

**GOHRT NOMINEES PTY LTD**

ACN 074 988 793  
(Administrator Appointed)

ATF THE GOHRT FAMILY TRUST  
ABN 23 425 186 430  
Trading as "Carpets by Design"

**Administrator's Report  
Pursuant to Section 439A of the  
Corporations Act 2001**

**29 March 2017**

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## 1.0 ADMINISTRATOR'S APPOINTMENT

- 1.1 I, Jennifer E. Low, of Sheridans, Chartered Accountants, Level 9, 40 St George's Terrace, Perth, Western Australia, was appointed Administrator of Gohrt Nominees Pty Ltd ("Gohrt" or "the company") ATF The Gohrt Family Trust on Wednesday, 1 March 2017 in accordance with a resolution passed at a meeting of the director of the company.
- 1.2 My appointment was confirmed at the first meeting of creditors held on Monday, 13 March 2017.

## 2.0 OBJECT OF ADMINISTRATION <sup>①</sup>

- 2.1 Section 435A of the Corporations Act 2001 (Cth) ("the Act") states that the object of the administration provisions of the Act are to provide for the business, property and affairs of an insolvent company to be administered in a way that:
  - a) maximises the chances of the company, or as much as possible of its business, continuing in existence; or
  - b) if it is not possible for the company or its business to continue in existence, results in a better return for the company's creditors and members than would result from an immediate winding up of the company.

## 3.0 SCOPE AND LIMITATIONS

- 3.1 This report has been prepared from information obtained from the company, its officers and other relevant parties, in accordance with Section 439A(4) of the Act.
- 3.2 I have no reason to doubt the information contained in this report. The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.
- 3.3 Except where otherwise stated, I reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to me between the date of this report and the date of the second meeting of creditors.
- 3.4 Neither Sheridans nor any member or employee thereof undertakes responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to the Administrator.
- 3.5 I note that unless otherwise stated "xxxx" refers to the financial year ended 30 June xxxx (for example, 2016 refers to the year ended 30 June 2016).

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<sup>①</sup> ASIC's information sheet INFO 74 - "Voluntary administration: a guide for creditors" is available on Sheridans' website at [www.sheridansac.com.au](http://www.sheridansac.com.au) at the "Downloads" tab under "Corporate Insolvency".

## 4.0 SOURCES OF INFORMATION

- 4.1 I have relied upon information provided to me from the following sources (non-exhaustive list) to compile this report:
  - 4.1.1 Information obtained from the Australian Securities and Investments Commission (“ASIC”).
  - 4.1.2 Financial statements for the company, in its capacity as trustee of the Gohrt Family Trust (“the trust”), for the financial years 2014 (includes 2013) to 2015.
  - 4.1.3 Income tax returns for 2014 and 2015.
  - 4.1.4 Draft financial statements for 2016 and as at 30 September 2016.
  - 4.1.5 MYOB and RFMS Navigator (accounting software similar to MYOB) accounts to 30 September 2016.
  - 4.1.6 Information obtained from the Australian Taxation Office (“ATO”) portal.
  - 4.1.7 The Trust Deed, and Deed Variations, for the trust.
  - 4.1.8 An asset valuation dated 14 March 2017 prepared by my valuer, Mr Gary Ossendryver of GraysOnline.
  - 4.1.9 Bank statements and credit card statements for the company.
  - 4.1.10 Discussions with Mr Paul Gohrt, the director of the company.
  - 4.1.11 Various books and records obtained from the company’s premises.
  - 4.1.12 The website for the business: [www.carpetsbydesign.net.au](http://www.carpetsbydesign.net.au).
  - 4.1.13 Correspondence and discussions with the company’s accountant, Mr Carl Lombardo of Lombardo & Co, and the company’s lawyer, Mr Kevin Dundo of HopgoodGanim Lawyers.

## 5.0 INDEPENDENCE

- 5.1 I refer to my Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) which was previously sent to creditors as part of the first Circular to Creditors dated 3 March 2017.
- 5.2 The circumstances disclosed in my DIRRI have not changed.

## 6.0 MEETINGS OF CREDITORS

### 6.1 *First meeting of creditors*

- 6.1.1 In accordance with Section 436E of the Act, the first meeting of creditors of the company was held on Monday, 13 March 2017. At this meeting, creditors were advised of the current status and likely future course of the administration.
- 6.1.2 Creditors had the statutory right to replace the Administrator at the first meeting of creditors. There was no resolution proposed for the replacement of the Administrator.
- 6.1.3 Also, creditors resolved not to appoint a Committee of Creditors.

### 6.2 *Second meeting of creditors*

- 6.2.1 Sections 439A(1), (2) and (5) of the Act provide that the Administrator must convene a second meeting of the company's creditors within 20 business days following the day after the administration begins and hold the meeting within 5 business days before or after the end of the convening period.
- 6.2.2 Before the second meeting of creditors, the Administrator must prepare a report to creditors on the company's business, property, affairs and financial circumstances.
- 6.2.3 The report must provide a statement setting out the details of any proposed Deed of Company Arrangement ("DOCA") and provide a statement setting out which course of action is, in the Administrator's opinion, in the best interests of creditors, together with the Administrator's reasons for the opinion.
- 6.2.4 The purpose of the second meeting of creditors is to consider:
  - (i) The Administrator's report on the company's business, property, affairs and financial circumstances; and
  - (ii) The Administrator's statement of opinion as to whether it would be in the interests of the company's creditors for:
    - the administration to end; or
    - the company to execute a DOCA; or
    - the company to be wound up.
- 6.2.5 Creditors will decide (by way of resolution) the future of the company at the second meeting of creditors.
- 6.2.6 My statement of opinion is set out in Section 20.0 of this report.
- 6.2.7 **The second meeting of creditors of the company will be held on Wednesday, 5 April 2017 at 10:00am (WST) at the offices of Sheridans, Level 9, 40 St George's Terrace, Perth, Western Australia.**
- 6.2.8 Formal notice of the meeting (Annexure 5) accompanies this report, together with an Appointment of Proxy form and Formal Proof of Debt or Claim form.

## 6.0 MEETINGS OF CREDITORS (cont.)

- 6.2.9 If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the enclosed Appointment of Proxy form appointing your representative by no later than **4:00pm (WST) on Tuesday, 4 April 2017** to Sheridans:

**Post:** PO Box Z5209, Perth WA 6831  
**Facsimile:** (08) 9221 9340  
**Email:** general@sheridansac.com.au

- 6.2.10 Please note that Regulation 5.6.23 of the Corporations Regulations provides that a creditor is not entitled to vote at a meeting unless the creditor's claim has been admitted by the Administrator or the creditor has lodged with the Administrator particulars of the debt or claim.

- 6.2.11 For the purpose of voting at the second meeting of creditors, if you have not yet lodged a formal proof of debt, the enclosed Formal Proof of Debt or Claim form must be completed and returned by no later than **4:00pm (WST) on Tuesday, 4 April 2017** to Sheridans:

**Post:** PO Box Z5209, Perth WA 6831  
**Facsimile:** (08) 9221 9340  
**Email:** general@sheridansac.com.au

- 6.2.12 Those creditors who have already lodged a proof of debt are not required to lodge a further proof unless they wish to amend their claim.

## 7.0 STATUTORY INFORMATION

- 7.1 The company was incorporated in Western Australia on 24 July 1996 as a proprietary company limited by shares.

### 7.2 *Company officers*

- 7.2.1 According to a search of the records maintained by ASIC on 1 March 2017, the past and present officers of the company at that date were as follows:

Name	Last known address	Position Held	Start date	End date
Paul Nicholas Gohrt <sup>①</sup>	Unit 42, 9 McCabe Street Mosman Park WA 6012	Director	15/08/96	-
		Secretary	15/08/96	-
Daniel Matthew Gohrt	22 Florence Street Cottesloe WA 6011	Director	18/12/03	19/01/07
Graham Kenneth Matcham	7 Yallambee Place City Beach WA 6015	Director	24/07/96	15/08/96
		Secretary	24/07/96	15/08/96

<sup>①</sup> Referred to in this report as either "the director" or "Mr Gohrt".

- 7.2.2 On 8 March 2000 I was appointed as Administrator of the company. I was subsequently appointed as Deed Administrator of the company on 26 April 2000. I ceased to act as Deed Administrator on 21 March 2003 following the completion and finalisation of the Deed of Company Arrangement in compliance with its agreed terms.

## 7.0 STATUTORY INFORMATION (cont.)

7.2.3 I do not consider that my previous appointments as Administrator and Deed Administrator result in a conflict of interest or duty given the considerable time (approximately 14 years) that has elapsed since the cessation of those appointments.

### 7.3 *Shareholders*

7.3.1 The issued share capital of the company comprises 1 ordinary share. According to records maintained at ASIC, the company's paid up share capital is \$1. Mr Gohrt is the company's sole shareholder.

