

15 November 2022



J R Contracting (WA) Pty Ltd (In
liquidation) ACN 116 741 505
Fusion Contracting (WA) Pty Ltd
(In liquidation) ACN 141 810 853
(Together “the Companies”)

REPORT TO CREDITORS

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1. Introduction

I refer to Ian Francis and my appointment as joint and several Liquidators of the Companies on 30 April 2019 and to my statutory report to creditors of 30 July 2019.

Since our last report, we have completed my investigations into the Companies, realised all assets, distributed funds to the Companies' secured creditors, completed our investigations, and investigated and made a pooling determination.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation;
- advise you of the likelihood of a dividend being paid in the liquidation;
- convene a meeting of the creditors for each of the Companies to seek approval from creditors of the following:
 - my pooling determination for the Companies, as outlined in section 9; and
 - my remuneration as outlined in the table below, section 10 and my Remuneration Approval Report in Annexure A;

Table 1: Remuneration approval request summary

Period	J R (\$ ex GST)	Fusion (\$ ex GST)
Retrospective: 15 August 2019 to 19 August 2022	108,534.50	88,594.75
Prospective: 20 August 2022 to 5 December 2022	6,500.00	6,500.00
Prospective: 6 December 2022 to finalisation:		
- If the Determination is approved	36,000.00	
- If the Determination is not approved	18,000.00	14,500.00

Attached at Annexure A is my detailed Remuneration Approval Report on the cost of the liquidation and the tasks I have undertaken which supports my claims for which approval is sought from creditors.

Table 2: Liquidators' details

Name/s	Daniel Woodhouse and Ian Francis
FTI contact	Starli Smith
FTI contact phone number	(08) 9321 8533
FTI contact email	starli.smith@fticonsulting.com

Table 3: Meeting details

Date and time	10:30 am (AWST), 6 December 2022
Place of meeting	152 St Georges Terrace, Perth WA 6000

2. Executive summary

Table 4: Summary of liquidation by area

Area	Summary	Section
Realisation of plant and equipment	Plant and equipment was realised for ~\$4.1m. A further ~\$100k was recovered through insurance of stolen assets. Creditors with valid security interests in specific assets have been paid from the sales proceeds of those assets.	4.1
Realisation of property	Fusion owned a property, which we realised for ~\$1.1m. Net sale proceeds were paid to the secured creditor.	4.2
Realisations of debtors	We realised ~\$6.5k in debtors. The balance reported in the Companies' accounts has been written off as either erroneously entered or disputed and uncommercial to pursue further.	4.3
Investigations	We have completed our investigations and lodged a report with the Australian Securities and Investments Commission ("ASIC") on our findings. While we identified some potential recovery actions, they are not commercial to pursue, and we do not plan to take further action.	6
Pooling determination	We have made a pooling determination for the Companies, which effectively combines the two liquidations into a single liquidation, subject to approval by creditors. We believe the pooling determination is in the best interests of creditors as it enables a more equitable distribution of assets and results in a higher return to creditors. The pooling determination will only come into force if approved by creditors.	9
Likelihood of dividend	The likelihood of a dividend varies depending on whether the pooling determination is approved by creditors. If creditors approve the determination, I expect to be able to pay: ■ priority creditors in full ■ non-priority, unsecured creditors a dividend in the range of 0.1 and 0.24 cents in the dollar. If pooling orders are not approved, I expect: ■ for J R, that unsecured creditors will receive a dividend of between 1.05 and 1.94 cents in the dollar; ■ for Fusion, that priority creditors will be paid in full but unsecured creditors would not receive a dividend.	8

3. Progress of the Liquidation

Since my last report, I have finalised the realisation of all assets (section 4), paid amounts owing under valid, registered security interests (sections 4.1 and 5) and completed my investigations (section 6).

After reviewing the Companies' operations, and in preparing to declare a dividend, I have also made a Pooling Determination for the Companies (section 9).

Further information about each of these matters is provided in this report.

4. Asset realisations

We realised ~\$5.3m from the Companies' assets, as set out in Table 5 below. The majority of the proceeds were paid to the Companies' secured creditors. Further details of the assets and realisation process is provided in the sections outlined below.

Table 5: Asset realisations

Asset class	Section	JR (\$'000)	Fusion (\$'000)	Total (\$'000)
Plant and equipment – Asset sales	4.1	3,683	427	4,110
Plant and equipment – Insurance proceeds	4.1	106	0	106
Property	4.2	-	1,084	1,084
Debtors	4.3	-	7	7
Total		3,789	1,518	5,307

4.1. Plant and equipment

On appointment, the Companies held ~130 items of plant and equipment plus various miscellaneous items and office equipment across two sites in Port Hedland, Western Australia.

We engaged GraysOnline to value the assets and undertook a site trip with them to identify, inspect and photograph the assets. GraysOnline valued the assets at ~\$4.3m, on an online auction realisation basis.

We undertook a sales campaign for the assets, which resulted in 15 enquiries and seven indicative bids for the purchase of the plant and equipment. Of the seven indicative bids, only two were for the entire plant and equipment base.

We did not proceed with any parties interested in individual pieces or small groups of plant and equipment as removing these items from the wider asset pool would have been detrimental to the overall value.

We compared the two offers encompassing all available plant and equipment and accepted an offer from Gordon Brothers as it provided the best return to creditors. From an indicative bid of ~\$4.4m, Gordon Brothers' final offer for all available assets totalled ~\$4.1m. This was above the auction value for the assets sold, of ~\$4.0m.

Details of the indicative bid and final offer, and net proceeds after secured creditor payments, are provided in Table 6 below. Further information about the sales campaign and response is contained in my report to creditors of 30 July 2019.

Table 6: Plant and equipment realisations

Item	Note	Auction value \$ (ex GST)	Offer \$ (ex GST)
Indicative offer		4,295,800	4,461,286
Due diligence adjustment	1	-	(173,020)
Assets stolen from site prior to sale	2	(173,000)	(170,100)
Assets returned to secured creditor	3	(10,000)	(8,400)
Asset valued but not sighted and not located post appointment	4	(60,000)	-
Assets not included in offer and uncommercial to realise	5	(25,000)	-
Final offer		4,027,800	4,109,766
Payment to secured creditors	3		(2,612,200)
Net proceeds after payment to secured creditors	6		1,497,566

Notes to table:

The notes set out below should be read in conjunction with Table 6 above.

1. Due diligence adjustments

Indicative bids were submitted sight unseen, based on a plant and equipment listing prepared by GraysOnline (with valuation amounts removed). Before submitting a final offer, Gordon Brothers inspected the plant and equipment and identified 10 assets with mechanical issues. As a result, Gordon Brothers reduced their offer for those 10 items by ~\$173k.

We confirmed with GraysOnline that mechanical issues were not accounted for in its valuation. Therefore, while no adjustment has been made to the valuation amount, it is likely that we would have been unable to realise those items for the valued amount.

2. Assets stolen from site prior to sale

On 3 July 2019, the liquidators were advised that several assets, which were on site on our appointment, were no longer there. These assets were valued at ~\$173k and made up ~\$170k of Gordon Brothers' offer. As the assets were no longer on site, Gordon Brothers removed the items from their offer and reduced the value of their offer accordingly.

We lodged a Police report for three of the vehicles in 2019 and, subsequently, made a claim on our insurance. Our claim was settled on 28 October 2020 for ~\$74k. Of this, ~\$60k was paid directly to creditors that had registered security interests in the stolen assets, with the balance of ~\$14k paid to the liquidation.

A further Police report was lodged for a fourth vehicle in 2021. The lodgement of this report and our subsequent insurance claim were delayed as we were initially unable to provide proof of ownership of the vehicle to the insurer.

A typographical error in the registration of 19 vehicles meant that they did not appear on vehicle registers provided by the Department of Transport ("DoT") at appointment. For the avoidance of doubt, this was an error made at the time the asset was purchased and prior to the Liquidators' appointment.

On receipt of registration renewal notices from the director, we identified the typographical error and were able to obtain complete records for the vehicles and the proof of ownership required to lodge the Police report and insurance claim.

The insurance claim was settled for ~\$32k, which was paid directly to the secured creditor.

The Companies' lenders identified further assets owned by the Companies, which were not on site on appointment. It appeared that these vehicles may have also been stolen. However, as they were not in the Companies possession at the time of our appointment, we were unable to lodge a claim on our insurance policy. We investigated whether we could lodge a claim for these assets on the Companies' insurance policy (separate to the Liquidator's insurance); however, we were unable to as the policy had been cancelled for non-payment prior to our appointment.

3. Secured creditor approval and payments

Of the 125 assets purchased, 74 were subject to registered Purchase Money Security Interests ("PMSIs") from 14 different parties. Where valid, these registrations effectively meant that the secured party for each asset was entitled to the proceeds from the sale of these assets in priority to other creditors.

Accordingly, as part of the sale process, we were required to seek approval from each secured party for the sale of assets subject to PMSI registrations. Separately, we were also required to obtain approval from the Companies' general security holder, National Australia Bank Limited ("NAB").

One secured creditor rejected the offer for one of the secured assets. As a result, we disclaimed this item, it was collected by the relevant Secured Creditors, and the final sale value was reduced by \$8.4k.

Following the sale of the plant and equipment, we paid out ~\$2.6m to valid PMSI holders under their securities. A further \$619k was paid to NAB under their general security agreement. Subsequently, we were required to coordinate the removal of all PPSR registrations by each secured creditor to enable the purchaser to deal with the asset freely.

4. Asset valued but not sighted and not located post appointment

As part of their valuation, GraysOnline provided a desktop valuation of a Prime Mover, which was included on the Companies' vehicle register but had not been sighted on appointment. The Prime Mover was valued at \$60k on an online auction basis.

The vehicle was not located post appointment and subsequent investigations suggest it was sold prior to the Liquidators' appointment.

5. Assets not included in offer and uncommercial to realise

The Company held several assets that were not included in Gordon Brothers' offer and were uncommercial to realise in a separate sales process, such as small hand and power tools, consumables, vehicle jacks, and office equipment.

GraysOnline valued these items at \$25k in total. Given their location, it was not commercial to either hold an onsite auction or transport them to Perth to include in a general auction.

6. Net proceeds and allocation between Companies

The Companies' plant and equipment register was not current and it was not clear which company owned which assets. Therefore, we were required to undertake a reconciliation of assets listed by GraysOnline to the Companies' books and records and ownership records provided by the DoT. From this, we identified the following allocation of assets between the two companies.

Table 7: Plant and equipment realisations by company

Description	JR Contracting \$ (ex GST)	Fusion Contracting \$ (ex GST)	Total \$ (ex GST)
Gross asset realisations	3,682,516	427,250	4,109,766
Insurance proceeds (gross)	106,088	-	106,088
Payment to secured creditors	2,585,143	119,224	2,704,367
Net asset realisations (before NAB payment)	1,203,461	308,026	1,511,487
Payment to NAB under general security	619,033	-	619,033
Net asset realisations (after NAB payment)	620,978	308,026	892,453

As noted above, a typographical error in the registration of 19 vehicles meant the vehicles were not initially included in the Department of Transport search results. This materially delayed the completion of our reconciliation and the progress of the liquidation.

