debt or claim (Form 537)
- Regulation 5.6.55(3) – Notice of revocation or amendment of decision on proof of debt
- Regulation 5.6.59(1) – Notice of time and place to settle list of contributories (Form 539)
- Regulation 5.6.62(1) – Notice of inclusion in list of contributories
- Regulation 5.6.65(1)(b) – Notice of intention to declare a dividend (Form 547)
- Regulation 5.6.66(1)(d)&(3)(a) – Dealing with formal proof of debt or claim

## **Annexure A**

- **Schedule 1 - Remuneration Request Approval Report**
- **Schedule 2 - List of Proofs of Debt received**
- **Proof of Debt Form**
- **Proxy Form**

## Schedule 1 - Remuneration Request Approval Report

### Part 1: Declaration

We, Lee Crosthwaite and Chris Cook, of Worrells Solvency and Forensic Accountants, have undertaken a proper assessment of this remuneration claim for our appointment in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

### Part 2: Executive Summary

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (GST inc)
<b>Current remuneration approval sought:</b>		
<b>Voluntary Administration</b>		
Resolution 3: 23 March 2017 to 2 May 2017	Part 3a	\$90,075.22
Resolution 4: 2 May 2017 to 10 May 2017	Part 3b	\$14,927.01
<b>Total – Voluntary Administration*</b>		<b>\$105,002.23</b>
<b>Liquidation (if applicable)</b>		
Resolution 5: 10 May 2017 to liquidation finalisation *	Part 3c	\$75,361.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

This differs to the estimate of costs provided in the Initial Advice to Creditors dated 27 March 2017, which estimated a cost to completion of the voluntary administration of \$60,000 (excluding GST) as our investigations proved to be much more complicated than initially anticipated.

### Part 3a: Description of work completed

Resolution 1: 23 March 2017 to 2 May 2017 (actual past remuneration)

Task Area	General Description	Includes
<b>Assets</b>  <b>Time: 50h 14m</b> <b>Fees: \$19,565.82</b>	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings
	Assets subject to specific charges	All tasks associated with realising charged assets
	Debtors	Correspondence with debtors Reviewing and assessing debtors ledgers Liaising with solicitors
	Stock	Conducting stock takes Reviewing stock values Liaising with purchasers
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
<b>Creditors</b>  <b>Time: 116h 48m</b> <b>Fees: \$45,506.48</b>	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	Search to the PPSR register Notify PMSI creditors identified from PPSR register 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 Maintain retention of title file Meeting claimant on site to identify goods Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Preparation of payment vouchers to satisfy valid claim Preparation of correspondence to claimant to accompany payment of claim (if valid)

Task Area	General Description	Includes
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	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 Responding to stakeholder queries and questions immediately following meeting
<b>Employees</b> <b>Time:6h 36m</b> <b>Fees:\$2,250.14</b>	Employees enquiries	Receive and follow up employee enquiries via telephone Maintain employee enquiry register 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
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee dividend	Correspondence with employees regarding dividend
<b>Investigation</b> <b>Time:54h 45m</b> <b>Fees:\$19,880.67</b>	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations
<b>Dividend</b> <b>Time:5h 46m</b> <b>Fees:\$1,513.97</b>	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
<b>Administration</b> <b>Time:2h 1m</b> <b>Fees:\$1,109.82</b>	Correspondence	
	Document maintenance/file review/checklist	administration reviews Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms



Task Area	General Description	Includes
	ATO and other statutory reporting	Notification of appointment Preparing BAS Completing group certificates
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Other professional services provided by the Firm	Nil	Nil

### Part 3b: Description of work to be completed

Resolution 2: 2 May 2017 to 10 May 2017 (estimated future remuneration)

Task Area	General Description	Includes
<b>Assets</b> [8 hours] [\$3,142.53]	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings
	Assets subject to specific charges	All tasks associated with realising a charged asset
	Debtors	Correspondence with debtors Reviewing and assessing debtors ledgers Liaising with debt collectors and solicitors
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
<b>Creditors</b> [17 hours] [\$6,677.87]	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	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 Maintain retention of title file Meeting claimant on site to identify goods Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Preparation of payment vouchers to satisfy valid claim Preparation of correspondence to claimant to accompany payment of claim (if valid)
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	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 Responding to stakeholder queries and questions immediately following meeting
	Shareholder enquiries	ITAA Section 104-145(1) declarations Responding to any shareholder legal action
<b>Investigation</b> [5 hours] [\$1,964.08]	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required