### 7.4 *Registered security interests*

7.4.1 According to a search of the Personal Property Securities Register ("PPSR") on 2 March 2017, the following security interests have been registered against the company's ACN or the trust's ABN:

Secured party	Details of charge
St. George Finance Ltd	Security interests over two motor vehicles.
Toyota Finance Australia Ltd	Former security interest over motor vehicle. There is no debt owed to this creditor.
Tuftmaster Carpets Pty Ltd	Purchase Money Security Interest. Relates to the supply of sample stock.
Manufacturers' Agencies Pty Ltd	Purchase Money Security Interests. There is no debt owed to these creditors.
Altro Apac Pty Ltd	
Tarket Australia Pty Ltd	
BOC Limited	
Signature Floorcoverings Pty Ltd	
EC Australia Group	
Airstep Australia Pty Ltd	
Foamco Industries Pty Ltd	
Gelpack Enterprises Pty Ltd	All Present and After-Acquired Property. There is no debt owed to this creditor.
Forbo Floorcoverings Pty Ltd	
NAP Global Pty Ltd	

## 8.0 NATURE OF BUSINESS CARRIED ON BY THE COMPANY

8.1 The company (through the trust) sells, installs and maintains carpet and vinyl flooring in Western Australia. The main source of work is from the commercial sector but the company also obtains work in the housing and retail sector. Business is generally obtained through either referral or repeat business, and little advertising is undertaken by the company.

8.2 The company's operations include:

- Selling and marketing of manufacturers' carpets;
- The installation of carpet and floorings; and
- The maintenance and repair of installations.

## 9.0 COMPANY STRUCTURE

- 9.1 The company is the sole trustee of the Gohrt Family Trust trading as “Carpets by Design” (“the business”).
- 9.2 The company’s only activity was as trustee of the trust, and it did not operate or have any activity in its own right.
- 9.3 See a diagram showing the company and its related entities overleaf.

### ***Weave Loc Floor Coverings Pty Ltd (“Weave Loc”)***

- 9.4 Weave Loc was incorporated on 3 December 2010. Mr Gohrt is the sole director of Weave Loc, which I understand sold, installed and maintained “Weave Loc” patented carpet tiles.
- 9.5 On 18 October 2016, Mr Greg Dudley of RSM Australia was appointed as Liquidator of Weave Loc pursuant to a winding up application lodged by the ATO.
- 9.6 The company is the sole shareholder of Weave Loc. Given that Weave Loc is in liquidation, I do not expect that this shareholding has any value.

### ***CBD Carpets By Design Pty Ltd (“CBD Carpets”)***

- 9.7 CBD Carpets was incorporated on 29 July 2016.
- 9.8 This company was set up by the director and his wife, Ms Yihuan Zhu, to service the domestic sector. However, the company never commenced trading and is currently dormant.

### ***Carpets By Design - Commercial & Domestic Flooring Pty Ltd (“C&D Flooring”)***

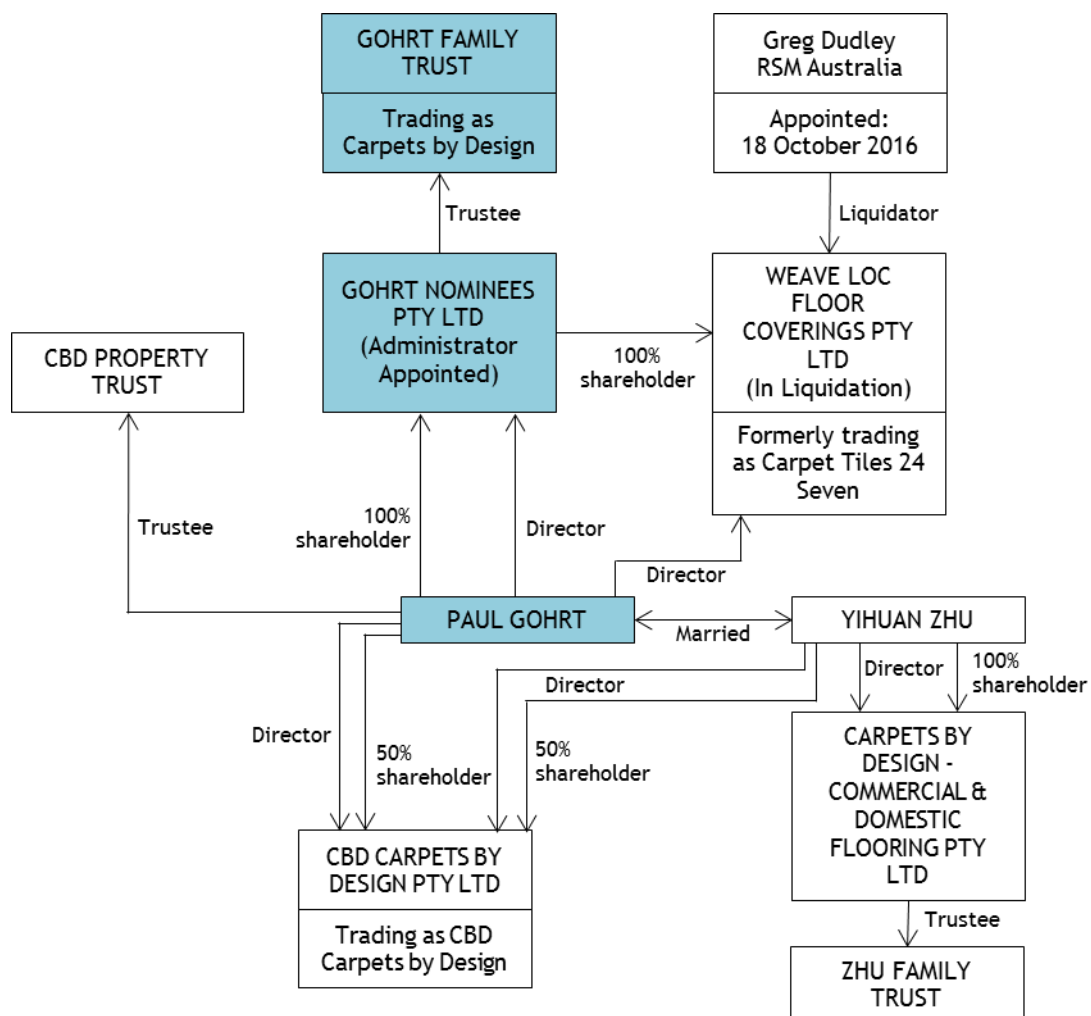
- 9.9 C&D Flooring was incorporated on 23 September 2016 by Ms Zhu. This company operates from the company’s premises and also sells, installs and maintains carpet and vinyl flooring in Western Australia.
- 9.10 I am currently negotiating with C&D Flooring in respect of the purchase of the company’s assets (i.e. stock, fixtures and fittings and plant and equipment).

### ***CBD Property Trust***

- 9.11 The former trustee of the CBD Property Trust is CBD Property (WA) Pty Ltd. However, this company is now deregistered.
- 9.12 The company’s accountant, Mr Lombardo, advised that he believes the current trustee is Mr Gohrt.
- 9.13 Further, Mr Lombardo advised that the trust was set up for property investment. By 2013, the trust had sold its investment property portfolio in order to lend funds to the company. As at 30 June 2015, the company owed \$260,407 to this trust (included in ‘trade and other payables’).



## Diagram - Gohrt Nominees Pty Ltd and related entities



## 10.0 EVENTS LEADING TO CURRENT SITUATION

- 10.1 From my discussions with the director and his accountant, Mr Carl Lombardo, and my investigations to date, I now report my understanding of the events leading to my appointment as Administrator.
- 10.2 In July 1996, Mr Gohrt formed his own carpet installation business, having previously worked in the carpet industry for a number of years.
- 10.3 During the next two years, the company achieved significant growth, to the stage where five additional staff members were employed to meet demand. However, the company failed to implement controls and structures that were necessary for the increasing size and growth and, as a result, the company started to experience losses and cash flow problems.
- 10.4 In August 1999, Mr Gohrt entered into merger talks with a carpeting business. However, negotiations broke down and in February 2000 the merger failed. The failed merger further weakened the financial position of the company.
- 10.5 As noted at Paragraph 7.2.2, on 8 March 2000 I was appointed as Administrator of the company. I was subsequently appointed as Deed Administrator of the company on 26 April 2000. I ceased to act as Deed Administrator on 21 March 2003 following the completion and finalisation of the Deed of Company Arrangement in compliance with its agreed terms.
- 10.6 The business appears to have traded profitably until 2013 when the business derived a nominal profit.
- 10.7 In August 2013, a number of overdue Business Activity Statements ("BAS") and Instalment Activity Statements ("IAS") were lodged with the ATO which resulted in the company's taxation liability increasing to circa \$100,000.
- 10.8 In 2014, the director employed a management accountant and an additional salesperson. While the business' expenditure increased, revenue fell short of the anticipated level, and the business produced a substantial loss.
- 10.9 Additionally, in 2014 the director separated from his de facto partner and purchased an apartment, which put additional strain on the business' cash flow.
- 10.10 The business continued to produce losses in 2015 and 2016, and the company's taxation liability continued to increase exponentially. On 17 May 2016, the ATO issued the company with a Statutory Demand in the sum of \$556,421.
- 10.11 In the second half of 2016, the director entered into informal discussions with the ATO in respect of the taxation liability of the company and Weave Loc, and also his and his ex-partner's personal taxation liability.
- 10.12 In approximately August 2016, the company reached an informal agreement with the ATO. However, this agreement was not formalised and the ATO proceeded to issue the company with another Statutory Demand, and the director with Director Penalty Notices, in February 2017.