4.2. Property

Fusion was the sole registered owner of a property located in Wedgefield, Western Australia ("the Property"), which was leased to a third party tenant. NAB, the Companies' general security holder, held a mortgage over the property.

Under the lease agreement, the tenant held a right of first refusal to any sale process for the Property. As such, we wrote to the tenant requesting advise as to their interest in purchasing the Property. The tenant advised that they would not be making an offer, which enabled us to continue with a general sales campaign.

We invited local valuers and real estate agents to assess the current market value of the Property and submit quotes / sale submissions for their services. After reviewing these submissions, we engaged Herron Todd White to value the property and Richard Hamlin of RBH Real Estate to sell the property.

The Property was marketed on a set date tender basis, through print and social media, for five weeks.

The selling agent received 42 enquiries and three offers to purchase the Property. We accepted an unconditional offer for the Property of ~\$1.08m, which was above valuation of ~\$870k.

The sale of the Property settled on 1 November 2019 and the net proceeds of ~\$1.06m (i.e. proceeds less selling costs) were paid to NAB and applied to its outstanding debt.

4.3. Debtors

The Companies' books and records indicated that 29 debtors were owed ~\$904k on appointment (~\$181k JR and ~\$723k Fusion). As noted in our report of 30 July 2020, the Director advised outstanding debtors totalled ~\$482k (\$162k J R and ~\$320k Fusion) in his Report on Company Activities and Property ("ROCAP"); however, he noted that several of these debts were in dispute and may not be collectible.

The amount reported in the director's ROCAP differs to the books and records as the Director adjusted the outstanding balance to remove erroneous, disputed and paid invoices.

Further inspection of the books and records and discussions with the Director and his spouse indicated that a significant portion of recorded debtors were likely uncollectible. Excepting erroneous, unrecoverable (due to liquidation) or paid balances, we wrote to debtors requesting payment. We recovered \$6,548 of outstanding debtors, with the balance being written off as uncollectible or uncommercial to pursue, as summarised in Table 8 below.

Table 8: Debtors summary

Description	Note	J R (\$'000)	Fusion (\$'000)	Total (\$'000)
Debtors per books and records		181.3	723.3	904.6
Paid pre appointment but not yet receipted		-	(8.2)	(8.2)
Erroneous balances	1	(18.4)	(327.1)	(345.5)
Debtors subject to external administration	2	(67.4)	(61.8)	(129.2)
Aged and / or disputed and not commercial to pursue	3	(95.5)	(305.1)	(400.6)
Uncommercial to pursue further	4	-	(14.6)	(14.6)
Balance recovered		-	6.5	6.5

Notes to table:

The notes set out below should be read in conjunction with Table 8 above.

1. Erroneous balances

Four invoices were raised for planned asset sales that did not complete. We confirmed this with the Director, the potential purchasers and through the Companies' records.

Further, the company records reported one debtor with a negative balance of ~\$73k (i.e. it appeared that the Companies owed the debtor money). This was due to unallocated invoices and receipts and no amount was owing.

2. Debtors subject to external administration

Three debtors owing a total of ~\$82.2k entered liquidation prior to our appointment. A dividend is not expected in any of the liquidations. Accordingly, these debtors have been written off as uncollectible.

A fourth debtor, totalling \$46.9k, disputed the amount owed and, subsequently, entered voluntary administration. The debt was over 12 months' old and we had limited information to support a claim in the administration. Because of this, and as only a small dividend was anticipated, we considered it uncommercial to pursue the debt further and the amount was written off.

3. Aged or disputed/unsubstantiated and not commercial to pursue

Unrecoverable due to deregistration (~\$200.4k)

The most significant disputed debtor owed ~\$200.4k, per the Companies' records. The director advised that the debt would be difficult to pursue and that the amount was disputed. The debtor was subsequently deregistered by ASIC and we were unable to pursue the amount outstanding further.

Aged over 18 months (~\$104.8k)

Five debtors were disputed and aged over 18 months, with three aged by four years (i.e. the debts were from 2015). We wrote to these debtors requesting payment of the amounts outstanding. The debtors either disputed the debt or did not respond. Given the age of the debts and limited documentation we had supporting the amounts outstanding, the debts were unable to be pursued further and were written off.

Other significant debtors (~\$93.4k)

Two debtors strongly disputed the amounts owing, with the unpaid invoices dating back two to eight months. Both debtors made payments up to ~two months prior to our appointment and advised that no further payments would be made as they disputed the invoiced amounts. As we had limited documentation to substantiate the Companies' claims, or to counter their disputes. Accordingly, these amounts were written off.

Part or previously paid invoices (~\$2.0k)

Eight debtors part paid invoices or advised that the outstanding invoice had been paid as part of a previous months' payment. The balances owing averaged ~\$250 and were written off as we had insufficient evidence to support the amount owing and it was uncommercial to pursue further.

4. Uncommercial to pursue

The remaining three debtors did not respond to our requests for payment. As they owed an average of ~\$4.8k each, the debts were uncommercial to pursue further and were written off.

5. Creditor claims

5.1. Secured creditors

There were 276 security interests registered on the Personal Properties Security Register at our appointment (161 J R and 115 Fusion).

PMSI registrations

226 of the security interests were registered as PMSIs, which, where valid, provide the security holders with certain rights over the assets they have a registered interest in. We were required to review each of these registrations against the assets sold to determine whether there was an asset subject to the registration on site and, if so, whether that registration was valid.

For valid registrations, we then had to seek approval from the secured party to sell the asset/s and agree the proceeds to be paid to the creditor.

73 of the PMSI registrations were valid and related to assets on site on appointment. We paid ~\$2.7m to secured creditors under their valid PMSI registrations, including ~\$92k paid directly from insurance claims. The majority of secured creditors incurred a shortfall on their debts (the amount paid was less than the amount owed). These secured creditors may claim the shortfall as an unsecured debt.

General security interest

NAB also held a general security interest, in addition to 14 PMSI security interests, which gave it certain priorities over unsecured creditors.

While Fusion and J R had separate financing arrangements with NAB, the facilities were cross guaranteed, meaning both Companies were liable to pay the debt. In some cases, borrowings were obtained by one company using the other company's assets as security. This created some complexity in determining which company was primarily liable for the payment of the debt and, consequently, the correct flow of funds from asset sales.

While this matter has not been fully resolved, NAB's debt has been fully repaid from assets subject to direct security interests and surplus funds from the sale of plant and equipment (mainly from unencumbered assets), to prevent further interest being charged. Should the pooling determination not be approved, further work may be required to determine intercompany debts arising from the security arrangements.

5.2. Priority unsecured creditors (employees)

All staff were employed by Fusion but provided services to both Fusion and J R. Services provided to J R were provided under an informal agreement between the two companies. As a result, J R does not have any priority creditors.

While Fusion had ceased trading at appointment, Fusion's books and records indicated that there were three potential employee claims totalling ~\$11k for unpaid leave, as outlined in my report of 30 July 2019.

The three employees lodged claims with the Attorney General's Department under the Fair Entitlements Guarantee ("FEG") scheme. The FEG scheme is a government safety net for unpaid employee entitlements,

where employees are terminated because of insolvency, and there are insufficient assets to meet outstanding entitlements. At the time of my appointment, it was administered by the Attorney General's Department and is now administered by the Department of Employment and Workplace Relations.

The claims were assessed under the FEG program and FEG made a distribution of ~\$28k to two of the former employees. The administrator of the FEG scheme is entitled to claim in the employees' place for the amount paid out.

5.3. Unsecured creditors

The Companies' books and records report 68 unsecured creditors totalling ~\$6.1m (~\$35k J R and ~\$6.1m Fusion). We have received 26 claims totalling ~\$6.2 from unsecured creditors (~\$33k J R and ~\$6.1m Fusion).

Secured creditors are also able to claim the balance of their debt as unsecured claims. We anticipate additional claims resulting from the shortfall to secured creditors will total at least ~\$1.0m (~\$871k J R and ~\$161k Fusion). This estimate is based on advised payout values, less amounts already distributed, and is likely to be higher as ongoing fees and charges are accounted for.

Where creditors have cross guaranteed their debts, they may claim the amount outstanding in both liquidations.

6. Investigations and recovery actions

As Liquidators, we are required to investigate whether there may be any voidable transactions where we may recover money, property or other benefits for the benefit of creditors.

In our statutory report to creditors, we provided a summary of investigations completed and potential recovery actions.

Our investigations indicated that the Companies were likely insolvent from at least 30 June 2018, but possibly earlier. We also noted four areas where there was a possible recovery action, and which required further investigation.

Our additional investigations concluded that it was unlikely that any money or property would be recovered if any of the actions were pursued either because a valid defence was likely available, or the parties involved did not have the financial capacity to provide compensation. Consequently, we determined that it would be uncommercial to pursue any recovery actions.

A summary of our additional investigations is provided below.

6.1. Unfair preference claims

Generally, an unfair preference may occur when a creditor receives payment/s from an insolvent company in the six months prior to an external administrator's appointment, and that payment was made in preference to other creditors. There are several criteria that need to be proven and various defences are available to creditors.

In our statutory report to creditors, we advised that we had identified several transactions that may potentially constitute unfair preference payments for Fusion; however, further investigation was required. We did not identify any potential preferential payments for J R.

Our further investigations found that it was not commercial to pursue any of the potential claims were either defensible and/or commercial.

Accordingly, there were no unfair preference claims recoverable in the liquidation.

6.2. Insolvent Trading

Where a company has traded while insolvent, a director may be liable to pay compensation for the additional debts incurred while trading insolvently.

Our investigations indicated that the Companies were likely insolvent from at least 30 June 2018, and possibly earlier. It appears that the Director traded the business when he knew, or should have known, that the Companies were insolvent.

However, we do not consider that the Director has the financial capacity to make it commercially viable to pursue a claim against him. The Director provided several personal guarantees for the Companies and, after the Companies' entered into liquidation, entered into a Personal Insolvency Agreement ("PIA"). As such, any insolvent trading claim would be a claim in the Director's PIA and subject to a formal dividend process.

To pursue a claim, we would need to lodge a proof of debt with the Controlling Trustee of the PIA and provide sufficient documentation to substantiate the claim. Significant costs would be incurred making a claim, which would outweigh the dividend from the PIA.

Accordingly, it is not commercial to pursue an insolvent trading claim.

6.3. Uncommercial transactions

We identified a potential uncommercial transaction, relating to a vehicle previously owned by Fusion that was sold to the Director's spouse on 10 December 2018. Our preliminary investigations indicated that JR may have partly or wholly funded the amount outstanding under the finance agreement. Our further investigations were inconclusive and, as the Director's spouse has also entered into a Personal Insolvency Agreement ("PIA"). Accordingly, the claim was uncommercial.

As discussed previously, since preparing our statutory report, we obtained complete vehicle ownership records from the DoT and completed a reconciliation of vehicles on site to the DoT's records. Through this process, we identified several vehicles that were registered to the Companies at the date of my appointment but were not on site.