Task Area	General Description	Includes
	Litigation / Recoveries	Internal meetings to discuss status of litigation Liaising with solicitors regarding recovery actions Attending to negotiations
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC
<b>Dividend [3 hours] [\$1,178.45]</b>	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend
<b>Administration [5 hours] [\$1,964.08]</b>	Correspondence	
	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BAS
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
<b>Other professional services provided by the Firm</b>	Nil	Nil

### Part 3c: Description of work to be completed

Resolution 6: 10 May 2017 to liquidation finalisation date (estimated future remuneration)

Task Area	General Description	Includes
<b>Assets [62 hours] [\$23,24,209.23]</b>	Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reviewing asset listings
	Assets subject to specific charges	All tasks associated with realising a charged asset
	Debtors	Correspondence with debtors Reviewing and assessing debtors ledgers Liaising with debt collectors and solicitors
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
<b>Creditors [25 hours] [\$9,761.79]</b>	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	Receive completed retention of title claim form Maintain retention of title file Meeting claimant on site to identify goods Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Preparation of payment vouchers to satisfy valid claim Preparation of correspondence to claimant to accompany payment of claim (if valid)
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend

Task Area	General Description	Includes
	Meeting of Creditors	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 Responding to stakeholder queries and questions immediately following meeting
	Shareholder enquiries	ITAA Section 104-145(1) declarations Responding to any shareholder legal action
<b>Employees</b> [18 hours] [\$7,028.49]	Employees enquiries	Receive and follow up employee enquiries via telephone Maintain employee enquiry register 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
	Fair Entitlements Guarantee (FEG) Scheme	Correspondence with FEG. Preparing notification spreadsheet. Preparing FEG quotations. Preparing FEG distributions.
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Preparing distribution Receipting POD Adjudicating POD Ensuring PAYG is remitted to ATO
	Workers compensation claims	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 insurer regarding initial and ongoing workers compensation insurance requirements Correspondence with previous brokers
	Other employee issues	Correspondence with Centrelink
<b>Investigation</b> [71 hours] [\$27,723.48]	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance

Task Area	General Description	Includes
		Liaising with ASIC
<b>Dividend [7 hours] [\$2,733.304]</b>	Processing proofs of debt	Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
<b>Administration [10 hours] [\$3,904.72]</b>	Correspondence	
	Document maintenance/file review/checklist	Six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BAS Completing group certificates
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
<b>Other professional services provided by the Firm</b>	Books and records / storage	Dealing with records in storage Sending job files to storage
	Nil	Nil

#### Part 4: Calculation of Remuneration

Employee	Current Position	Current Hourly Rate	Total Hours	Total \$	Administration		Assets		Creditors		Dividend		Employees		Investigations		Trade on	
		(ex GST)		(ex GST)	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$
Lee Crosthwaite	Appointee 1	\$570.00	16h 19m	\$9,300.50	1h 30m	\$855.00	3h 19m	\$1,890.50	7h 10m	\$4,085.00					4h 20m	\$2,470.00		
Chris Cook	Appointee 2	\$570.00	3h 33m	\$2,023.50			1h 30m	\$855.00	2h 3m	\$1,168.50								
Nikhil Khatri	Manager	\$490.00	0h 39m	\$318.50					0h 34m	\$277.66	0h 5m	\$40.84						
Philipp Stark	Manager	\$490.00	29h 42m	\$14,553.03			2h 2m	\$996.34	19h 14m	\$9,424.35			0h 45m	\$367.50	7h 41m	\$3,764.84		
Broderick Dipple	Supervisor	\$365.00	1h 0m	\$365.00					1h 0m	\$365.00								
Gray Hewson	Supervisor	\$365.00	89h 43m	\$32,746.77	0h 15m	\$91.25	29h 37m	\$10,810.17	43h 30m	\$15,877.59			2h 20m	\$851.67	13h 49m	\$5,043.08	0h 12m	\$73.00
Declan Lane	File Accountant	\$235.00	3h 48m	\$893.00					2h 29m	\$583.58			1h 19m	\$309.42				
Kane Estall	File Accountant	\$235.00	90h 34m	\$21,282.85	0h 16m	\$62.67	13h 46m	\$3,235.10	40h 48m	\$9,587.84	5h 41m	\$1,335.50	2h 12m	\$516.99	27h 12m	\$6,392.00	0h 39m	\$152.75
Seamus OSullivan	File Accountant	\$235.00	1h 43m	\$403.42											1h 43m	\$403.42		
<b>Total</b>			<b>237h 1m</b>	<b>\$81,886.56</b>	<b>2h 1m</b>	<b>\$1,008.93</b>	<b>50h 14m</b>	<b>\$17,787.11</b>	<b>116h 48m</b>	<b>\$41,369.53</b>	<b>5h 46m</b>	<b>\$1,376.34</b>	<b>6h 36m</b>	<b>\$2,045.58</b>	<b>54h 45m</b>	<b>\$18,073.34</b>	<b>0h 51m</b>	<b>\$225.75</b>
<b>GST</b>				<b>\$8,188.66</b>														
<b>Total (including GST)</b>				<b>\$90,075.22</b>														
<b>Average Hourly Rate</b>				<b>\$345.49</b>		<b>\$500.29</b>		<b>\$354.09</b>		<b>\$354.19</b>		<b>\$238.67</b>		<b>\$309.94</b>		<b>\$330.11</b>		<b>\$265.58</b>