## 10.0 EVENTS LEADING TO CURRENT SITUATION (cont.)

10.13 As a result of the breakdown of the informal agreement with the ATO, and the issuance of a Statutory Demand and Director Penalty Notices, the director concluded that he had no other alternative but to place the company into external administration. He decided to place the company into Voluntary Administration to allow for the possibility of the company entering into a DOCA.

10.14 The director believes that the reasons for the failure of the business are:

- A decline in commercial work;
- Underperforming sales staff;
- Declining profits; and
- An inability to pay the outstanding taxation liability.

## 11.0 FINANCIAL HISTORY

11.1 I have been provided with the company's financial statements for the years 2013 to 2015, as well as draft accounts for 2016 and for the period 1 July 2016 to 30 September 2016. Draft accounts for the period 1 October 2016 to 1 March 2017 have not been prepared.

11.2 The following is a summary of the reported results for each period:

Year	Profit/(Loss) \$	Net assets/ (liabilities) \$
2013	10,294.51	10.00
2014	(172,726.63)	(172,716.63)
2015	(17,694.21)	(190,410.84)
2016 ①	(61,273.97)	(251,684.81)
2017 ②	64,264.09	(186,820.72)

① Draft accounts.

② Draft accounts for the period 1 July 2016 to 30 September 2016.

11.3 I have not done any work of an audit nature to establish the veracity of the company's financial statements.

### *Summary of profit and loss*

11.4 Attached at Annexure 1 is a summary of the company's profit and loss statements for the years 2013 to 2015, and draft accounts for 2016 and for the period 1 July 2016 to 30 September 2016.

11.5 There is a significant change in the company's net financial position from 2013 to 2014. The company exhibited a modest profit of \$10,295 in 2013, but then a loss of \$172,727 in 2014.

11.6 While the company's sales and gross profit remained relatively stable from 2013 to 2014, the expenditure increased by 21.42% which was predominantly as a result of a \$124,167 (26.10%) increase in wages. Expenditure items including, but not limited to, superannuation, finance, travel and computer-related expenses also increased.

## 11.0 FINANCIAL HISTORY (cont.)

- 11.7 In 2015, the company's performance improved but still produced a loss of \$17,694. An increase in sales and a decrease in direct costs resulted in a 4.70% increase in gross profit. A decrease in general expenditure cannot be directly attributed to a particular item and thus appears to be indicative of general cost-cutting measures being employed by the company.
- 11.8 In 2016, wages decreased by \$73,272 (12.40%). This is the main reason for the decrease in expenditure from 2015 to 2016. However, I note that as these are draft accounts, depreciation has not been accounted for i.e. the company's net loss position is likely to be higher than recorded.
- 11.9 The gross profit margin, which appears reasonable for the industry, remains relatively stable from 2013 to 2016, and during the three months to 30 September 2016.
- 11.10 The draft accounts for the three months to 30 September 2016 demonstrate that the company may have commenced trading profitably. This would coincide with the company's negotiations with the ATO. However, I emphasise that these are draft accounts and I cannot comment on their veracity i.e. there might be further expenditure items, including depreciation and motor vehicle expenses.

### *Summary of balance sheet*

- 11.11 Attached at Annexure 2 is a summary of the company's balance sheets for the years 2013 to 2015, and draft balance sheets as at 30 June 2016 and 30 September 2016.
- 11.12 See Section 12.0 for further information in respect of the company's assets and liabilities as at the date of administration.
- 11.13 I note that the company is in a net liability position from 2014 onwards. However, the net liability position decreased from 30 June 2016 to 30 September 2016, which illustrates that the company's financial performance may have strengthened in the three months to 30 September 2016 (however, see my comments at Paragraph 11.10).
- 11.14 The financial asset (valued at \$1 in the balance sheet) relates to the company's shareholding in Weave Loc (see Paragraphs 9.4 to 9.6). As previously noted, I do not expect that this shareholding has any value.
- 11.15 The company's intangible asset is a Weave Loc carpet design. The value of the asset on the balance sheet (\$2,936) is attributed to the cost of registering the patent. C&D Flooring has expressed an interest in purchasing the patent from the company.
- 11.16 The draft balance sheet as at 30 June 2016 and 30 September 2016 discloses an asset of \$20,000 entitled "Lombardo trust account". The company's accountant advised that these funds were paid to him on trust and have since been applied against invoices issued for accounting work completed on behalf of the company, in particular negotiating a payment arrangement with the ATO. This is therefore in the nature of a prepaid expense which has been paid since the balance sheet date.

## 11.0 FINANCIAL HISTORY (cont.)

- 11.17 The draft balance sheet as at 30 September 2016 states that the company paid a lease deposit of \$29,533. I note that C&D Flooring, and not the company, is the lessee of the premises.
- 11.18 According to the company's draft balance sheet as at 30 September 2016, the company was owed \$154,122 from Mr Gohrt and \$68,099 from Mr Gohrt's former partner. The company's accountant has advised that at year end the drawings paid to Mr Gohrt and his partner was offset against the amount owed by the company to the CBD Property Trust (see Paragraphs 9.11 to 9.13). The funds attributed to the former partner's loan may relate to drawings by Mr Gohrt to satisfy settlement obligations to his former partner.
- 11.19 In a liquidation scenario, a detailed investigation would be required to establish the pattern of Mr Gohrt's drawings being offset against the amount owed to the CBD Property Trust and whether this may constitute a voidable transaction (see Section 14.7). Further, if a debt was found to be owed to the company by Mr Gohrt and/or his former partner, I would need to investigate the capacity of the parties to repay any such debt.

### *Director's salary*

- 11.20 In addition to the funds lent to Mr Gohrt (see Paragraph 11.18, above), he was also paid a salary from the company. Below is a summary of the salary paid to Mr Gohrt during 2015 and 2016.

Year	Gross salary \$	PAYG \$	Net salary \$	Superannuation \$
2015	146,835.00	45,243.00	101,592.00	13,949.33
2016	192,421.00	63,421.00	129,000.00	18,279.90

- 11.21 I note that despite the company's declining profits the director was still paid a considerable salary.

## 12.0 ASSETS AND LIABILITIES

- 12.1 When a company is placed into administration, the director has a statutory obligation (pursuant to Section 438B(2) of the Act), to provide a Report as to Affairs ("RATA") to the Administrator.
- 12.2 A summary of the company's assets and liabilities as at 1 March 2017, according to Mr Gohrt's RATA, is as follows:

	Notes	Estimated book value \$	Realisable value \$
<b>Assets</b>			
Cash at bank	12.3	6,000	6,000
Stock	12.4	325,000	80,000
Plant & equipment	12.5	60,000	60,000
Work in progress	12.6	Nil	Nil
		391,000	146,000
<b>Liabilities</b>			
Secured creditors	12.7	46,000	46,000
Priority creditors	12.8	148,610	148,610
Unsecured creditors	12.9	1,093,917	1,093,917
		1,288,527	1,288,527
Estimated deficiency		(897,527)	(1,142,527)

## 12.0 ASSETS AND LIABILITIES (cont.)

### *Assets*

#### 12.3 *Cash at bank*

- 12.3.1 The company as trustee held a bank account with Westpac Banking Corporation (“Westpac”). The balance of the bank account as at the date of administration was \$6,770.
- 12.3.2 I am in the process of realising the company’s cash at bank.
- 12.3.3 After my appointment, a number of payments were made from the company’s bank account without my consent. I am currently investigating these transactions to determine whether the payments are recoverable.

#### 12.4 *Stock*

- 12.4.1 The company owns assorted carpet stock, which is not subject to any Purchase Money Security Interests. My valuer has provided me with the market value and online auction value for the stock.
- 12.4.2 I am in the process of negotiating a sale of the company’s stock to C&D Flooring. Accordingly, I have not disclosed my agent’s valuation.

#### 12.5 *Plant & equipment*

- 12.5.1 The company’s plant and equipment, and fixtures and fittings, comprises:
- a Toyota Gas Forklift;
  - a 2008 Mitsubishi Triton; and
  - pallet racking.
- 12.5.2 My valuer has provided me with the market value and online auction value for each of the above items.
- 12.5.3 I am in the process of negotiating a sale of the company’s Forklift, Triton and pallet racking to C&D Flooring. Accordingly, I have not disclosed my agent’s valuation.
- 12.5.4 The company also owns two 2013 Ford Rangers (“the Rangers”). For further information, see Section 12.7.