Further investigation identified that these vehicles had been sold and their registration transferred to the purchasers after our appointment. We requested further information about these transfers from the DoT and the Director. The Director advised that the vehicles had been repossessed prior to our appointment and the secured creditor had arranged their sale. We confirmed this with the selling agent, who advised they were acting on instructions from the relevant secured creditor. Accordingly, no further action can be taken.

6.4. Related entity benefit

Other than already discussed, we are not aware of any related party transactions that would be recoverable for the benefit of creditors.

Our investigations did not identify any suspicious payments made by the Companies to the Director or related parties. While we did identify regular transfers from Fusion to J R, we understand these were internal charges for equipment use. If the pooling determination is not approved, further work may be required to confirm any amounts outstanding between the two companies.

6.5. Report to ASIC

Section 533 of the Act requires a liquidator to investigate any offences that may have been committed by the directors or persons who took part in the formation, promotion, administration management or winding up of a company and to lodge a report on their findings to ASIC. I have lodged my report with ASIC and am waiting on a response from them.

7. Receipts and payments

During the Liquidation, I have made the following receipts and payments:

Table 9: Receipts and payments from 30 April 2019 to 31 October 2022

\$'000	J R	Fusion	Total
Receipts			
Cash at bank on appointment	18.0	54.3	72.3
Sale of plant and equipment	3,682.5	321.5	4,004.0
Sale of property	-	1,084.0	1,084.0
Pre appointment debtors	-	6.6	6.6
Rental income	-	38.4	38.4
Funds received on behalf of Fusion / J R	105.7	13.9	119.6
Total receipts	3,806.2	1,518.7	5,324.9
Payments			
Liquidators' fees	(159.2)	(124.4)	(283.6)
Liquidators' disbursements	(2.2)	(0.8)	(3.0)
Advertising	(6.1)	(16.0)	(22.1)
Insurance	(57.6)	(8.0)	(65.6)
Legal fees and disbursements	(43.6)	(27.7)	(71.3)
Valuation fees and costs	(8.0)	(3.6)	(11.6)
Sales commission	-	(21.6)	(21.6)
Other costs of realisation	(16.9)	(11.6)	(28.5)
Distributions to secured creditors	(3,317.0)	(1,071.0)	(4,388.0)
Payments on behalf of Fusion / J R	(103.4)	(38.5)	(141.9)
Total payments	(3,714.0)	(1,323.2)	(5,037.2)
Net receipts / payments	92.2	195.5	287.7

As shown in the receipts and payments above, each company is holding funds, and has made payments for, the other. When the plant and equipment sale completed, incomplete records were held and funds received and secured creditor payments were allocated between the Companies based on the best available information. On receiving complete records from the DoT, we identified several transfers required between the Companies. These transfers will be finalised if the Pooling Determination is not approved.

8. Likelihood of a dividend

The likelihood of a dividend depends on whether creditors of the Companies approve the Pooling Determination.

Based on the information presently available, the extent of the assets realised and the investigations undertaken, under the Pooling Determination, we expect to be able to pay:

- all outstanding employee entitlements within the next four months; and
- a dividend to unsecured creditors in both J R and Fusion in the range of 0.1 and 0.24 cents in the dollar within six months.

Without pooling, we anticipate a return to creditors of:

- between 1.05 and 1.94 cents in the dollar to the unsecured creditors of J R; and
- 100 cents in the dollar for priority creditors of Fusion only (i.e. we anticipate Fusion's unsecured creditors will not receive a return).

A simplified summary of our calculations is provided in Table 10 below.

Table 10: Simplified estimated return to creditors calculation

\$'000	J R		Fusion		Pooled	
	Low	High	Low	High	Low	High
Cash at bank	92	92	195	195	288	288
Intercompany transfer - asset realisations	(27)	(27)	27	27	0	0
Liquidators' fees incurred but not yet paid	(109)	(109)	(89)	(89)	(197)	(197)
Estimated future liquidators' fees and costs	(25)	(22)	(21)	(19)	(49)	(44)
Provision	(3)	(1)	(3)	(1)	(6)	(1)
Estimated surplus/(shortfall) to priority creditors	(71)	(66)	110	114	36	46
Priority creditors	0	0	(28)	(28)	(28)	(28)
Estimated surplus/(shortfall) after priority creditors	(71)	(66)	82	87	8	18
Circulating debt repayment	82	87	(82)	(87)	0	0
Estimated surplus/(shortfall) to unsecured creditors	11	21	0	0	8	18
Unsecured creditors	38	38	6,372	6,372	6,410	6,410
Estimated cross guaranteed claims	162	162	818	818	0	0
Intercompany loans	0	0	4,129	4,129	0	0
Shortfall to specific secured creditors	871	871	162	162	1,032	1,032
Total estimated unsecured creditors	1,070	1,070	11,481	11,481	7,442	7,442
Estimated dividend (cents in the dollar)	1.05	1.94	0.00	0.00	0.10	0.24

When we are ready to declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt. This formalises your claim in the liquidation and is used to determine all claims against the Companies.

9. Pooling determination

9.1. Overview

The liquidators have made a determination (“the Determination”) to pool the liquidations of the Companies as:

- the operations of the businesses were intertwined and pooling provides a fairer and more equitable distribution of funds to creditors;
- many of the secured creditors, and some unsecured creditors, have cross guaranteed their debts, meaning those creditors are able to claim in both liquidations separately, which increases the costs of both liquidations and reduces the dividend payable; and
- the costs of administering the liquidations will be reduced as only one set of statutory reports will need to be lodged moving forward and, importantly, only one dividend process would be required.

Details of the determination are provided below and in Annexure B. Creditors will be required to approve the determination for it to come into effect.

9.2. Legislative provisions

The Act allows a liquidator to make a pooling determination for a group of two or more companies that are being wound up if:

- each company is a related body corporate of each other company in the group;
- the companies are jointly liable for one or more debts or claims; or
- the companies jointly own or operate particular property that is or was used, or for use, in connection with a business, a scheme, or an undertaking, carried on jointly by the group.

The Companies meet both the first and second criteria. Creditors are required to approve the determination at a meeting for the determination to come into effect.

9.3. Pooling Determination

A copy of the Determination is provided at Annexure B.

The Act sets out the required contents of a pooling determination. The Determination confirms that the liquidations are pooled for the purposes of the Act, provides a contact address for the pooled group and sets out which subdivisions of the Act apply to the pooled group.

The effect of the Determination is to combine the two separate liquidations into one liquidation. The funds held in both liquidations are combined to form one pool of assets and any debts or claims between the two companies are extinguished (i.e. debts owed by J R to Fusion and vice versa).

The Companies are also deemed to be jointly and severally liable for all debts of either company. In practice, this means that a creditor claim submitted against either company becomes a claim against the pooled group.

Employees retain their priority entitlement in the pooled group as they currently hold in the separate liquidations.

9.4. Considerations in making the Determination

We believe it is in creditors' best interests, generally, for the Determination to come into force. Our reasons are set out below:

- The expected cost savings in reduced Liquidator's costs (including remuneration) as less time will be required in dealing with the following:
 - The Liquidators would not need to trace secured debt to determine which entity is primarily responsible for its payment.
 - The Liquidators would not need to trace dealings between the two entities to determine the value of intercompany claims, which we anticipate would be a complex and time intensive process and would reduce the overall dividend to unsecured creditors.
 - The Liquidators would only need to undertake one dividend process, rather than two (or more) as all claims would be admitted to the pooled group, rather than against each company individually.
 - The Liquidators would not need to assess cross guarantee claims as the Companies become jointly and severally liable for all debts.
 - Given the above, the dividend payable to the Companies' creditors would be discharged in a shorter timeframe.
 - Duplicated compliance tasks and obligations would be reduced as reports and documents lodged with ASIC and / or sent to creditors and other parties can be prepared and lodged / sent singularly.
 - Duplicated administrative tasks (such as maintaining separate bank accounts and ledgers) would be reduced as the liquidations become a single liquidation.

In making our determination, we also considered the criteria the Court must consider when determining whether it is just and equitable to make a pooling order. An outline of those considerations is provided in Annexure C.

9.5. Creditor approval

The determination of pooling only comes into effect when approved by creditors of the Companies in separate meetings.

We will be seeking creditor approval at the meetings to be held on Tuesday, 6 December 2022. Creditors will be asked to vote on the following resolution:

“That the Pooling Determination for J R Contracting Pty Ltd (In Liquidation) and Fusion Contracting (WA) Pty Ltd (In Liquidation) dated 15 November 2022 be approved.”

If creditors of both Companies pass the resolution, the Determination will come into effect. If creditors of either company do not pass the resolution, the Determination does not come into effect and the Companies will continue as separate liquidations.

10. Liquidators' remuneration

10.1. Liquidators' time costs

FTI Consulting charges professional fees based on time spent by the Liquidators and their staff at rates reflecting their level of experience. The Liquidators have received approval for, and have drawn, the following remuneration in the liquidations to date:

- \$160,218.50 (excluding GST) approved and \$159,194.50 drawn for J R; and
- \$130,471.50 (excluding GST) approved and \$124,433.00 drawn for Fusion.

The full scope of work was difficult to determine at the time of seeking our previous remuneration approval on 14 August 2019 (approximately 3 months into the liquidation), and our fee estimate was based on a typical realisation process with limited complications. We also did not anticipate sufficient funds would be available to provide a dividend to creditors at this time, and, as such, our remuneration approval request did not include any work relating to distributing a dividend.

Since our last request, we have attended to the substantial work involved in finalising the realisation of plant and equipment and distributing the proceeds, less costs, to secured creditors, including:

- reconciling assets on site to the Companies' asset register and records provided by the DoT;
- identifying missing records from the DoT records and resolving the error leading to the omission;
- identifying assets missing from site and lodging police reports and insurance claims for the missing assets;
- resolving disputes over PMSI registrations and dealing with invalid PMSI registrations;
- investigating and analysing pooling determinations to maximise the return to creditors; and
- preparing initial calculations for a dividend to creditors.

10.2. Reduction in remuneration

We have reviewed our time costs and, at our discretion, have elected to reduce the remuneration claimed from \$196,437 to \$108,555 for J R and from \$138,288 to \$88,595 for Fusion. While the majority of this remuneration was necessarily incurred, we have elected to discount our fees relating to:

- the additional reporting to creditors of the progress of the liquidation and the outcome of the liquidators' investigations;
- reconciliation of assets to company and DoT records;
- additional time incurred in transferring the file to another member of the Liquidators' staff;
- re-work that ought not to be charged;
- general case management; and
- re-allocating time costs for work that arguably may have been able to be performed by a lower level staff member.

10.3. Remuneration claim

The Liquidation is now well advanced, with the material matters being either resolved, or having reached key milestones. Accordingly, the Liquidators are seeking approval for their outstanding remuneration including their estimated remuneration to completion of the liquidation.