## Part 5: Statement of remuneration claim

The following resolutions will be put to creditors for their approval at the meeting on 10 May 2017:

### Resolution 1

*That the remuneration of the Administrators from 23 March 2017 to 2 May 2017 is determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017 up to a capped amount of \$90,075.22, inclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.*

### Resolution 2

*That the future remuneration of the Administrators from 2 May 2017 to 10 May 2017 is determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017, up to a capped amount of \$14,927.01, inclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.*

### Resolution 6

*That the future remuneration of the Liquidators from 10 May 2017 to liquidation finalisation date is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017, up to a capped amount of \$75,361.00, inclusive of GST, and that the Liquidators can draw the remuneration on a monthly basis or as required.*

## Part 6: Remuneration recoverable from external sources

As disclosed in our DIRRI Craig Peterson, the Director of the company, has provided \$30,000.00 towards our remuneration and expenses of the administration. This money will be held in a bank account set up for the purposes of the administration. There are no conditions on the conduct or outcome of the administration attached to the provision of these funds.

## Part 7: Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internally provided non-professional costs such as photocopying and document storage. These disbursements, if charged to the liquidation, would generally be charged at cost; though some expenses, such as photocopying, storage, printing and telephone calls may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

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

The following disbursements have been paid by the Administration to our firm. Where amounts have been paid to my firm for externally provided services and costs, that is in reimbursement of a cost previously paid by our firm either due to a lack of funds in the Administration at the time the payment was due or the direct invoicing of our firm by the supplier.

All of the below transactions appear in the receipts and payments listing attached to this report. Note: The amounts below are shown inclusive of GST. The amounts in the schedule 3 are shown net of GST.

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.

Disbursement	Description	Rate	Total
--------------	-------------	------	-------

Internal			
no outlays			
External Professional			
no outlays			
External Non-Professional			
no outlays			
			<b>\$0.00</b>

The following amounts have been incurred by our firm but have not yet been reimbursed from the administration. These amounts will be paid if and when funds become available in the administration.

<b>Disbursement</b>	<b>Description</b>	<b>Rate</b>	<b>Total</b>
Internal			
no outlays			
External Professional			
no outlays			
External Non-Professional			
Advertising		\$0.00	\$153.00
			<b>\$153.00</b>

Future disbursements provided by our firm will be charged to the administration on the following basis:

<b>Internal Disbursements</b>	<b>Description</b>	<b>Rate</b>
Sundry		\$0.00
Storage Boxes	Box (each)	\$4.00
Envelopes - Small	Envelope (each)	\$0.06
Envelopes - Large	Envelope (each)	\$0.12
Administration Folder	Folder (each)	\$1.90
Storage	per box per month	\$0.65
Photocopies	per Page	\$0.20
Cheque Printer Costs	Printing of Cheques (each)	\$0.55
These rates are applicable for financial year ending 30/06/2017		

#### **Part 8: Report on Progress of the Administration**

Please refer to the earlier sections of this report.

#### **Part 9: Summary of Receipts and Payments as at 2 May 2017**

Account Name	Amount
--------------	--------

#### Receipts

Interest Earned                      \$32.05

Indemnity Funding    \$30,000.00

Total Receipts	<u>\$30,032.05</u>
----------------	--------------------

#### Assets

Cash at Bank                      \$30,032.05

Total Assets	<u>\$30,032.05</u>
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#### Part 10: Queries

If you require any further information, please contact Kane Estall on (07) 3225 4335 or [kane.estall@worrells.net.au](mailto:kane.estall@worrells.net.au).