#### 12.6 *Work in progress / accounts receivable*

- 12.6.1 The company had one uncompleted project. The director provided me with an estimate of income and expenditure for the project, which demonstrated that the expenditure required by the company was greater than the amount due from the customer.
- 12.6.2 I have therefore concluded that the company should not complete the project.

## 12.0 ASSETS AND LIABILITIES (cont.)

- 12.6.3 However, I understand that C&D Flooring may complete this project in order to secure further work from the customer.
- 12.6.4 While not included in his RATA, the director has advised that the company had a substantial accounts receivable balance (\$238,707) at the date of administration.
- 12.6.5 I cannot yet comment on the estimated realisable value of the accounts receivable. However, I have concerns as to the extent to which these debts are realisable.

### *Liabilities*

#### 12.7 *Secured creditors*

- 12.7.1 See Section 7.4 for further information regarding the security interests registered against the company's ACN and the trust's ABN.
- 12.7.2 The company entered into finance agreements with St. George Finance Ltd ("St. George") in respect of the Ford Rangers. On review of the PPSR, I have determined that St. George has validly registered security interests over the Rangers.
- 12.7.3 My agent performed a valuation of the Rangers and determined their value to be \$25,000 and \$15,000.
- 12.7.4 St. George has advised that the payout figures for the Rangers are \$34,560 and \$18,462 respectively.
- 12.7.5 The estimated total shortfall to St. George is \$13,022, calculated as follows:

	Vehicle 1 \$	Vehicle 2 \$	Total \$
Value	25,000	15,000	40,000
Secured debt	34,560	18,462	53,022
<b>Unsecured shortfall</b>	<b>9,560</b>	<b>3,462</b>	<b>13,022</b>

- 12.7.6 On the basis of the above, I concluded that the Rangers have negative equity. On 9 March 2017, I wrote to St. George and advised that, in accordance with Section 443B(3) of the Act, the company did not propose to exercise its rights in respect of the Rangers.

#### 12.8 *Priority creditors*

- 12.8.1 The ATO has submitted a Proof of Debt for \$148,610 in respect of the company's outstanding superannuation liability.
- 12.8.2 Prior to any dividend being paid to priority creditors, I would need to review the company's accounts to determine the actual amount owed to each employee and verify this against the ATO's supporting documentation.

## 12.0 ASSETS AND LIABILITIES (cont.)

12.8.3 At the date of administration, the company owed annual leave entitlements to three former employees. The outstanding annual leave entitlements were as follows:

Name	\$
Kathryn Burdekin	929.15
Autcharee Jiumsisukont	897.82
Binjian Wang	1,251.77
<b>Total</b>	<b>3,078.74</b>

12.8.4 C&D Flooring has advised that it has paid these entitlements. Accordingly, C&D Flooring has a subrogated priority claim against the company for \$3,078.74 pursuant to Section 560 of the Act (i.e. C&D Flooring “stands in the shoes” of the employees).

### 12.9 Unsecured creditors

12.9.1 According to the director’s RATA, the company’s unsecured creditors are as follows:

Creditor	\$
ATO	468,200
C&D Flooring	Unknown
Classic Flooring	3,782
Jiangsu	620,903
Matt’s Flooring Pty Ltd	1,032
Paul Gohrt	Unknown
Westpac	Unknown
<b>Total</b>	<b>1,093,917</b>

#### *Australian Taxation Office*

12.9.2 The ATO has submitted a Proof of Debt for \$468,200 in respect of the company’s outstanding GST and PAYG liabilities.

#### *Carpets by Design - Commercial & Domestic Flooring Pty Ltd*

12.9.3 On the basis of information received to date, I am unable to estimate the unsecured claim C&D Flooring has against the company. Further, C&D Flooring is yet to submit a Proof of Debt.

12.9.4 As previously advised, C&D Flooring has a priority claim in respect of annual leave paid on behalf of the company (see Paragraphs 12.8.3 and 12.8.4).

#### *Classic Flooring*

12.9.5 Classic Flooring supplied stock to the company but has not registered a security interest against the company/trust on the PPSR. Classic Flooring is yet to submit a Proof of Debt.

#### *Jiangsu Jynyao Trading Company Ltd (“Jiangsu”)*

12.9.6 Jiangsu is a company based in China and is the company’s main supplier. Jiangsu has not registered a security interest against the company/trust on the PPSR.



**12.0 ASSETS AND LIABILITIES (cont.)**

- 12.9.7 Jiangsu has submitted a Proof of Debt in the sum of US\$399,499, converted to AU\$521,812 as at the date of administration, being 1 March 2017.

***Matt's Flooring Pty Ltd***

- 12.9.8 This creditor has yet to submit a Proof of Debt in respect of the sub-contracting work it has provided to the company.

***Paul Gohrt***

- 12.9.9 On the basis of information received to date, I do not consider that Mr Gohrt has a claim against the company.

***Westpac Banking Corporation***

- 12.9.10 The company held a credit card with Westpac. As at 29 September 2016, Westpac was owed \$34,192. Westpac is yet to submit a Proof of Debt.

***Weave Loc***

- 12.9.11 As previously noted, Mr Greg Dudley of RSM Australia was appointed as Liquidator of Weave Loc on 18 October 2016.

- 12.9.12 The company is the sole shareholder of Weave Loc and Mr Gohrt is the sole director. Mr Dudley has advised that he has an insolvent trading claim of approximately \$55,012 against the company, in its capacity as the holding company, pursuant to Sections 588V and 588W of the Act.

- 12.9.13 In summary, I currently estimate that the company's unsecured creditors are as follows:

Creditor	\$
ATO	468,200
C&D Flooring	Unknown
Classic Flooring	3,782
Jiangsu	521,812
Matt's Flooring Pty Ltd	1,032
Paul Gohrt	Nil
Weave Loc	55,012
Westpac	34,192
<b>Total</b>	<b>1,084,030</b>

## 13.0 RECEIPTS AND PAYMENTS

13.1 There have been no receipts and payments to date.

## 14.0 INVESTIGATION

### 14.1 *Administrator's investigation*

14.1.1 Under the Act, I am required to investigate the company's business, property, affairs and financial circumstances.

14.1.2 Pursuant to Regulation 5.3A.02 of the Corporations Regulations, I am also required to investigate and report to creditors on any possible voidable transaction recovery actions that would be available to a Liquidator.

14.1.3 My investigations are at a preliminary stage and I am not in a position to provide any final comments about potential offences that may have been committed or amounts of money that may be recoverable in the event of the company being placed into liquidation. Further, a detailed investigation will need to be undertaken by a Liquidator (if appointed), and possibly independent legal advice sought, in order to determine the likely success of any actions contemplated.

### 14.2 *Overview of Administrator's investigations*

14.2.1 My investigations to date have focused on the following matters:

- (i) Breaches of duties and other offences under the Act by the director and others.
- (ii) Potential recovery actions by a Liquidator (if appointed).

### 14.3 *Offences under the Act*

14.3.1 Section 438D of the Act requires an Administrator to lodge a report with ASIC if it appears that:

- (i) A past or present officer or member of the company may have been guilty of an offence in relation to the company; or
- (ii) A person who has taken part in the formation, promotion, administration, management or winding up of the company may have misapplied money or property of the company or may have been guilty of negligence, default, breach of duty or trust in relation to the company.

### 14.4 *Books and records*

14.4.1 Failure to maintain adequate books and records may be relied upon by a Liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Division 2 of Part 5.7B of the Act (voidable transactions).

14.4.2 I have taken possession of the company's books and records so that I can carry out my preliminary investigation into the company's affairs for the purpose of preparing this report.

## 14.0 INVESTIGATION (cont.)

14.4.3 My preliminary view is that the company has satisfactorily maintained its books and records, notwithstanding that no financial statements have been finalised since 30 June 2015.

### 14.5 *Care and diligence, and duty to act in good faith*

14.5.1 The duty to act in good faith includes the requirement to act honestly, exercise powers in the interests of the company and to avoid conflicts of interest.

14.5.2 As previously mentioned (see paragraphs 11.18 to 11.21), it appears that Mr Gohrt drew a considerable wage and additional drawings from the company (which were offset against the loan from CBD Property Trust at year end).

14.5.3 In the event of liquidation, a Liquidator would more closely review the use of company funds to pay Mr Gohrt's wage and drawings and whether these payments constitute a breach of director's duties given they were paid at a time when the company was, at least, in financial difficulty.

### 14.6 *Potential recovery actions by a Liquidator*

14.6.1 The potential recovery actions available to a Liquidator are:

- (i) voidable transactions
- (ii) insolvent trading

### 14.7 *Voidable transactions*

14.7.1 The potential voidable transactions for a Liquidator are:

- (i) unfair preferences
- (ii) unfair loans
- (iii) uncommercial transactions
- (iv) Unreasonable director related transactions

14.7.2 Under the Act there is the potential for a Liquidator to recover payments to creditors that have been preferred above other creditors of the company. That is, if a creditor receives payment in preference to other creditors, the amount paid to that creditor is potentially recoverable by the Liquidator.