At the meetings of creditors on 6 December 2022, we will be seeking approval of the additional remuneration incurred, as follows:

Table 11: Remuneration approval sought

Period	J R (\$ ex GST)	Fusion (\$ ex GST)
Retrospective: 15 August 2019 to 19 August 2022	108,534.50	88,594.75
Prospective: 20 August 2022 to 5 December 2022	6,500.00	6,500.00
Prospective: 6 December 2022 to the finalisation of the liquidations:		
- If the Determination is approved	36,000.00	
- If the Determination is not approved	18,000.00	14,500.00

We **enclose** a Remuneration Approval Report for a summary of fees and disbursements for the above remuneration requests.

At the meetings of creditors on 6 December 2022, we will ask creditors to consider, and if thought fit, approve our remuneration by passing the resolutions in accordance with the **attached** notice of meeting.

11. Meetings of creditors

A meeting of creditors will be held for each of the Companies on Tuesday, 6 December 2022 at 10:30 am (AWST) at our office located at Level 47, Central Park Tower, 152-158 St Georges Terrace, Perth WA 6000. Virtual meeting facilities will also be available for the meeting.

The purpose of the meetings is to:

- discuss the conduct of the liquidations to date;
- consider and, if thought fit, approve the Pooling Determination;
- consider, and if thought fit, approve the Liquidators' remuneration (as disclosed in the Liquidators' Remuneration Request Approval Report enclosed with this report); and
- discuss any general business which may arise.

The meetings will be run concurrently for convenience, efficiency, and cost savings, as most of the matters to be discussed for each company are the same. While the meetings will be run concurrently, separate resolutions will be put to each meeting and voting will be undertaken on a separate company by company basis. If you object to holding the meetings concurrently, please contact us as soon as possible.

Participating in Person: To participate in the meeting in person via virtual meeting facilities, creditors must complete a meeting registration form. Once creditors have registered for the meeting, they will be provided with the virtual meeting details.

Participating via Proxy: To have someone attend the meeting on your behalf, please complete the enclosed proxy form.

If you have not already done so, you also need to complete and return the Form 535 Formal Proof of Debt or Claim form for the relevant company, enclosed at Annexure D. The notice of meeting, relevant meeting forms and instructions are enclosed with this report at Annexure E.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Starli Smith on starli.smith@fticonsulting.com or PO Box Z5486, Perth WA 6831, by no later than 4:00 pm on Monday, 5 December 2022. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

12. Way forward

If the resolutions are passed, we anticipate commencing a dividend process approximately six to eight weeks after the meeting, once administration matters around the Determination have been dealt with.

Other actions required to proceed with the liquidation, include:

- prepare for and hold the meeting of creditors in accordance with the Notice of Meeting;
- finalising any additional reporting to ASIC;
- complete lodgements related to the Determination, if approved;

- undertake a dividend process for priority and unsecured creditors; and
- finalise the liquidations.

13. Further information

The Australian Restructuring Insolvency and Turnaround Association (“ARITA”) provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA’s website at www.arita.com.au/creditors.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC’s website at <https://asic.gov.au/> by searching for “insolvency information sheets”.

Should you have any queries, please contact Starli Smith on (08) 9321 8533 or by email at starli.smith@fticonsllting.com.

Yours faithfully



Daniel Woodhouse

Liquidator

Our Ref: Perth 466971.0001/038/SS

Annexure A

15 November 2022



Remuneration Approval Report

J R Contracting (WA) Pty Ltd (In liquidation) ACN 116 741 505

Fusion Contracting (WA) Pty Ltd (In liquidation) ACN 141 810 853

(Together “the Companies”)

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Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 (“Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the liquidations of J R Contracting (WA) Pty Ltd (In liquidation) ACN 116 741 505 (“J R”) and Fusion Contracting (WA) Pty Ltd (In liquidation) ACN 141 810 853 (“Fusion”) (together “the Companies”).

We are asking creditors to approve the following remuneration:

Period	J R (excl GST)	Fusion (excl GST)
Retrospective: 15 August 2019 to 19 August 2022	108,534.50	88,594.75
Prospective: 20 August 2022 to 5 December 2022	6,500.00	6,500.00
Prospective: 6 December 2022 to finalisation of the liquidations		
- If the Pooling Determination is approved	36,000.00	
- If the Pooling Determination is not approved	18,000.00	14,500.00

Creditors have previously approved our remuneration and disbursements as follows:

Entity	Appointment type	Remuneration (excl GST)	Disbursements (excl GST)
J R	Liquidation	160,218.50	0.00
Fusion	Liquidation	130,471.50	0.00

We estimate that the total cost of these liquidations will be \$536,819.25 if the Determination is approved, or, if the Determination is not approved:

- \$293,253.00 for J R; and
- \$240,066.25 for Fusion.

This has increased from our previous estimate because of additional work required in dealing with complications encountered in the asset realisation process, determining intercompany liabilities and undertaking a dividend process, which was not previously anticipated.

This additional work was not anticipated at the time of our last remuneration approval request, with our original estimates based on a typical asset realisation process with limited complications, and without a dividend process being undertaken.

The additional work required included:

- reconciling assets on site to the Companies' asset register and records provided by the DoT;
- identifying missing records from the DoT information and resolving the error leading to the omission;
- identifying assets missing from site and lodging police reports and insurance claims for the missing assets;
- resolving disputes over PMSI registrations and dealing with invalid PMSI registrations.

This is our final remuneration approval request.

Declaration

We, Daniel Woodhouse and Ian Francis, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as liquidators of the Companies 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 this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

Remuneration sought

The remuneration we are asking creditors to approve is summarised in the table below. We will only seek approval of resolutions for our future remuneration under the Determination if creditors approve the Determination. Likewise, we will only seek approval of resolutions for our future remuneration without pooling if creditors do not approve the Determination.

Entity	For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed					
J R	Work already completed	15 August 2019 to 19 August 2022	108,534.50	As per the attached hourly rates	When funds are available
Fusion	Work already completed	15 August 2022 to 19 August 2022	88,594.75	As per the attached hourly rates	When funds are available
Future work to the date of the meeting					
J R	Future work	20 August 2022 to 5 December 2022	6,500.00	As per the attached hourly rates	When funds are available
Fusion	Future work	20 August 2022 to 5 December 2022	6,500.00	As per the attached hourly rates	When funds are available
Future work from the date of the meeting					
If the Pooling Determination is approved					

Entity	For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
J R and Fusion	Future work	5 December 2022 to completion of the liquidation	36,000.00	As per the attached hourly rates	When funds are available
If the Pooling Determination is not approved					
J R	Future work to the end of the liquidation	5 December 2022 to completion of the liquidation	18,000.00	As per the attached hourly rates	When funds are available
Fusion	Future work to the end of the liquidation	5 December 2022 to completion of the liquidation	14,500.00	As per the attached hourly rates	When funds are available

Details of the work already done and future work that we intend to do are **enclosed** at **Schedules A and B**.

Schedules C and D includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule E** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the Receipts and Payments section of our Report to Creditors.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 13 May 2019.

We are not currently seeking approval for disbursements.

Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
J R remuneration approvals				
30 April 2019 to 21 July 2019	Work already completed	Creditors	105,218.50	105,218.50

22 July 2019 to finalisation of the liquidation	Future work	Creditors	55,000.00	53,796.00
Total remuneration previously approved – J R			160,218.50	159,194.50
Fusion remuneration approvals				
30 April 2019 to 21 July 2019	Work already completed	Creditors	98,471.50	93,211.50
22 July 2022 to finalisation of the liquidation	Future work	Creditors	32,000.00	31,221.50
Total remuneration previously approved – Fusion			130,471.50	124,433.00
Total remuneration previously approved			290,690.00	283,627.50

We are now seeking approval of a further \$246,129.25 (if the Determination is approved) to \$242,629.50 (if the Determination is not approved) in remuneration, which will bring total remuneration claimed in these liquidations to \$536,819.50, if the Determination is approved, or \$533,319.25, if the Determination is not approved:

Description	If pooling determination approved (\$)		If pooling determination not approved (\$)	
	J R	Fusion	J R	Fusion
Previously approved	160,218.50	130,471.50	160,218.50	130,471.50
Additional approval – work already completed	108,534.50	88,594.75	108,534.50	88,594.75
Additional approval – future work to 5/12/2022	6,500.00	6,500.00	6,500.00	6,500.00
Additional approval – future work from 6/12/2022	36,000.00		18,000.00	14,500.00
Total fee approval sought	536,819.25		293,253.00	240,066.25
			533,319.25	

Likely impact on dividends

The Act sets the order for payment of claims against the Companies and it provides for remuneration of the liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the liquidators receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date;
- estimated remuneration to complete the liquidation; and
- the estimated total of creditor claims based on the Companies' records and claims lodged, we estimate that priority creditors will be paid in full and that a dividend of between 0.10 and 0.24 cents in the dollar will be paid if the Determination is approved. If the Determination is not approved, we anticipate that priority

creditors will be paid in full and J R unsecured creditors will receive a dividend of between 1.05 and 1.94 cents in the dollar (we anticipate that Fusion unsecured creditors will not receive a dividend in this scenario). Please note that these estimates are subject to a range of variables, particularly creditor claims and intercompany debts.

Summary of receipts and payments

A summary of the receipts and payments for the liquidations as at 31 August 2022 is provided in our Report to Creditors.

Annual administration returns for the liquidations were lodged with ASIC on 29 July 2022, which also provide information on the conduct of the administration.

Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors; and
- ASIC at www.asic.gov.au (search for INFO 85).

If you have any queries in relation to the information in this report, please contact Starli Smith of this office on 9321 8533 or by email at starli.smith@fticonsulting.com.