Creditors can also obtain exact details (updated twice daily) of our remuneration charged and drawn for this appointment from the file information pages of our website ([www.worrells.net.au](http://www.worrells.net.au)).

#### Part 11: Information Sheet

The Australian Securities & Investments Commission (ASIC) and the Australian Restructuring Insolvency & Turnaround Association (ARITA) have released several guides to assist directors, shareholders, creditors and employees of companies in external administration. In particular ASIC has released a remuneration information guide for creditors - *INFO 85 Approving fees: a guide for creditors*.

Creditors can obtain a copy of this information sheet from ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets) and ARITA's website at [www.arita.com.au](http://www.arita.com.au).

ARITA's website also contains its Code of Professional Practice for Insolvency Professionals which applies to ARITA members. Partners of Worrells are members of ARITA and the firm conforms with the code.



## Schedule 2 - List of Proofs of Debt Received

*You need not lodge a further Proof of Debt if you are on this list*

Name	Claimed Amount	POD Status	\$ Admitted	\$ Rejected/Withdrawn
Ace Restumping Pty Ltd	\$23,315.00	Pending		
Actron Engineering Pty Ltd	\$32,049.00	Pending		
AG Rigging & Steel	\$29,204.00	Pending		
AGL	\$61.00	Pending		
AJS Surverys Pty Ltd	\$11,071.00	Pending		
Amt Aus Pty Ltd	\$89,600.00	Pending		
Anora Foundations Pty Ltd	\$69,197.00	Pending		
Australian Procurement Services Pty Ltd	\$93,401.00	Pending		
Australian Taxation Office (Insolvency)	\$124,574.00	Pending		
Bailar Pty Ltd ATF Petersen Family Trust	\$77,700.00	Pending		
Big Rhino Crane Hire Pty Ltd	\$14,460.00	Pending		
Blindo Pty Ltd	\$7,150.00	Pending		
Bretts Pty Limited	\$1,208.00	Pending		
BridgeFAB Pty Ltd	\$113,926.00	Pending		
Brisbane City Cranes Pty Ltd	\$20,975.00	Pending		
Brisbane Pre-Cast Pty Ltd	\$43,042.00	Pending		
Chermside Mitre 10 (Chermside Hardware Pty Ltd)	\$238,381.00	Pending		
Concut Pty Ltd	\$4,447.00	Pending		
Conquest Projects Pty Ltd	\$88,090.00	Pending		
Coventry Group Ltd	\$5,206.00	Pending		
Davies Sheet Metal Pty Ltd	\$10,671.00	Pending		
Edge Concepts (QLD) Pty Ltd	\$5,939.00	Pending		
Elton Roep	\$7,303.00	Pending		
Excel Lockers Pty Ltd	\$3,018.00	Pending		
Finlayson Timber & Hardware Pty Ltd	\$1,927.00	Pending		
Flexistrut Australia	\$913.00	Pending		
Friday Beers	\$316.00	Pending		
Fyreguard	\$1,894.00	Pending		
Gabba Holdings Pty Ltd (Administrators Appointed)	\$760,145.00	Pending		
GeoRetain Pty Ltd	\$20,018.00	Pending		
Globe Labour Services Pty Ltd	\$43,331.00	Pending		
Grant Quinlan	\$54,091.00	Pending		
Harveybuild Pty Ltd	\$223,291.00	Withdrawn	\$0.00	\$223,291.00
Herbies Earthmoving Pty Ltd	\$81,142.00	Pending		
Hunter Premium Funding	\$751.00	Pending		
Impact Plumbing & Gas Pty Ltd	\$171,283.00	Pending		
Inertia Engineering Pty Ltd	\$4,730.00	Pending		
Integrated Safety Solutions Pty Ltd atf Cassidy Family Trust	\$3,300.00	Pending		
J&L Bricklaying (QLD) P/L	\$36,027.00	Pending		
Jigsaw Australia Pty Ltd	\$951.00	Pending		
Kelwyn Cassidy	\$20,705.00	Pending		