14.7.3 From my brief investigation, I note that there may possibly be an unfair preference to the ATO in respect of payments made within the six months prior to the date of administration. From 2 September 2016 to 1 March 2017, the company made payments totalling \$169,539 to the ATO. The company had not entered into a formal arrangement with the ATO in respect of these payments.

14.7.4 For a preference claim to exist, the company must have been insolvent at the time (see Section 14.8 below), and the ATO must have been preferred over other creditors and must have known, or reasonably ought to have known, that the company was insolvent.

## 14.0 INVESTIGATION (cont.)

- 14.7.5 In addition, I consider that the payment of the lease deposit paid during the period July 2016 to September 2016 may be considered an uncommercial transaction because the lease was not in the company's name i.e. the bond should have been paid by the lessee and not the company (see Paragraph 11.17). In a liquidation scenario, further investigation is required in respect of whether the lease deposit can be recovered as an uncommercial transaction, or otherwise.
- 14.7.6 If the company was placed into liquidation, further investigation would be required in relation to the funds paid to the ATO and other creditors.
- 14.7.7 I have not identified any other transactions which may be considered unfair preferences, unfair loans or voidable transactions.

### 14.8 *Insolvent trading*

- 14.8.1 Under the Act, a director is personally liable to the company if the director fails to prevent a company from incurring a debt when, at the time of incurring that debt, the company is insolvent, or becomes insolvent by incurring the debt, and there existed reasonable grounds to suspect that the company was or would become insolvent. A successful claim for insolvent trading requires extensive analysis and would generally require legal action.
- 14.8.2 Directors have several defences available to them in relation to an insolvent trading claim.
- 14.8.3 Importantly, for such a claim to succeed, the Liquidator must first be able to show that at a relevant point in time the company was insolvent.
- 14.8.4 The Act states that a company is considered to be solvent if, and only if, the company is able to pay its debts as and when they become due and payable. A company that is not solvent is insolvent.
- 14.8.5 On review of the information and documentation currently available to me, I note that the company's financial difficulties appear to have commenced in late 2013, and were exacerbated after the overdue BAS and IAS were lodged in August 2014.
- 14.8.6 Further, the company experienced a loss of \$172,726.63 in 2014, compared to a modest profit of \$10,294.51 in 2013, demonstrating a substantial downturn in performance and its financial position.
- 14.8.7 In April 2014, the ATO issued the company with a Warning of Intended Debt Collection Action and a Garnishee Notice. Another Garnishee Notice was issued in July 2014. The company's taxation liability had increased by approximately \$52,000 from April 2014 to July 2014. Accordingly, my preliminary opinion is that the company was insolvent from April 2014 onwards.

## 14.0 INVESTIGATION (cont.)

14.8.8 As noted earlier, the Act provides directors with a number of defences to a claim for insolvent trading. I am currently unable to conclude as to whether the director would be able to avail himself of any defences but I consider it unlikely.

14.8.9 If the company was placed into liquidation, further investigation would be required to determine whether the company was insolvent, and whether the director has the financial capacity to repay an insolvent trading claim.

### 14.9 *Financial position of director*

14.9.1 If a recovery action against a director was contemplated, a Liquidator would have to consider, amongst other matters, the financial capacity of the director to meet such a claim.

14.9.2 I currently have limited information regarding the financial position of the director.

14.9.3 From a WA property title search, I am aware that the director is the sole registered proprietor of a property in North Fremantle, which is subject to a mortgage.

14.9.4 Further information would be required to determine whether there is any equity in this property.

14.9.5 Further, I have conducted a personal search of the director at ASIC, in order to obtain information about his directorships and shareholdings.

14.9.6 A summary of the director's current directorships and shareholdings per the relevant ASIC search is shown at Annexure 3.

## 15.0 ESTIMATED RETURN IN LIQUIDATION

15.1 In a liquidation, any return to creditors will be from the following sources only:

- realisation of assets.
- recovery actions taken by the Liquidator.

15.2 Any recovery action for insolvent trading, breach of director's duties, or any voidable transactions would require further detailed investigation, possible legal advice regarding the prospects of success of such action prior to the instigation of any legal action, and the consideration of the capacity of the defendant(s) to meet any successful claim.

15.3 In addition, I make the following comments:

- (i) In a liquidation scenario, a Liquidator would have very limited funds to pursue any recovery actions, without funding from creditors or a litigation funder.

## 15.0 ESTIMATED RETURN IN LIQUIDATION (cont.)

- (ii) The director may defend a claim of insolvent trading or breach of director's duties, and if so, it is likely that such legal action would be protracted and costly.
  - (iii) I consider it unlikely that the director has the capacity to satisfy any such claim made.
  - (iv) There is no guarantee of a successful outcome to any legal action.
- 15.4 Given the known realisable assets (ignoring the possibility of any recovery actions by the Liquidator) in a liquidation, I consider it likely that a dividend will be paid to priority creditors but unlikely that a dividend would be paid to unsecured creditors.
- 15.5 Therefore, a dividend to unsecured creditors would be reliant upon any successful recovery actions taken by a Liquidator.

## 16.0 PROPOSAL FOR DEED OF COMPANY ARRANGEMENT

- 16.1 I advise that I have not received a proposal for a DOCA.

## 17.0 OPTIONS AVAILABLE TO CREDITORS

- 17.1 The Act provides three possible alternatives to creditors regarding the future of a company under administration. The alternatives available are:
- (i) That the administration should end; or
  - (ii) That the company execute a DOCA; or
  - (iii) That the company should be wound up.

The Act also allows creditors to pass a resolution that the second meeting of creditors be adjourned.

The effect of each of these options is briefly discussed below.

### 17.2 *That the administration should end*

- 17.2.1 If creditors resolve that the administration should end, then control of the company will revert to the director and the moratorium which has existed on actions or proceedings against the company by secured creditors, unsecured creditors, lessors and owners of property in the possession of the company will cease.

- 17.2.2 Thus the company will in effect be placed in the same position as before my appointment on 1 March 2017. Creditors would then have the option of petitioning the Court to have the company wound up, at their own expense.

### 17.3 *That the company execute a DOCA*

- 17.3.1 As previously advised, I have not received a DOCA proposal.

## 17.0 OPTIONS AVAILABLE TO CREDITORS (cont.)

### 17.4 *That the company should be wound up*

17.4.1 If the creditors resolve at the second meeting to wind up the company, the company will immediately be placed into liquidation and I will become Liquidator of the company pursuant to Section 446A of the Act.

17.4.2 As Liquidator, I am required to realise and distribute the assets in accordance with the Act. As Liquidator, I would investigate fully the affairs of the company and the conduct of its officers and report my findings to ASIC.

### 17.5 *That the meeting be adjourned*

17.5.1 Section 439B(2) of the Act provides that a meeting convened under Section 439A can be adjourned to a day not more than 45 business days after the date of the meeting. In my opinion there would appear to be no benefit gained by adjourning the meeting.

## 18.0 COMPARISON OF LIQUIDATION AND DOCA SCENARIOS

18.1 As no DOCA proposal has been received, a comparison of the estimated outcome for creditors in a liquidation scenario and a DOCA scenario is not necessary.

## 19.0 INTERESTS OF CREDITORS

19.1 The primary interest of creditors is to maximise the return on their debt, having regard to the options available to creditors as outlined in the previous section of this report.

19.2 I make the following comments.

### *Administration should end*

19.3 If creditors decide that the administration should end, then the company would be returned to the directors in the same position it was in prior to my appointment.

### *That the company execute a DOCA*

19.4 This option is not available to creditors.

### *Liquidation*

19.5 At this stage of the administration, if the company is placed into liquidation, I believe that is likely that a dividend will be paid to priority creditors but unlikely that a dividend will be paid to unsecured creditors.

## 20.0 ADMINISTRATOR'S RECOMMENDATION AND OPINION

- 20.1 In view of the above, and the various other matters dealt with in this report, **I recommend to creditors that the company be placed into liquidation.** I will then have the opportunity to sell the company's assets, investigate fully the operations of the company and its officers, and investigate any breaches of the Act.

## 21.0 ADMINISTRATOR'S REMUNERATION

- 21.1 At the second creditors' meeting to be held on Wednesday, 5 April 2017, I will be seeking several resolutions regarding my remuneration.
- 21.2 I have previously provided to you a Statement as to Administrator's Remuneration.
- 21.3 Please find following at Annexure 4 my Remuneration Report which details the work performed and the fees incurred in this administration to 28 March 2017, the expected work to be performed and the estimated fees up to 5 April 2017 (date of second meeting) and the expected work to be performed and the estimated fees in either a DOCA or liquidation scenario.
- 21.4 I will therefore be seeking approval of the following:
- (i) That the remuneration of the Administrator for services performed for the period 1 March 2017 to 28 March 2017 be approved in the amount of \$55,802.70 plus GST.
  - (ii) That the Administrator's future remuneration be approved for the period 29 March 2017 to the date of the meeting, being 5 April 2017, to a limit of \$7,000 plus GST.
  - (iii) If creditors resolve that the company should be wound up, that the Liquidator's future remuneration be approved to a limit of \$50,000 plus GST.
- 21.5 As shown in Annexure 4, I have incurred fees of \$55,802.70 (excluding GST) in the period 1 March 2017 to 28 March 2017 (see Paragraph 21.4(i) above).