Yours faithfully



Daniel Woodhouse
Liquidator

Attachments:

Schedule A – J R Details of work

Schedule B – Fusion Details of work

Schedule C – J R Time spent by staff on each major task (work already done)

Schedule D – Fusion Time spent by staff on each major task (work already done)

Schedule E – Resolutions

Schedule F – Explanation where remuneration previously approved

Schedule G – FTI Consulting schedule of rates effective 1 May 2019

Schedule A – J R Details of work

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
Period	15 August 2019 to 19 August 2022	20 August 2022 to 5 December 2022	6 December 2022 to finalisation of the liquidations	6 December 2022 to finalisations of the liquidation
Amount \$ (excl GST)	\$108,534.50	\$6,500.00	\$36,000.00 (total for J R and Fusion)	\$18,000.00
Assets	90.5 hours \$40,058.25	\$0	\$0	\$0
Plant & equipment	■ Liaising with valuers and interested parties ■ Preparing, finalising and executing an asset sale agreement ■ Transferring assets to purchaser, including completing DoT transfer papers ■ Obtaining records from the Department of Transport ("DoT") ■ Reconciling plant and equipment listings to company records, DoT records, and security registrations ■ Liaising with secured creditors about the sale of assets and distribution of funds ■ Liaising with the purchaser and secured creditors to remove security registrations from assets sold ■ Preparing and lodging police reports for stolen assets ■ Liaising with insurance broker to prepare and lodge insurance claims for stolen assets ■ Preparing and lodging insurance claims for stolen assets			

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
Creditors	80.0 hours \$36,313.00	11.6 \$4,738.50	13.8 \$5,916.00	3.2 \$1,402.00
Creditor Enquiries, Requests & Directions	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors
Secured creditor reporting	■ Preparing reports to secured creditor ■ Responding to secured creditor's queries			
Creditor reports	■ Preparing investigation, meeting and general reports to creditors	■ Preparing 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	■ Receipting and filing POD when not related to a dividend	■ Receipting and filing POD when not related to a dividend	■ Receipting and filing 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	■ Preparation and lodgement of minutes of meetings with ASIC ■ Responding to stakeholder queries and questions immediately following meeting
Shareholder enquiries	■ Responding to director / shareholder enquiries			

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
Investigations	21.3 hours \$8,276.25	1.8 hours \$781.25	0.2 hours \$64.00	0.1 hours \$32.00
Conducting investigation	■ Reviewing company's books and records ■ Preparation of comparative financial statements ■ Review of specific transactions and liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Preparation of lodgement of investigation with the ASIC	■ Reviewing company's books and records ■ Preparation of comparative financial statements ■ Lodgement of investigation with the ASIC	■ Obtaining clearance from the ASIC following lodgement of investigations	■ Obtaining clearance from the ASIC following lodgement of investigations
ASIC reporting	■ Preparing statutory investigation reports	■ Preparing statutory investigation reports	■ Liaising with ASIC	■ Liaising with ASIC
Dividend	\$0	\$0	49.2 hours \$20,418.00	22.1 hours \$8,928.75
Processing proofs of debt (POD)			■ 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	■ 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 ■ Advertisement of intention to declare dividend	■ Preparation of correspondence to creditors advising of intention to declare dividend ■ Advertisement of intention to declare dividend

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
			■ 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	■ 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
Administration	61.5 hours \$23,887.00	1.3 hours \$11,676.50	14.8 hours \$6,158.50	11.5 hours \$4,803.00
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties
Document maintenance/file review/checklist	■ Six-monthly administration reviews ■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ Updating checklists	■ Six-monthly administration reviews ■ Filing of documents ■ File reviews ■ Updating checklists	■ Six-monthly administration reviews ■ Filing of documents ■ File reviews ■ Updating checklists
Insurance	■ Identification of potential issues requiring attention of insurance specialists ■ Correspondence with insurer regarding ongoing insurance requirements			
Funds handling	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Preparing correspondence closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations	■ Preparing correspondence closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
			■ Correspondence with bank regarding specific transfers	■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Preparing and lodging ASIC forms including 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms including 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms ■ Lodging pooling notification	■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BAS		■ Preparing BAS	■ Preparing BAS
Finalisation			■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP	■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of administration	■ Discussions regarding status of administration	■ Discussions regarding status of administration	■ Discussions regarding status of administration
Books and records / storage	■ Dealing with records in storage ■ Sending job files to storage		■ Dealing with records in storage ■ Sending job files to storage	■ Dealing with records in storage ■ Sending job files to storage

Schedule B – Fusion Details of work

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
Period	15 August 2019 to 19 August 2022	20 August 2022 to 5 December 2022	6 December 2022 to finalisation of the liquidations	6 December 2022 to finalisations of the liquidation
Amount \$ (excl GST)	\$88,594.75	\$6,500.00	\$36,000.00 (total for J R and Fusion)	\$14,500.00
Assets	80.3 hours \$36,658.25	\$0	\$0	\$0
Plant & equipment	■ Liaising with valuers and interested parties ■ Preparing, finalising and executing an asset sale agreement ■ Transferring assets to purchaser, including completing DoT transfer papers ■ Obtaining records from the Department of Transport ("DoT") ■ Reconciling plant and equipment listings to company records, DoT records, and security registrations ■ Liaising with secured creditors about the sale of assets and distribution of funds ■ Liaising with the purchaser and secured creditors to remove security registrations from assets sold			
Sale of real property	■ Liaising with valuers, agents, and strata agent ■ Liaising with agent about tenant and rental receipts ■ Reviewing and confirming marketing campaign and strategy ■ Evaluating offers			

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
	■ Attending to settlement and transfer of property to purchasers			
Debtors	■ Correspondence with debtors ■ Reviewing and assessing debtors' ledgers			
Creditors	43.2 hours \$21,082.25	11.6 \$4,738.50	13.8 \$5,916.00	3.2 \$1,402.00
Creditor Enquiries, Requests & Directions	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors	■ Receive and respond to creditor enquiries ■ Maintaining creditor request log ■ Documenting ■ Considering reasonableness of creditor requests ■ Documenting reasons for complying or not complying with requests or directions ■ Compiling information requested by creditors
Secured creditor reporting	■ Preparing reports to secured creditor ■ Responding to secured creditor's queries			
Creditor reports	■ Preparing investigation, meeting and general reports to creditors	■ Preparing 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	■ Receipting and filing POD when not related to a dividend	■ Receipting and filing POD when not related to a dividend	■ Receipting and filing 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 and lodgement of minutes of meetings with ASIC	■ Preparation and lodgement of minutes of meetings with ASIC

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
		■ 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.	■ Responding to stakeholder queries and questions immediately following meeting	■ Responding to stakeholder queries and questions immediately following meeting
Shareholder enquiries	■ Responding to director / shareholder enquiries			
Employees	7.8 hours \$2,775.50	\$0	\$0	\$0
Employee enquiries	■ Receive and follow up employee enquiries via telephone ■ Review and prepare correspondence to creditors and their representatives via email			
FEG	■ Correspondence with FEG			
Calculation of entitlements	■ Calculating employee entitlements ■ Reviewing employee files and company's books and records			
Investigations	16.7 hours \$6,432.00	1.8 hours \$781.25	0.2 hours \$64.00	0.1 hours \$32.00
Conducting investigation	■ Reviewing company's books and records ■ Preparation of comparative financial statements ■ Review of specific transactions and liaising with directors regarding certain transactions ■ Preparation of investigation file ■ Preparation of lodgement of investigation with the ASIC	■ Reviewing company's books and records ■ Preparation of comparative financial statements ■ Lodgement of investigation with the ASIC	■ Obtaining clearance from the ASIC following lodgement of investigations	■ Obtaining clearance from the ASIC following lodgement of investigations

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
ASIC reporting	■ Preparing statutory investigation reports	■ Preparing statutory investigation reports	■ Liaising with ASIC	■ Liaising with ASIC
Dividend	\$0	\$0	49.2 hours \$20,418.00	12.7 hours \$4,954.50
Processing proofs of debt (POD)			■ 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	■ 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 ■ 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 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

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
			■ Preparation of correspondence to creditors enclosing payment of dividend	■ Preparation of correspondence to creditors enclosing payment of dividend
Administration	57.6 hours \$21,646.75	0.7 hours \$318.50	14.8 hours \$6,158.50	11.8 hours \$4,962.00
Correspondence	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties	■ General correspondence with various parties
Document maintenance/file review/checklist	■ Six-monthly administration reviews ■ Filing of documents ■ File reviews ■ Updating checklists	■ Filing of documents ■ Updating checklists	■ Six-monthly administration reviews ■ Filing of documents ■ File reviews ■ Updating checklists	■ Six-monthly 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			
Funds handling	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations	■ Preparing correspondence closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers	■ Preparing correspondence closing accounts ■ Entering receipts and payments into accounting system ■ Requesting bank statements ■ Bank account reconciliations ■ Correspondence with bank regarding specific transfers
ASIC Forms and lodgements	■ Preparing and lodging ASIC forms including 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms		■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Lodge pooling determination ■ Correspondence with ASIC regarding statutory forms	■ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc. ■ Correspondence with ASIC regarding statutory forms
ATO and other statutory reporting	■ Preparing BAS		■ Preparing BAS	■ Preparing BAS

Task area/General description	Work already done	Future work to meeting date	Future work from meeting date if Pooling Determination approved	Future work from meeting date if Pooling Determination is not approved
Finalisation			■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP	■ Notifying ATO of finalisation ■ Cancelling ABN / GST / PAYG registration ■ Completing checklists ■ Finalising WIP
Planning / Review	■ Discussions regarding status of administration	■ Discussions regarding status of administration	■ Discussions regarding status of administration	■ Discussions regarding status of administration
Books and records / storage	■ Dealing with records in storage ■ Sending job files to storage		■ Dealing with records in storage ■ Sending job files to storage	■ Dealing with records in storage ■ Sending job files to storage

Schedule C – J R Time spent by staff on each major task (work already done)

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area							
					Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Woodhouse	Senior Managing Director	\$695	2.40	\$1,668.00	0.60	\$417.00	0.10	\$69.50	0.00	\$ -	1.70	\$1,181.50
Daniel Woodhouse	Managing Director	\$625	21.10	\$13,187.50	10.60	\$6,625.00	5.10	\$3,187.50	0.00	\$ -	5.40	\$3,375.00
Jacqueline Sinclair	Senior Director	\$575	0.20	\$115.00	0.20	\$115.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
Renae Stirling	Senior Director	\$575	52.85	\$30,388.75	16.25	\$9,343.75	24.10	\$13,857.50	2.55	\$1,466.25	9.95	\$5,721.25
Jiin Heng Choong	Director	\$515	0.20	\$103.00	0.00	\$ -	0.00	\$ -	0.20	\$103.00	0.00	\$ -
Robert Beaumont	Senior Consultant I	\$400	88.88	\$35,552.00	39.30	\$15,720.00	36.18	\$14,472.00	1.10	\$440.00	12.30	\$4,920.00
Minyoung Park	Consultant II	\$375	20.75	\$7,781.25	3.70	\$1,387.50	2.40	\$900.00	13.00	\$4,875.00	1.65	\$618.75
Minyoung Park	Consultant I	\$335	17.60	\$5,896.00	7.60	\$2,546.00	2.50	\$837.50	2.60	\$871.00	4.90	\$1,641.50
Minyoung Park	Associate II	\$320	22.00	\$7,040.00	12.20	\$3,904.00	4.50	\$1,440.00	0.00	\$ -	5.30	\$1,696.00
Andrew Vacca	Consultant I	\$335	0.50	\$167.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$167.50
Loice Taderera	Consultant I	\$335	0.40	\$134.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.40	\$134.00
Starli Smith	Associate II	\$320	6.80	\$2,176.00	0.00	\$ -	2.30	\$736.00	0.00	\$ -	4.50	\$1,440.00
Starli Smith	Associate I	\$300	7.20	\$2,160.00	0.00	\$ -	2.60	\$780.00	1.60	\$480.00	3.00	\$900.00
Conor Robson	Associate I	\$300	0.80	\$240.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.80	\$240.00
Claire Rees	Administration II	\$205	0.70	\$143.50	0.00	\$ -	0.00	\$ -	0.20	\$41.00	0.50	\$102.50
Alyse Kent	Administration I	\$165	0.60	\$99.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.60	\$99.00
Asha Miles	Administration I	\$165	0.30	\$49.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$49.50
Ho Lam Trinh	Administration I	\$165	0.60	\$99.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.60	\$99.00
Jaie Lilburne	Administration I	\$165	0.30	\$49.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$49.50
Mary Smith	Administration I	\$165	3.00	\$495.00	0.00	\$ -	0.20	\$33.00	0.00	\$ -	2.80	\$462.00
Selina Naylor	Administration I	\$165	5.10	\$841.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	5.10	\$841.50
Yuet Yeng Yee	Administration I	\$165	0.60	\$99.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.60	\$99.00