Kone Elevators Pty Ltd	\$3,453.00	Pending		
Leighton Sand & Gravel Pty Ltd	\$1,842.00	Pending		
Lyndons Pty Ltd	\$3,211.00	Pending		
M & M Projects Pty Ltd	\$7,001.00	Pending		
MacDonald Restumping Pty Ltd	\$25,190.00	Pending		
Mark Uhlmann	\$852.00	Pending		
Matthew Gobo	\$7,557.00	Pending		
Mikber Pty Ltd	\$107,133.00	Pending		
Multi Space Interior Construction Pty Ltd	\$25,454.00	Pending		
My Computer Support Pty Ltd	\$4,814.00	Pending		
Neilsen's Concrete Pty Ltd	\$51,930.00	Pending		
O'Connor Formwork Pty Ltd	\$49,887.00	Pending		
Offis Pty Ltd	\$4,924.00	Pending		
P3 Projects Pty Ltd	\$573,366.00	Pending		
Panick Reo Pty Ltd	\$57,524.00	Pending		
Paul Hughes	\$11,264.00	Pending		
PJS Interior Linings Pty Ltd	\$74,335.00	Pending		
Polyaire Pty Ltd	\$1,465.00	Pending		
Rammas QLD Pty Ltd	\$31,422.00	Pending		
Rippa Scaffolding Pty Ltd	\$80,285.00	Pending		
River City Cabinets Pty Ltd	\$6,485.00	Pending		
Royal Wolf Trading Australia Pty Limited	\$1,991.00	Pending		
Steve P Carpentry	\$20,893.00	Pending		
Summit Roofing Holdings Pty Ltd	\$61,489.00	Pending		
Technicool Australia Pty Ltd	\$63,058.00	Pending		
The Cude Family Trust	\$13,973.00	Pending		
The Trustee for Hitec Glazing Trust	\$202,945.00	Pending		
Toni Hall	\$3,143.00	Pending		
Tox Free Australia Pty Ltd	\$14,571.00	Pending		
Traffic Control Innovations Pty Ltd	\$7,681.00	Pending		
Trimform Pty Ltd	\$151,519.00	Pending		
Tucker & Cowen Solicitors	\$135.00	Pending		
United Equipment Pty Ltd	\$11,171.00	Pending		
Westera Partners Pty Ltd	\$1,298.00	Pending		
Wire Industries Pty Ltd	\$6,905.00	Pending		
Workcover Queensland	\$6,574.00	Pending		
Your Resourcing Pty Ltd	\$37,005.00	Pending		
<b>Total</b>	<b>\$4,272,548.00</b>		<b>\$0.00</b>	<b>\$223,291.00</b>

***Lodge your claim online from the file's File Information page***

POD No:

Form 535  
Corporations Act

Sub regulation 5.6.49(2)

**FORMAL PROOF OF DEBT OR CLAIM  
(GENERAL FORM)**

Company Name

**CKP Constructions Pty Ltd (Administrators Appointed)**

A.C.N.

**105 552 510**

This is to state that the company was on **23 March 2017** and still is justly indebted to:

Creditor Name

\*See Note 3

**ABN**

Postal Address

☐ ABN not applicable

In the amount of

\$

Particulars of the debt are:

Date	Consideration	Amount	Remarks

The creditor has not, nor has any person by the creditor's order, to my knowledge or belief, had or received any part of it except for the following:<sup>5</sup>

I am in the employment of the creditors and duly authorised in writing by the creditor to make this statement and it is within my knowledge that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

I am the creditor's agent duly authorised in writing to make this statement in writing and it is within my knowledge that the debt was incurred and for the consideration stated and that debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

**I have attached the following documents (tick as many as appropriate):**

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Invoices            | <input type="checkbox"/> Letters of Demand   | <input type="checkbox"/> Guarantee from company |
| <input type="checkbox"/> Monthly Statements  | <input type="checkbox"/> Orders from company | <input type="checkbox"/> Credit Application     |
| <input type="checkbox"/> Judgment from Court | <input type="checkbox"/> Statutory Demand    | <input type="checkbox"/> Other documents        |

<b>Name</b>	<b>Signature</b>
<b>Date</b>	<b>Phone</b>
<b>Fax</b>	<b>Nominated Email Address to Receive Future Notices, Reports &amp; Correspondence by Email*</b>

\* I am nominating the above email address to receive future notices issued with respect of this matter (copies will not be sent by post)

☐ I only wish to continue to receive reports by post

**Contact: Kane Estall      Code: 8526**

## NOTES FOR PROOF OF DEBT FORM

1. Insert date of court order in winding up by court, or date of resolution to wind up, if a voluntary winding up.
2. Insert full name and postal address of the creditor and, if applicable the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
3. Insert the Australian Business Number ('ABN') of creditor. Failure to provide an ABN or notify that one is not applicable will result in 48.5% of any dividend being withheld and remitted to the Australian Taxation Office.
4. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
5. Under "Remarks" include details of vouchers substantiating payment.
6. If proof is made by creditor personally, strike out the 2 paragraphs identified by \* on page 1.