## 22.0 CONCLUSION

- 22.1 Should creditors have any queries regarding any aspect of this report, or the administration in general, please do not hesitate to contact me, David Blanchett or Shannon O'Connor of this office.

Yours faithfully



JENNIFER E. LOW  
Administrator of  
Gohrt Nominees Pty Ltd



**23.0 ANNEXURES**

- Annexure 1 - Summary profit and loss statements
- Annexure 2 - Summary balance sheets
- Annexure 3 - Director's directorships and shareholdings
- Annexure 4 - Remuneration Report
- Annexure 5 - Form 529 - Notice of Meeting

**24.0 ENCLOSURES**

- Enclosure 1 - Formal Proof of Debt or Claim form
- Enclosure 2 - Appointment of Proxy form

**GOHRT NOMINEES PTY LTD**  
**(Administrator Appointed) (“the company”)**  
**ACN 074 988 793**

**ATF THE GOHRT FAMILY TRUST**  
**Trading as “Carpets by Design”**

**SUMMARY PROFIT AND LOSS STATEMENTS**

	Draft 30/09/2016 \$	Draft 2016 \$	2015 \$	2014 \$	2013 \$
<b>Sales</b>					
Supply & installation income	697,028.81	2,199,119.71	2,521,340.71	2,507,360.21	2,461,084.58
<b>Cost of goods sold</b>					
Opening stock	-	-	138,697.54	376,256.02	207,200.00
Opening work in progress	-	-	15,000.00	76,443.30	162,800.00
Purchases	281,327.58	1,038,003.22	1,169,786.88	913,755.62	1,111,084.64
Subcontractors	162,687.81	395,651.75	498,318.27	411,796.11	569,070.11
Direct freight cost	3,507.60	10,126.37	39,966.29	9,603.88	8,704.30
Project travel & accommodation	-	1,588.20	4,038.66	-	-
Closing stock	-	-	(252,560.19)	(138,697.54)	(376,256.02)
Closing work in progress and stock	-	-	(6,172.05)	(15,000.00)	(76,443.30)
	447,522.99	1,445,369.54	1,607,075.40	1,634,157.39	1,606,159.73
<b>Gross profit from trading</b>	249,505.82	753,750.17	914,265.31	873,202.82	854,924.85
Gross profit margin (%)	35.80	34.28	36.26	34.83	34.74
<b>Other income</b>					
Interest received	0.32	99.24	45.43	14.23	458.06
Recoveries	-	-	-	-	11,532.77
Other revenue	-	-	6,695.11	-	1,214.15
Loss on sale of non-current assets	-	-	-	(9,393.41)	(4,161.09)
	249,506.14	753,849.41	921,005.85	863,823.64	863,968.74
<b>Expenditure (see overleaf)</b>	185,242.05	815,123.38	938,700.06	1,036,550.27	853,674.23
<b>(Loss) Profit for the year</b>	<b>64,264.09</b>	<b>(61,273.97)</b>	<b>(17,694.21)</b>	<b>(172,726.63)</b>	<b>10,294.51</b>

	Draft 30/09/2016 \$	Draft 2016 \$	2015 \$	2014 \$	2013 \$
<b>Expenditure</b>					
Accountancy expenses	4,260.00	31,362.50	28,545.00	48,001.25	43,021.00
Advertising expenses	9,745.05	17,117.44	1,721.57	13,677.67	19,826.45
Bad and doubtful debt expenses	-	287.82	8,670.24	14,857.20	-
Bank charges	1,470.81	5,043.94	6,603.26	7,105.53	3,148.49
Borrowing costs	-	-	-	-	13.60
Cleaning	410.00	1,950.00	2,481.29	4,100.91	3,725.18
Computer expenses	1,977.12	8,891.47	9,195.35	25,888.04	16,297.88
Consultancy fees	1,577.00	2,554.00	4,074.76	3,837.43	8,475.00
Depreciation and amortisation expenses	-	-	26,099.00	39,652.00	39,121.00
Donations	96.00	624.00	771.64	623.63	3,380.92
Electricity	655.40	3,718.06	4,415.00	5,547.92	4,771.30
Entertainment expenses	179.93	4,547.51	-	-	2,997.09
Fees & permits	-	-	-	-	522.00
Filing fees	963.00	723.00	389.91	1,080.00	1,469.00
Fines & penalties	-	798.00	1,903.16	(2,762.28)	9,018.83
Forklift expenses	469.19	606.63	768.57	-	-
Freight & cartage	1,904.27	-	2,893.69	9,806.43	8,488.71
Gifts to clients	-	-	630.63	1,413.47	1,067.32
Hire of plant & equipment	661.50	1,692.05	2,920.69	763.63	5,618.21
Hire purchase charges	300.66	1,202.64	2,259.91	591.37	3,961.95
Insurance	5,450.40	24,052.74	31,306.60	25,149.62	29,449.88
Interest paid	2,195.16	57,099.85	20,433.12	20,355.29	6,247.95
Legal costs	3,247.73	-	427.81	(1,358.64)	4,228.30
Medical expenses	-	-	-	803.69	530.72
Motor vehicle expenses	-	13,273.45	23,038.91	22,047.02	23,990.06
Parking	28.12	369.62	1,144.53	2,534.40	1,696.44
Postage	155.24	40.47	630.53	946.14	829.06
Printing & stationery	410.74	1,699.00	2,763.29	5,390.98	4,759.77
Protective clothing	275.46	1,392.00	177.27	898.85	2,874.32
Rates & taxes	-	5,530.88	-	6,080.87	1,351.13
Rent	7,259.76	24,341.10	37,205.44	28,122.29	28,180.14
Repairs & maintenance	958.78	2,539.04	3,682.44	7,971.46	2,882.28
Security costs	-	475.09	1,045.91	365.00	1,007.90
Staff amenities	372.86	462.21	4,132.73	1,018.18	-
Staff training & welfare	-	-	40.00	4,767.75	3,938.61
Subscriptions	896.00	(925.45)	5,424.64	8,743.69	6,573.82
Superannuation - employees	4,650.45	44,060.11	50,680.06	53,179.19	42,219.46
Superannuation - directors	2,836.47	14,667.71	-	13,305.04	5,907.36
Telephone	4,192.12	16,295.99	29,716.89	28,818.31	21,625.78
Travelling expenses	2,294.57	7,692.81	26,710.98	30,238.09	10,889.49
Wages	124,157.66	517,533.60	590,805.80	599,847.55	475,680.30
Waste disposal	1,190.60	3,404.10	4,989.44	3,141.30	3,887.53
	185,242.05	815,123.38	938,700.06	1,036,550.27	853,674.23

**GOHRT NOMINEES PTY LTD**  
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**ACN 074 988 793**

**ATF THE GOHRT FAMILY TRUST**  
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**SUMMARY BALANCE SHEETS**

	<b>Draft 30/09/2016 \$</b>	<b>Draft 2016 \$</b>	<b>2015 \$</b>	<b>2014 \$</b>	<b>2013 \$</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	51,073.94	28,090.13	10,877.91	46,591.51	93,677.78
Trade and other receivables	328,439.08	397,204.81	377,918.49	244,804.34	214,683.76
Financial assets	1.00	1.00	1.00	1.00	1.00
Inventories	563,336.35	379,066.90	258,732.24	153,697.54	452,699.32
Prepayments	12,717.54	19,982.94	19,326.01	20,095.66	20,048.83
Prepaid stock	34,524.72	23,768.20	23,279.79	26,283.67	-
Loan - Paul Gohrt	154,121.98	141,536.79	-	-	-
Loan - Nina Lai	68,099.10	64,262.80	-	-	-
Lombardo trust account	20,000.00	20,000.00	-	-	-
Borrowing costs	-	-	-	-	3,263.76
Less: accumulated amortisation	-	-	-	-	(13.60)
	<b>1,232,313.71</b>	<b>1,073,913.57</b>	<b>690,135.44</b>	<b>491,473.72</b>	<b>784,360.85</b>
<b>Non-current assets</b>					
Lease deposit	29,532.50	-	-	-	-
Property, plant and equipment	92,290.61	91,843.54	91,843.54	114,245.54	148,669.97
Intangible assets	2,936.36	2,936.36	2,936.36	2,936.36	2,936.36
	<b>124,759.47</b>	<b>94,779.90</b>	<b>94,779.90</b>	<b>117,181.90</b>	<b>151,606.33</b>
<b>Total assets</b>	<b>1,357,073.18</b>	<b>1,168,693.47</b>	<b>784,915.34</b>	<b>608,655.62</b>	<b>935,967.18</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	1,442,878.76	1,318,215.74	854,932.92	672,335.72	807,491.16
PAYG payable	45,292.00	13,051.00	20,969.00	27,198.00	65,255.00
	<b>1,488,170.76</b>	<b>1,331,266.74</b>	<b>875,901.92</b>	<b>699,533.72</b>	<b>872,746.16</b>
<b>Non-current liabilities</b>					
Borrowings	55,723.14	89,111.54	99,424.26	81,838.53	63,211.02
	<b>55,723.14</b>	<b>89,111.54</b>	<b>99,424.26</b>	<b>81,838.53</b>	<b>63,211.02</b>
<b>Total liabilities</b>	<b>1,543,893.90</b>	<b>1,420,378.28</b>	<b>975,326.18</b>	<b>781,372.25</b>	<b>935,957.18</b>
<b>Net assets (liabilities)</b>	<b>(186,820.72)</b>	<b>(251,684.81)</b>	<b>(190,410.84)</b>	<b>(172,716.63)</b>	<b>10.00</b>
<b>Equity</b>					
Settled sum	10.00	10.00	10.00	10.00	10.00
(Accumulated losses) retained earnings	(186,830.72)	(251,694.81)	(190,420.84)	(172,726.63)	-
<b>Total Equity</b>	<b>(186,820.72)</b>	<b>(251,684.81)</b>	<b>(190,410.84)</b>	<b>(172,716.63)</b>	<b>10.00</b>