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area							
					Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Zin Thaya Khin	Administration I	\$165	0.30	\$49.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$49.50
Total (ex GST)				\$108,534.50		\$40,058.25		\$36,313.00		\$8,276.25		\$23,887.00
GST				\$10,853.45								
Total (Incl GST)				\$119,387.95								
Total hours			253.18		90.45		79.98		21.25		61.50	
Avg hourly rate (ex GST)				\$428.69		\$442.88		\$454.03		\$389.47		\$388.41

Schedule D – Fusion Time spent by staff on each major task (work already done)

Employee	Position	\$ /hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area									
					Assets		Creditors		Employees		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Woodhouse	Senior Managing Director	\$695	2.65	\$1,841.75	0.00	\$-	0.60	\$417.00	0.00	\$-	0.10	\$69.50	1.95	\$1,355.25
Daniel Woodhouse	Managing Director	\$625	15.40	\$9,625.00	9.60	\$6,000.00	1.40	\$875.00	0.00	\$-	0.50	\$312.50	3.90	\$2,437.50
Renae Stirling	Senior Director	\$575	36.75	\$21,131.25	6.15	\$3,536.25	22.25	\$12,793.75	0.30	\$172.50	0.60	\$345.00	7.45	\$4,283.75
Greg Tomlin	Senior Director	\$575	14.10	\$8,107.50	14.10	\$8,107.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-
Jiin Herng Choong	Senior Consultant II	\$465	0.20	\$93.00	0.20	\$93.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-
Robert Beaumont	Senior Consultant I	\$400	57.91	\$23,164.00	33.71	\$13,484.00	11.00	\$4,400.00	2.50	\$1,000.00	2.10	\$840.00	8.60	\$3,440.00
Minyoung Park	Consultant II	\$375	15.20	\$5,700.00	1.80	\$675.00	1.10	\$412.50	0.00	\$-	10.80	\$4,050.00	1.50	\$562.50
Minyoung Park	Consultant I	\$335	14.05	\$4,706.75	3.90	\$1,306.50	3.10	\$1,038.50	0.20	\$67.00	0.60	\$201.00	6.25	\$2,093.75
Minyoung Park	Associate II	\$320	28.90	\$9,248.00	10.80	\$3,456.00	2.30	\$736.00	4.80	\$1,536.00	0.70	\$224.00	10.30	\$3,296.00
Andrew Vacca	Consultant I	\$335	0.50	\$167.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.50	\$167.50
Loice Taderera	Consultant I	\$335	0.90	\$301.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.90	\$301.50
Loice Taderera	Associate II	\$320	0.10	\$32.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.10	\$32.00
Starli Smith	Associate II	\$320	4.40	\$1,408.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	4.40	\$1,408.00
Starli Smith	Associate I	\$300	4.30	\$1,290.00	0.00	\$-	1.20	\$360.00	0.00	\$-	1.30	\$390.00	1.80	\$540.00
Conor Robson	Associate I	\$300	0.50	\$150.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.50	\$150.00
Claire Rees	Administration II	\$205	0.70	\$143.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.70	\$143.50
Alyse Kent	Administration I	\$165	1.00	\$165.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	1.00	\$165.00
Asha Miles	Administration I	\$165	0.20	\$33.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.20	\$33.00
Ho Lam Trinh	Administration I	\$165	0.50	\$82.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.50	\$82.50
Jaie Lilburne	Administration I	\$165	0.30	\$49.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.30	\$49.50
Mary Smith	Administration I	\$165	2.30	\$379.50	0.00	\$-	0.30	\$49.50	0.00	\$-	0.00	\$-	2.00	\$330.00

Selina Naylor	Administration I	\$165	3.80	\$627.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	3.80	\$627.00
Yuet Yeng Yee	Administration I	\$165	0.50	\$82.50	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.50	\$82.50
Zin Thaya Khin	Administration I	\$165	0.40	\$66.00	0.00	\$-	0.00	\$-	0.00	\$-	0.00	\$-	0.40	\$66.00
Total (ex GST)				\$88,594.75		\$36,658.25		\$21,082.25		\$2,775.50		\$6,432.00		\$21,646.75
GST				\$8,859.48										
Total (Incl GST)				\$97,454.23										
Total hours				205.56		80.26		43.25		7.80		16.70		57.55
Avg hourly rate (ex GST)				\$430.99		\$456.74		\$487.45		\$355.83		\$385.15		\$376.14

Schedule E – Resolutions

Resolution 1 – J R remuneration from 15 August 2019 to 19 August 2022

15 August 2019 to 19 August 2022 – retrospective

“That the remuneration of the Liquidators and their staff, for the period 15 August 2019 to 19 August 2022, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice provided to creditors, is approved for payment in the amount of \$108,534.50, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 – Fusion remuneration from 15 August 2019 to 19 August 2022

15 August 2019 to 19 August 2022 – retrospective

“That the remuneration of the Liquidators and their staff, for the period from 15 August 2019 to 19 August 2022, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice provided to creditors, is approved for payment in the amount of \$88,594.75, exclusive of GST, to be drawn from available funds immediately or as funds become available.”

Resolution 3 – J R remuneration from 20 August 2022 to 5 December 2022

20 August 2022 to 5 December 2022 – prospective

“That the future remuneration of the Liquidators for the period from 20 August 2022 to 5 December 2022, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$6,500.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 4 – Fusion remuneration from 20 August 2022 to 5 December 2022

20 August 2022 to 5 December 2022 – prospective

“That the future remuneration of the Liquidators for the period from 20 August 2022 to 5 December 2022, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$6,500.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.

Resolution 5 – J R and Fusion remuneration from 6 December 2022 to finalisation of the liquidation

6 December 2022 to finalisation – prospective, to be put forward only if the Determination is approved

“That the future remuneration of the Liquidators for the period from 6 December to finalisation of the liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$36,000.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 6 – J R remuneration from 6 December 2022 to finalisation of the liquidation

6 December 2022 to finalisation – prospective, to be put forward only if the Determination is not approved

“That the future remuneration of the Liquidators for the period from 6 December 2022 to the finalisation of the liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$18,000.00, exclusive of GST, and that the liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Resolution 7 – Fusion remuneration from 6 December 2022 to finalisation of the liquidation

6 December 2022 to finalisation – prospective, to be put forward only if the Determination is not approved

“That the future remuneration of the Liquidators for the period from 6 December 2022 to finalisation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$14,500.00, exclusive of GST, and that the liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

Schedule F - Explanation where remuneration previously approved

At the creditors meeting of 14 August 2019, creditors approved our prospective remuneration of \$55,000 for J R and \$32,000 for Fusion (\$87,000 for both Companies). To date, we have drawn \$53,976.00 for J R and \$31,221.50 for Fusion (\$85,197.50 for both Companies) and applied it in payment of our remuneration. Our remuneration has exceeded this cap and in this report we are now seeking approval of a further capped amount of either \$246,129.25, if the Determination is approved, or \$134,034.50 for J R and \$109,594.75 for Fusion (\$242,629.25 for both Companies) to enable us to complete the liquidations.

Analysis if the Determination is approved

The table below sets out a comparison of fees already approved to total remuneration approval sought if the Determination is approved. As the Determination will effectively combine both liquidations into a single liquidation, the table below has been presented on an aggregated basis, for both J R and Fusion.

Task	Fees already approved as at 15 August 2019 \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$121,296.00	\$76,716.50	\$ -	\$198,012.50
Creditors	\$70,383.50	\$57,395.25	\$16,529.50	\$144,308.25
Employees	\$6,865.00	\$2,775.50	\$ -	\$9,640.50
Investigation	\$24,165.00	\$14,708.25	\$2,336.00	\$41,209.25
Dividend	\$ -	\$ -	\$23,155.00	\$23,155.00
Administration	\$67,980.50	\$45,533.75	\$6,979.50	\$120,493.75
Total (ex GST)	\$290,690.00	\$197,129.25	\$49,000.00	\$536,819.25
Total Remuneration previously approved				\$290,690.00
Difference (see below table for further breakdown)				\$246,129.25

Payment reconciliation

Total remuneration claimed	\$536,819.25
Amount paid to date	\$283,627.50
Amount Outstanding	\$253,191.75

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 14 August 2019 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$121,296.00	\$198,012.50	\$76,716.50	The realisation process was more complex than anticipated. Additional work was required to deal with registered security interests, resolve ownership discrepancies between the Companies, deal with stolen assets and the subsequent insurance claim.

Task	Fees already approved as at 14 August 2019 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Creditors	\$70,383.50	\$144,308.25	\$73,924.75	Significant work was required in dealing with secured creditors with registered security interests. We were required to liaise extensively with secured creditors to determine the validity of registered security interests, which assets were the subject of security interests, the reach of registered security interests, and to resolve registration disputes. Additional work was also, and will continue to be, required to review and assess options for pooling, and preparing for and holding a meeting of creditors to seek approval of the Determination.
Employees	\$6,865.00	\$9,640.50	\$2,775.50	Additional work was required in reviewing and calculating employee entitlements as the Companies' records were incomplete.
Investigation	\$24,165.00	\$41,209.25	\$17,044.25	We were required to investigate assets appearing as owned by the Companies in DoT records, but not on site at appointment. This work was not anticipated at the time of our last remuneration approval as initial records obtained from the DoT were incomplete.
Dividend	\$ -	\$23,155.00	\$23,155.00	A dividend was not anticipated at the time our previous remuneration approval was sought.
Administration	\$67,980.50	\$120,493.75	\$52,513.25	The additional work required has and will result/ed in additional administration work, including statutory reporting and work planning tasks. We have discounted this time, at our discretion.
Total (ex GST)	\$290,690.00	\$536,819.25	\$246,129.25	

Analysis if the Determination is not approved – J R

Task	Fees already approved as at [date] \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$69,994.00	\$40,058.25	\$ -	\$110,052.25
Creditors	\$41,190.50	\$36,313.00	\$8,104.00	\$85,607.50
Investigation	\$11,718.50	\$8,276.25	\$1,168.00	\$21,162.75
Dividend	\$ -	\$ -	\$10,012.50	\$10,012.50
Administration	\$37,315.50	\$23,887.00	\$5,215.50	\$66,418.00
Total (ex GST)	\$160,218.50	\$108,534.50	\$24,500.00	\$293,253.00
Total Remuneration previously approved				\$160,218.50
Difference (see below table for further breakdown)				\$133,034.50

Payment reconciliation

Total remuneration claimed	\$293,253.00
Amount paid to date	\$159,194.50
Amount Outstanding	\$134,058.50