## DIRECTIONS FOR ANNEXURE

- (1) Where the space provided for a particular purpose is insufficient to contain all the required information in relation to a particular item, that information shall be set out in an annexure.
- (2) An annexure to form shall have an identifying mark and be endorsed with the words:-

This is the annexure of ..... pages marked ..... referred to in the  
(insert description of form) signed by me and dated .....

.....  
Signature(s)

.....  
Name of Signatory IN BLOCK LETTERS

and signed by each person signing the form to which the document is annexed.

- (3) The pages in the annexure shall be numbered consecutively.
- (4) Where a document, copy of a document or other matter is annexed to a form, reference made in the form to the annexure shall be by its identifying mark, the number of pages in it, and a brief description of the nature of the document and its contents.
- (5) A reference to an annexure includes a document, copy of a document or any other matter accompanying, attached to or annexed to a form.

**FORM 532**  
**Corporations Act**

**A.C.N.105 552 510**

**Regulation 5.6.29**

**APPOINTMENT OF PROXY**

(1) \*I/We (Name of creditor)

--

a creditor of **CKP Constructions Pty Ltd (Administrators appointed)**

**appoint** (name of person to hold proxy) ) ☐ or in their absence, *The Chairman of the Meeting*

--

as \*my/\*our **general proxy** ☐ or **special proxy** ☐ to vote at the meeting of creditors to be held on **10 May 2017** or at any adjournment of that meeting. This proxy is to be used as a special proxy to vote on resolutions as indicated on my voting form.

**Dated**

--

<b>Signature</b>	<b>Name</b>
<b>Phone</b>	<b>Nominated Email Address to Receive Future Notices, Reports &amp; Correspondence by Email*</b>

\* I am nominating the above email address to receive future notices issued with respect of this matter (copies will not be sent by post)  
☐ I only wish to continue to receive reports by post

**WITNESS FOR BLIND CREDITOR**

I..... of..... hereby certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

**DATED this .....** day of ..... **20.....**

Signature of Witness.....Description.....  
Place of Residence.....

\* Strike out whichever is inapplicable.

(1) If a firm, strike out "I" and set out the full name of firm.

Proxy forms should be completed and returned by no later than 5.00pm the day prior to the meeting in order to be eligible to vote at the meeting.

**Contact: Kane Estall Code: 8526**

**Voting Slip for Meeting of Creditors of  
CKP Constructions Pty Ltd ACN 105 552 510  
held on 10 May 2017 or any adjournment.**

**Creditor Name**

--

**Amount of Debt**

--

This is a voting slip for a special proxy. I hereby instruct my proxy holder to vote on all resolutions in the manner indicated below;

	For	Against	Abstain
<b>Resolution 1</b> <i>That the remuneration of the Administrators from 23 March 2017 to 2 May 2017 is determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017 up to a capped amount of \$90,075.22, inclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> <i>That the future remuneration of the Administrators from 2 May 2017 to 10 May 2017 is determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017, up to a capped amount of \$14,927.01, inclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> <i>That the company be wound up and that the administrators be appointed joint and several liquidators.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> <i>That the administration end and the conduct of the company be passed back to the directors of the company.</i>			
<b>Resolution 5</b> <i>That a Committee of Inspection be appointed.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> <i>That the future remuneration of the Liquidators from 10 May 2017 to liquidation finalisation date is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and detailed in the report to creditors of 2 May 2017, up to a capped amount of \$75,361.00, inclusive of GST, and that the Liquidators can draw the remuneration on a monthly basis or as required.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> <i>That, subject to obtaining approval from the Australian Securities and Investments Commission pursuant to Section 542(4) of the Corporations Act 2001, the books and records of the company and of the liquidators may be destroyed by the liquidators within a period of 5 years after the deregistration of the company.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Signed**

**Dated**

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