**GOHRT NOMINEES PTY LTD**  
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**DIRECTOR’S DIRECTORSHIPS AND SHAREHOLDINGS**

*Paul Nicholas Gohrt*

Directorships			
Entity	Position Held	Appointed	Resigned
Tender Holdings Pty Ltd ①	Director Secretary	19/06/1987 25/06/2003	16/01/2013 16/01/2013
Ultralay Pty Ltd ①	Director Secretary	05/04/1990 05/04/1990	09/06/2002 09/06/2002
Gohrt Nominees Pty Ltd	Director Secretary	15/08/1996 15/08/1996	N/A N/A
CBD Property (WA) Pty Ltd ①	Director Secretary	28/03/2006 28/03/2006	21/08/2016 21/08/2016
Aqua Blue Nominees Pty Ltd ①	Director Secretary	30/05/2008 30/05/2008	23/10/2016 23/10/2016
Weave Loc Floor Coverings Pty Ltd ②	Director Secretary	14/11/2012 14/11/2012	N/A N/A
CBD Carpets By Design Pty Ltd	Director	29/07/2016	N/A

① *Company is deregistered.*

② *Company is in external administration.*

Shareholdings			
Entity	Position Held	No. of shares	Share Class
Gohrt Nominees Pty Ltd	Shareholder	1	Ordinary
CBD Carpets By Design Pty Ltd	Shareholder	100	Ordinary

**GOHRT NOMINEES PTY LTD**  
**(Administrator Appointed) ("the company")**  
**ACN 074 988 793**

**ATF THE GOHRT FAMILY TRUST**  
**Trading as "Carpets by Design"**

**REMUNERATION REPORT**

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## 1. *Executive summary*

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

Period	Report Reference	Amount (exc. GST) \$
<b>Voluntary Administration</b>		
Resolution 1: 1 March 2017 to 28 March 2017	21.4(i)	55,802.70
Resolution 2: 29 March 2017 to 5 April 2017 *	21.4(ii)	7,000.00
<b>Total - Voluntary Administration</b>		<b>62,802.70</b>
<b>Liquidation (if applicable)</b>		
Resolution 5: Commencement of liquidation to completion *	21.4(iii)	50,000.00
*Approval for the future remuneration sought is based on an estimate of the work necessary to complete the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

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

## 2. *Remuneration methods*

Please refer to my Statement as to Administrator's Remuneration which was annexed to my first Circular to Creditors dated 3 March 2017.

## 3. *Remuneration method chosen*

Please refer to my Statement as to Administrator's Remuneration which was annexed to my first Circular to Creditors dated 3 March 2017.

## 4. *Explanation of method chosen*

Please refer to my Statement as to Administrator's Remuneration which was annexed to my first Circular to Creditors dated 3 March 2017.

## 5. *Description of work to be completed*

### *Resolution 1 - 1 March 2017 to 28 March 2017*

Task Area	General Description	Includes
<b>Assets</b> <b>33.5 hours</b> <b>\$7,708.80</b>	Cash at bank	Correspondence regarding funds held in bank accounts. Receipting funds held at date of liquidation.
	Pre-appointment debts	Correspondence with pre-appointment debtors in order to recover debt owed to the company.
	Plant & Equipment	Determining value of plant and equipment. Realising plant and equipment of the company.
	Stock	Determining value of stock. Realising stock.
	Work in progress	Determining value of work in progress. Overseeing completion of work. Realising debts associated with work in progress.
	Insurance	Identification of potential issues requiring attention of insurance specialists.
	Attending premises	Attending premises to view company assets. Meeting agent at premises to perform valuation.
<b>Creditors</b> <b>83.3 hours</b> <b>\$22,892.50</b>	Creditor enquiries	Receiving and following up creditor enquiries via telephone. Maintaining creditor enquiry register. Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Preparing first report to creditors. Preparing Administrator's report (including the Administrator's opinion).
	Dealing with Proofs of Debt	Receipting and filing Proofs of Debt when not related to a dividend. Correspondence with ATO regarding Proofs of Debt when not related to a dividend.
	Meeting of creditors	Preparing meeting notices, proxies and advertisements. Forwarding notice of meeting to all known creditors. Preparing meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisements of meeting and minutes of meeting.
	Secured creditor reporting	Notifying PPSR registered creditors of appointment. Responding to PPSR registered creditors' enquiries.

## 5. Description of work to be completed (cont.)

### Resolution 1 (cont.)

Task Area	General Description	Includes
<b>Investigation</b> 35.3 hours \$9,142.40	Conducting investigation	Collection of company's books and records. Reviewing company's books and records. Review of director's Report as to Affairs and make enquiries. Reviewing and preparing history of the company. Conducting and summarising statutory searches. Preparing comparative financial statements. Reviewing specific transactions and liaising with directors regarding certain transactions. Investigation into significant events during the period the company operated and the effect these events had on the company. Investigation into voidable transactions.
<b>Administration</b> 60.8 hours \$16,059.00	ASIC forms	Preparing and lodging ASIC forms including 505, 911 etc. Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	Notification of appointment. Preparing BAS.
	Bank account administration	Preparing correspondence opening bank account. Requesting bank statements. Bank account reconciliations.
	Document maintenance / file review / checklist	First month administration review. Filing of documents. Updating checklists.
	Planning/review	Discussions regarding status of administration.

### Resolution 2 - 29 March 2017 to 5 April 2017

Task Area	General Description	Includes
<b>Assets</b> \$2,000	General	Realising assets (if applicable) including cash at bank, pre-appointment debts, plant and equipment, stock, work in progress.
<b>Creditors</b> \$3,000	Creditor enquiries	Receiving and following up creditor enquiries via telephone. Maintaining creditor enquiry register. Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Finalising the preparation of the Administrator's report.
	Dealing with Proofs of Debt	Receipting and filing Proofs of Debt when not related to a dividend. Correspondence with ATO regarding Proofs of Debt when not related to a dividend.
	Meeting of creditors	Preparing meeting notices, proxies and advertisements. Forwarding notice of meeting to all known creditors. Preparing meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisements of meeting and minutes of meeting.
<b>Investigation</b> \$1,000	Conducting investigation	Continuing the investigation into the affairs of the company, including analysis of books and records, history and nature of the business, significant events and possible voidable transactions.
<b>Administration</b> \$1,000	Planning/review	Discussions regarding status of administration.
	Document maintenance / file review / checklist	Filing of documents. File reviews. Updating checklists.