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 14 August 2022 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$69,994.00	\$110,052.25	\$40,058.25	The realisation process was more complex than anticipated. Additional work was required to deal with registered security interests, resolve ownership discrepancies between the Companies, deal with stolen assets and the subsequent insurance claim.
Creditors	\$41,190.50	\$85,607.50	\$44,417.00	Significant work was required in dealing with secured creditors with registered security interests. We were required to liaise extensively with secured creditors to determine the validity of registered security interests, which assets were the subject of security interests, the reach of registered security interests, and to resolve registration disputes. Additional work was also required to review and assess options for pooling, and to prepare for a meeting of creditors to seek approval of the Determination.
Investigation	\$11,718.50	\$21,162.75	\$9,444.25	We were required to investigate assets appearing as owned by the Companies in DoT records, but not on site at appointment. This work was not anticipated at the time of our last remuneration approval as initial records obtained from the DoT were incomplete.
Dividend	\$ -	\$10,012.50	\$10,012.50	A dividend was not anticipated at the time our previous remuneration approval was sought.
Administration	\$37,315.50	\$66,434.50	\$29,102.50	The additional work required has and will result/ed in additional administration work, including statutory reporting and work planning tasks. We have discounted this time, at our discretion.
Total (ex GST)	\$160,218.50	\$293,253.00	\$133,034.50	

Analysis if the Determination is not approved – Fusion

Task	Fees already approved as at 14 August 2019 \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$51,302.00	\$36,658.25	\$ -	\$87,960.25
Creditors	\$29,193.00	\$21,082.25	\$11,522.50	\$61,797.75
Employees	\$6,865.00	\$2,775.50	\$ -	\$9,640.50
Investigation	\$12,446.50	\$6,432.00	\$1,200.00	\$20,078.50
Dividend		\$ -	\$23,149.50	\$23,149.50
Administration	\$30,665.00	\$21,646.75	\$6,628.50	\$58,940.25
Total (ex GST)	\$130,471.50	\$88,594.75	\$42,500.50	\$261,566.75
Total Remuneration previously approved				\$130,471.50
Difference (see below table for further breakdown)				\$131,095.25

Payment reconciliation

Total remuneration claimed	\$261,566.75
Amount paid to date	\$124,433.00
Amount Outstanding	\$137,133.75

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 14 August 2019 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$51,302.00	\$87,960.25	\$36,658.25	The realisation process was more complex than anticipated. Additional work was required to deal with registered security interests, resolve ownership discrepancies between the Companies, deal with stolen assets and the subsequent insurance claim.
Creditors	\$29,193.00	\$61,797.75	\$32,604.75	Significant work was required in dealing with secured creditors with registered security interests. We were required to liaise extensively with secured creditors to determine the validity of registered security interests, which assets were the subject of security interests, the reach of registered security interests, and to resolve registration disputes. Additional work was also required to review and assess options for pooling, and prepare for a meeting of creditors to seek approval of the Determination.
Employees	\$6,865.00	\$9,640.50	\$2,775.50	Additional work was required in reviewing and calculating employee entitlements as the Companies' records were incomplete.
Investigation	\$12,446.50	\$20,078.50	\$7,632.00	We were required to investigate assets appearing as owned by the Companies in DoT records, but not on site at appointment. This work was not anticipated at the time of

				our last remuneration approval as initial records obtained from the DoT were incomplete.
Dividend	\$ -	\$23,149.50	\$23,149.50	A dividend was not anticipated at the time our previous remuneration approval was sought.
Administration	\$30,665.00	\$58,940.25	\$28,275.25	The additional work required has and will result/ed in additional administration work, including statutory reporting and work planning tasks. We have discounted this time, at our discretion.
Total (ex GST)	\$130,471.50	\$261,566.75	\$131,095.25	

General comments

We also make the following general comments regarding the progress of the liquidation that have affected our previous remuneration estimate:

- The full scope of work was difficult to determine at the time of seeking our previous remuneration approval on 14 August 2019 (approximately 3 months into the liquidation).
- Our remuneration estimate was based on a typical realisation process for plant and equipment, with limited complications.
- The actual realisation process was complex as, while there was only one purchaser, there were a considerable number of security interests to assess and resolve to finalise the sale.
- Some assets were also stolen prior to the sale completing and there were discrepancies in the Companies' records around the ownership of individual assets.
- Further work was required to:
 - obtain complete ownership records from the Department of Transport, as there was a typographical error in a number of vehicle registrations;
 - reconcile assets on site to the Companies' asset register and updated Department of Transport records;
 - collate information for and lodge police report and insurance claims for the stolen assets;
 - resolve disputes over security registrations; and
 - liaise with the purchaser and individual security holders to obtain the release of securities held, to enable the purchaser to deal with the assets free and clear.
- At the time of our last report, it also did not appear likely that there would be sufficient funds to provide a dividend to creditors. As such, our remuneration approval request did not include any work relating to preparing for and distributing a dividend.
- A dividend is now anticipated and our remuneration approval request includes remuneration related to the work involved in preparing for and running a dividend distribution process.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in this report and in Schedules A, B, C and D.

Schedule G – FTI Consulting schedule of rates effective 1 May 2019

Typical classification	Standard Rates \$/hour (ex GST)	General guide to classifications
Senior Managing Director/Appointee	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Chartered Accountants Australia and New Zealand qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

Annexure B

Pooling Determination

J R Contracting (WA) Pty Ltd and Fusion Contracting (WA) Pty Ltd (Both in liquidation)

We, Daniel Woodhouse and Ian Francis, determine that the Group is a pooled group for the purposes of section 571 of the Corporations Act 2001.

The contact address for the Group is c/- FTI Consulting, Level 47 Central Park, 152 – 158 St Georges Terrace, Perth WA 6000.

We determine that the following subdivisions of section 571 of the Corporations Act 2001 apply to the pooled group:

- Subsection 571(2):
 - Each company in the group is taken to be jointly and severally liable for each debt payable by, and each claim against, each other company in the group; and
 - each debt payable by a company or companies in the group to any other company or companies in the group is extinguished; and
 - each claim that a company or companies in the group has against any other company or companies in the group is extinguished.
- Subsection 571(3):
 - Subsection 571 (2) applies to a debt or claim:
 - whether present or future; and
 - whether certain or contingent; and
 - whether ascertained or sounding only in damages.
- Subsection 571(4):
 - Subsection 571(2) does not apply to a debt payable by, or a claim against, a company in the group unless the debt or claim is admissible to proof against the company.
- Subsection 571(5)
 - If a determination under paragraph (1)(c) comes into force in relation to a group of 2 or more companies, the order of priority applicable under sections 556, 560 and 561 is not altered for a company in the group.
- Subsection 571(6):
 - If
 - (a) a determination under paragraph (1)(c) comes into force in relation to a group of 2 or more companies; and
 - (b) a secured creditor of a company in the group surrenders the relevant security interest to the liquidator of the company for the benefit of creditors of the companies in the group generally;

the debt may be recovered as a debt that is jointly and severally payable by the companies in the group.

■ Subsection 571(7)

— If:

- (a) a determination under paragraph (1)(c) comes into force in relation to a group of 2 or more companies; and
- (b) a secured creditor of a company in the group realises the security interest, so much of the debt as remains after deducting the net amount realised may be recovered as a debt that is jointly and severally payable by the companies in the group.

■ Subsection 571(8) The following provisions have effect subject to any modifications under paragraph (1)(d):

- (a) subsection (2);
- (b) subsection (3);
- (c) subsection (4);
- (d) subsection (5);
- (e) subsection (6);
- (f) subsection (7).

■ Subsection 571(9) Subsection (2) does not apply in relation to a secured creditor unless the relevant debt is payable by a company or companies in the group to any other company or companies in the group.

■ Subsection 571(10) If:

- (a) a pooling determination comes into force in relation to a group of 2 or more companies; and
- (b) there are one or more eligible employee creditors of a company in the group, those eligible employee creditors are entitled to a priority at least equal to what they would have been entitled if the determination had not been made.

Signed:



Daniel Woodhouse

15 November 2022

Date



Ian Francis

15 November 2022

Date

Annexure C

Pooling determination criteria review

Criteria	Consideration
The extent to which: - a company in the group; and - the officers or employees of a company in the group were involved in the management or operations of any of the other companies in the group.	There was significant cross over between the Companies, with J R holding most (but not all) assets and Fusion undertaking the trading operations and employing all staff. The Companies had the same director, who was heavily involved in the Companies' management and operations. While employed by Fusion, staff worked across both businesses and parties dealing with J R were unlikely to know that staff were employed by a different entity.
The conduct of: - a company; and - the officers or employees of a company in the group towards the creditors of any of the other companies in the group.	Creditors of both J R and Fusion dealt with Fusion employees, who were responsible for the day-to-day operations of both Companies.
The extent to which the circumstances that gave rise to the winding up of any of the companies in the group are directly or indirectly attributable to the acts or omissions of: - any of the other companies in the group; or - the officers or employees of any of the other companies in the group.	The events that led to the winding up of the Companies were attributable to both Companies. The intertwined nature of the Companies' operations meant that any factor impacting one company would impact the other.
The extent to which the activities and business of the companies in the group have been intermingled.	The operations of the two entities are so intertwined that one company could not operate without the other. Fusion required the use of J R's assets to undertake its trading activities and J R required the income from Fusion to settle its debts, and the use of Fusion staff to manage the business. J R did not

Criteria	Consideration
	service customers directly and held no employees or customer accounts from which to operate.
The extent to which creditors of any of the companies in the group may be advantaged or disadvantaged by the coming into force of the Determination	We anticipate that the Determination will benefit all creditors. We have not identified creditors that will be disadvantaged by the Determination. While some creditors can prove in both liquidations, the time costs involved in adjudicating claims and determining loan balances between the Companies means the estimated dividend in each company separately and in aggregate is lower than the estimated dividend in a pooling scenario. That is, we estimate that a creditor proving in both liquidations separately will receive less than if they proved in one pooled liquidation.
Is the determination in the interests of eligible unsecured creditors generally?	Yes, we believe the determination is in the interests of unsecured creditors, generally. It provides for a better return to creditors and a fairer and more equitable distribution of funds.

Annexure D1

FORM 535 - FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

Subregulation 5.6.49(2)

Corporations Act 2001

**FUSION CONTRACTING (WA) PTY LTD (IN LIQUIDATION) ACN 141 810 853 FORMERLY TRADING AS FUSION CONTRACTING
("THE COMPANY")**

To the Liquidators of Fusion Contracting (WA) Pty Ltd (In Liquidation)

1. This is to state that the Company was on 30 April 2019, and still is, justly and truly indebted to:

Name of Creditor: _____

Address of Creditor: _____

Debt Owed: \$ _____ and _____ cents

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount (incl. GST) \$ c	GST \$ c	Remarks (include details of voucher substantiating payment)
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2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form.)*

Date	Drawer	Acceptor	Amount	Due Date
------	--------	----------	--------	----------

3. * I am the creditor personally OR

3. * I am employed by the creditor and authorised in writing by the creditor to make this statement OR

3. * I am the creditor's agent authorised in writing to make this statement in writing.

** Omit if inapplicable*

I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated: _____

Name of authorised Person

Signature of Authorised person

Occupation

Address

Email

Telephone

☐ I/we nominate to receive electronic notification of notices or documents by email at the following address:

Email address: _____

Annexure D2

FORM 535 - FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

Subregulation 5.6.49(2)

Corporations Act 2001

**J R CONTRACTING (WA) PTY LTD (IN LIQUIDATION) ACN 116 741 505 IN ITS OWN RIGHT AND
AS TRUSTEE OF THE C & J FAMILY TRUST FORMERLY TRADING AS CASPERS EARTHMOVING (ABN 54 351 32 544) ("THE COMPANY")**

To the Liquidators of J R Contracting (WA) Pty Ltd (In Liquidation)

1. This is to state that the Company was on 30 April 2019, and still is, justly and truly indebted to:

Name of Creditor:

Address of Creditor:

Debt Owed: \$ _____ and _____ cents

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount (incl. GST) \$ c	GST \$ c	Remarks (include details of voucher substantiating payment)
------	---	-------------------------------	-------------	---

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form.)*

Date	Drawer	Acceptor	Amount	Due Date
------	--------	----------	--------	----------

3. * I am the creditor personally OR

3. * I am employed by the creditor and authorised in writing by the creditor to make this statement OR

3. * I am the creditor's agent authorised in writing to make this statement in writing.

** Omit if inapplicable*

I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated: _____

Name of authorised Person

Signature of Authorised person

Occupation

Address

Email

Telephone

☐ I/we nominate to receive electronic notification of notices or documents by email at the following address:

Email address: _____

Annexure E1

Corporations Act 2001

NOTICE OF MEETING OF CREDITORS OF COMPANY UNDER LIQUIDATION

J R CONTRACTING (WA) PTY LTD (IN LIQUIDATION) ACN 116 741 505 ("the Company")

Notice is given that a meeting of the creditors of the Company will be held at the offices of FTI Consulting, Level 47, Central Park Tower, 152-158 St Georges Terrace, Perth WA 6000, on Tuesday, 6 December 2022 at 10:30 AM.

AGENDA

1. To receive a report by the Liquidators about the business, property, affairs and financial circumstances of the Company.
2. To consider and, if thought fit, approve the Pooling Determination.
3. To consider and, if thought fit, approve the Liquidators' remuneration and internal disbursements.
4. Any other business that may lawfully arise.

Attending and voting at the meeting

Creditors are invited to attend the meeting, however they are not entitled to participate and vote at a meeting unless:

- **Proof of debt:** They have lodged with the Liquidators particulars of the debt or claim and the claim has been admitted, wholly or in part, by the Liquidators. If a proof of debt has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on entitlement to vote.
- **Proxies or attendance:** They are either present in person or by electronic facilities (if being made available) or validly represented by proxy, attorney or an authorised person under s250D of the *Corporations Act*. If a corporate creditor or represented, a proxy form, power of attorney or evidence of appointment of a company representative pursuant to Section 250D of the *Corporations Act 2001* ("the Act") must be validly completed and provided to the Liquidator at or before the meeting.

A proxy is only valid for a particular meeting and will need to be resubmitted even if previously provided.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Starli Smith on starli.smith@fticonsulting.com or PO Box Z5486, Perth WA 6831, by no later than 4:00 pm on Monday, 5 December 2022. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Electronic facilities

Virtual meeting facilities will be made available at the meeting via online video conferencing. If you or the person you have appointed is intending on accessing the meeting virtually, you need to provide a statement by email to Starli Smith on starli.smith@fticonsulting.com, not later than 2 business days before the meeting which sets out:

- **Name:** The name of the person and of the proxy or attorney (if any)
- **Address:** An address to which notices to the person, proxy or attorney may be sent
- **Contact:** The method of contacting the person, proxy or attorney for the purposes of the meeting.

On receipt of this statement, you will be provided with instructions on how to access the facilities for the meeting.

Any queries should be directed to starli.smith@fticonsulting.com or (08) 9321 8533.

Dated this 15th day of November 2022



Daniel Woodhouse
Liquidator

NOTE 1: ENTITLEMENT TO VOTE AND COMPLETING PROOFS

IPR (Corp) 75-85 Entitlement to vote at meetings of creditors

- 1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- 2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- 3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - i) those particulars; or
 - ii) if required—a formal proof of the debt or claim.
- 4) A creditor must not vote in respect of:
 - a) an unliquidated debt; or
 - b) a contingent debt; or
 - c) an unliquidated or a contingent claim; or
 - d) a debt the value of which is not established;unless a just estimate of its value has been made.
- 5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - b) estimate its value;
 - c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- 6) A person is covered by this subsection if:
 - a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

- 7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - b) has been assigned a debt; and
 - c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - d) is voting on the resolution;

is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

Corporations Act 2001

NOTICE OF MEETING OF CREDITORS OF COMPANY UNDER LIQUIDATION

FUSION CONTRACTING (WA) PTY LTD (IN LIQUIDATION) ACN 141 810 853 ("the Company")

Notice is given that a meeting of the creditors of the Company will be held at the offices of FTI Consulting, Level 47, Central Park Tower, 152-158 St Georges Terrace, Perth WA 6000, on Tuesday, 6 December 2022 at 10:30 AM.

AGENDA

5. To receive a report by the Liquidators about the business, property, affairs and financial circumstances of the Company.
6. To consider and, if thought fit, approve the Pooling Determination.
7. To consider and, if thought fit, approve the Liquidators' remuneration and internal disbursements.
8. Any other business that may lawfully arise.

Attending and voting at the meeting

Creditors are invited to attend the meeting, however they are not entitled to participate and vote at a meeting unless:

- **Proof of debt:** They have lodged with the Liquidators particulars of the debt or claim and the claim has been admitted, wholly or in part, by the Liquidators. If a proof of debt has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on entitlement to vote.
- **Proxies or attendance:** They are either present in person or by electronic facilities (if being made available) or validly represented by proxy, attorney or an authorised person under s250D of the *Corporations Act*. If a corporate creditor or represented, a proxy form, power of attorney or evidence of appointment of a company representative pursuant to Section 250D of the *Corporations Act 2001* ("the Act") must be validly completed and provided to the Liquidator at or before the meeting.

A proxy is only valid for a particular meeting and will need to be resubmitted even if previously provided.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Starli Smith on starli.smith@fticonsulting.com or PO Box Z5486, Perth WA 6831, by no later than 4:00 pm on Monday, 5 December 2022. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Electronic facilities

Virtual meeting facilities will be made available at the meeting via online video conferencing. If you or the person you have appointed is intending on accessing the meeting virtually, you need to provide a statement by email to Starli Smith on starli.smith@fticonsulting.com, not later than 2 business days before the meeting which sets out:

- **Name:** The name of the person and of the proxy or attorney (if any)
- **Address:** An address to which notices to the person, proxy or attorney may be sent
- **Contact:** The method of contacting the person, proxy or attorney for the purposes of the meeting.

On receipt of this statement, you will be provided with instructions on how to access the facilities for the meeting.

Any queries should be directed to starli.smith@fticonsulting.com or (08) 9321 8533.

Dated this 15th day of November 2022



Daniel Woodhouse
Liquidator

NOTE 1: ENTITLEMENT TO VOTE AND COMPLETING PROOFS

IPR (Corp) 75-85 Entitlement to vote at meetings of creditors

- 8) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- 9) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- 10) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - i) those particulars; or
 - ii) if required—a formal proof of the debt or claim.
- 11) A creditor must not vote in respect of:
 - a) an unliquidated debt; or
 - b) a contingent debt; or
 - c) an unliquidated or a contingent claim; or
 - d) a debt the value of which is not established;unless a just estimate of its value has been made.
- 12) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - b) estimate its value;
 - c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- 13) A person is covered by this subsection if:
 - a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

- 14) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - b) has been assigned a debt; and
 - c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - d) is voting on the resolution;

is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

Annexure E2

APPOINTMENT OF PROXY

J R CONTRACTING (WA) PTY LTD (IN LIQUIDATION)
ACN 116 741 505 ("THE COMPANY")

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of the Company, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the meeting of creditors to be held on 6 December 2022 at 10:30 AM or at any adjournment of that meeting.

Resolutions	For	Against	Abstain
1. "That the remuneration of the Liquidators and their staff, for the period 15 August 2019 to 19 August 2022, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice provided to creditors, is approved for payment in the amount of \$108,534.50, exclusive of GST, to be drawn from available funds immediately or as funds become available."	☐	☐	☐
2. "That the future remuneration of the Liquidators for the period from 20 August 2022 to 5 December 2022, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$6,500.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."	☐	☐	☐
3. "That the Pooling Determination for J R Contracting Pty Ltd (In Liquidation) and Fusion Contracting (WA) Pty Ltd (In Liquidation) dated 14 November 2022 be approved."	☐	☐	☐
4. "That the future remuneration of the Liquidators for the period from 6 December to finalisation of the liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$36,000.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available".	☐	☐	☐
5. "That the future remuneration of the Liquidators for the period from 6 December 2022 to the finalisation of the	☐	☐	☐

liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$18,000.00, exclusive of GST, and that the liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above
(delete if not required)

Dated:

.....
Name and signature of authorised person

GUIDANCE AND INSTRUCTIONS

FORM OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the member is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Corporations Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Corporations Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.

APPOINTMENT OF PROXY

FUSION CONTRACTING (WA) PTY LTD (IN LIQUIDATION)
ACN 141 810 853 ("THE COMPANY")

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of the Company, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the meeting of creditors to be held on 6 December 2022 at 10:30 AM or at any adjournment of that meeting.

Resolutions	For	Against	Abstain
1. "That the remuneration of the Liquidators and their staff, for the period from 15 August 2019 to 19 August 2022, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice provided to creditors, is approved for payment in the amount of \$88,594.75, exclusive of GST, to be drawn from available funds immediately or as funds become available."	☐	☐	☐
2. "That the future remuneration of the Liquidators for the period from 20 August 2022 to 5 December 2022, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$6,500.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available".	☐	☐	☐
3. "That the Pooling Determination for J R Contracting Pty Ltd (In Liquidation) and Fusion Contracting (WA) Pty Ltd (In Liquidation) dated 14 November 2022 be approved."	☐	☐	☐
4. "That the future remuneration of the Liquidators for the period from 6 December to finalisation of the liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$36,000.00, exclusive of GST, and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."	☐	☐	☐
5. "That the future remuneration of the Liquidators for the period from 6 December 2022 to finalisation, is determined at a sum equal to the cost of time spent by the Liquidators	☐	☐	☐

and their staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice provided to creditors, up to a capped amount of \$14,500.00, exclusive of GST, and that the liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above
(delete if not required)

Dated:

.....
Name and signature of authorised person

GUIDANCE AND INSTRUCTIONS

FORM OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the member is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Corporations Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Corporations Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.