## 5. Description of work to be completed (cont.)

### Resolution 3 - Commencement of liquidation to completion (if applicable)

Task Area	General Description	Includes
<b>Assets \$10,000</b>	General	Realising assets (if applicable) including cash at bank, pre-appointment debts, plant and equipment, stock, work in progress.
<b>Creditors \$10,000</b>	Creditor enquiries	Receiving and following up creditor enquiries via telephone. Maintaining creditor enquiry register. Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Preparing meeting and general reports to creditors.
	Dealing with Proofs of Debt	Receipting and filing Proofs of Debt when not related to a dividend. Correspondence with ATO regarding Proofs of Debt when not related to a dividend.
	Meeting of creditors	Preparing meeting notices, proxies and advertisements. Forwarding notice of meeting to all known creditors. Preparing meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisements of meeting and minutes of meeting.
	Secured creditor reporting	Notifying PPSR registered creditors of appointment. Responding to PPSR registered creditors' enquiries.
<b>Dividend \$6,000</b>	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend. Advertisement of intention to declare dividend. Preparation of dividend calculation. Preparation of correspondence to creditors announcing declaration of dividend.
	Processing Proofs of Debt	Preparation of correspondence to potential creditors inviting lodgement of Proof of Debt. Maintaining Proof of Debt register. Adjudicating Proofs of Debt. Requesting further information from claimants regarding Proof of Debt. Preparation of correspondence to claimant advising outcome of adjudication.
<b>Investigation \$12,000</b>	ASIC reporting	Preparing statutory investigation reports. Liaising with ASIC.
	Conducting investigation (more detailed than investigation during voluntary administration period)	Reviewing company's books and records. Reviewing and preparing history of the company. Conducting and summarising statutory searches. Preparing comparative financial statements. Reviewing specific transactions and liaising with directors regarding certain transactions. Preparing investigation file. Lodging initial report with ASIC. Preparing and lodging supplementary report (if required).
<b>Administration \$12,000</b>	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc. Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	Notification of appointment. Preparing BAS.
	Bank account administration	Preparing correspondence opening and closing accounts. Requesting bank statements. Bank account reconciliations. Correspondence with the bank regarding specific transfers.
	Books and records - storage	Dealing with records in storage. Sending job files to storage.
	Document maintenance / file review / checklist	Six-monthly administration reviews. Filing of documents. File reviews. Updating checklists.
	Finalisation	Notifying ATO of finalisation. Cancelling ABN/GST/PAYG registration. Completing checklists.
	Planning/review	Discussions regarding status of administration.

## 6. Calculation of remuneration

### Resolution 1 - 1 March 2017 to 28 March 2017

Employee	Position	\$ /hour (excl. GST)	Total Hrs	Total \$	Task area							
					Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
J. E. Low	Administrator	538	11.2	6,025.60	0.7	376.60	4.8	2,582.40	1.3	699.40	4.4	2,367.20
D. Blanchett	Senior Manager	381	28.3	10,782.30	2.4	914.40	9.7	3,695.70	7.6	2,895.60	8.6	3,276.60
S. O'Connor	Supervisor	265	64.5	17,092.50	4.1	1,086.50	42.8	11,342.00	7.1	1,881.50	10.5	2,782.50
M. Ledger	Senior 2	221	65.4	14,453.40	19.8	4,375.80	13.8	3,049.80	9.4	2,077.40	22.4	4,950.40
S. Smith	Senior 2	221	15.1	3,337.10	-	-	5.8	1,281.80	1.8	397.80	7.5	1,657.50
P. Nguyen	Graduate	147	22.1	3,248.70	6.5	955.50	6.4	940.80	8.1	1,190.70	1.1	161.70
A. Avery	Secretary	137	2.4	328.80	-	-	-	-	-	-	2.4	328.80
M. Leunig	Secretary	137	3.9	534.30	-	-	-	-	-	-	3.9	534.30
<b>Total</b>			<b>212.9</b>	<b>55,802.70</b>	<b>33.5</b>	<b>7,708.80</b>	<b>83.3</b>	<b>22,892.50</b>	<b>35.3</b>	<b>9,142.40</b>	<b>60.8</b>	<b>16,059.00</b>
GST				5,580.27								
Total (incl. GST)				61,382.97								
Average hourly rate				262.11		230.11		274.82		258.99		264.13

*No calculation of remuneration spreadsheet is required in respect of the resolution for prospective fees (i.e. resolutions 2 and 3).*

## 7. Statement of remuneration claim

Creditors will be asked to consider the following resolutions:

- a) That the remuneration of the Administrator for services performed for the period 1 March 2017 to 28 March 2017 be approved in the amount of \$55,802.70 plus GST.
- b) That the Administrator's future remuneration calculated on the basis of time spent by the Administrator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved for the period 29 March 2017 to the date of the meeting, being 5 April 2017, to a limit of \$7,000 plus GST, and that the Administrator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.
- c) That the Liquidator's future remuneration calculated on the basis of time spent by the Liquidator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved to a limit of \$50,000 plus GST, and that the Liquidator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.

## 8. Disbursements

Disbursements are divided into three types:

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

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

Disbursement	Rate (excl. GST)
Faxes	Local: \$2.50 Interstate: \$4.00 International: \$4.00
Meeting room hire	\$150.00
Postage	Local and interstate: \$1.50 International: cost Other: cost
Printing and photocopying	20 cents/page
Storage	Cost
Telephone	National calls (inc. mobile): \$1.50 International: cost
Staff vehicle use	74 cents/per km
Statutory advertising	Cost

Rates applicable for year ending 30 June 2017.

## **9. *Report on progress of the administration***

This Remuneration Report must be read in conjunction with the Administrator's Section 439A Report dated 29 March 2017.

## **10. *Queries***

Should creditors have any queries or require any further information in relation to this Remuneration Report, please contact David Blanchett or Shannon O'Connor of this office.

## **11. *Information sheet***

ASIC's information sheet INFO 85 - "Approving fees: a guide for creditors" is available on Sheridans' website at [www.sheridansac.com.au](http://www.sheridansac.com.au) at the "Downloads" tab under "Corporate Insolvency".

Further information regarding the basis of the proposed remuneration is available from Sheridans upon request, as well as detailed summaries of actual time spent on the various tasks.

Jennifer E. Low is a member of the Australian Restructuring Insolvency & Turnaround Association ("ARITA") and follows the ARITA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the ARITA website at [www.ARITA.com.au](http://www.ARITA.com.au).

**GOHRT NOMINEES PTY LTD  
(Administrator Appointed) ("the company")  
ACN 074 988 793**

**ATF THE GOHRT FAMILY TRUST  
Trading as "Carpets by Design"**

**FORM 529 - NOTICE OF MEETING**

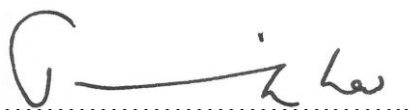
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Notice is now given that a second meeting of the creditors of the company will be held at the offices of Sheridans, Chartered Accountants, Level 9, 40 St George's Terrace, Perth, Western Australia on Wednesday, 5 April 2017 at 10.00am (WST).

**AGENDA**

1. To consider the Report of the Administrator pursuant to Section 439A(4)(a) in relation to the company's business, property, affairs and financial circumstances.
2. To consider and if thought fit, resolve:
  - (a) that the administration should end; or
  - (b) that the company be wound up; or
  - (c) that the company should execute a deed of company arrangement; or
  - (d) that the meeting be adjourned.
3. To consider and if thought fit, approve the remuneration of the Administrator, and if appropriate, the remuneration of the Deed Administrator or the Liquidator.
4. If the company is wound up:
  - (a) To consider the appointment of a Committee of Inspection, and where desired, to appoint members to that Committee.
  - (b) To authorise the Liquidator to destroy, at her discretion, the books and records of the company within a period of five years after dissolution of the company, subject to obtaining prior approval from the Australian Securities & Investments Commission.
5. To consider any other matter which may properly be brought before the meeting.

Dated this 29<sup>th</sup> day of March 2017



JENNIFER E. LOW  
Administrator of  
Gohrt Nominees Pty Ltd

**FORM 535**  
**Corporations Act 2001**

*Subregulation 5.6.49(2)*

**GOHRT NOMINEES PTY LTD**  
**(Administrator Appointed) ACN 074 988 793**

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

This is to state that the company was on **1 March 2017** and still is, justly and truly indebted to \_\_\_\_\_ for:

\$ \_\_\_\_\_ and \_\_\_\_\_ cents

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

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 \$ c	Due Date

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

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

**Please ensure this proof is signed for completion, before lodgement.**

Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Name (block letters): \_\_\_\_\_  
Occupation: \_\_\_\_\_  
Creditor's address: \_\_\_\_\_

\*Do not complete if this proof is made by the creditor personally. Strike out or leave, as appropriate.

☐ I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:

Email address: \_\_\_\_\_

**FORM 532**  
**Corporations Act 2001**

*Regulation 5.6.29*

**GOHRT NOMINEES PTY LTD**  
**(Administrator Appointed) ACN 074 988 793**

**APPOINTMENT OF PROXY**

**\*I/\*We** ① ..... of ② .....  
a creditor of **Gohrt Nominees Pty Ltd**, appoint ③ ..... or in his  
or her absence ..... as **\*my/\*our \*general/\*special** proxy to vote  
at the second meeting of creditors to be held on Wednesday, 5 April 2017, or at any adjournment of that  
meeting, and to vote ④:

**VOTING**

	<b>YES</b>	<b>NO</b>
A. To vote generally on all matters arising at the meeting:	<input type="checkbox"/>	<input type="checkbox"/>

**AND / OR ALTERNATIVELY**

B. To vote specifically in the following manner:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1. In relation to the future of the company:			
(a) That the administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) That the company should be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) That the company execute a Deed of Company Arrangement.	N/A	N/A	N/A
(d) That the meeting be adjourned.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. In relation to remuneration:			
(a) That the remuneration of the Administrator for services performed for the period 1 March 2017 to 28 March 2017 be approved in the amount of \$55,802.70 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) That the Administrator's future remuneration calculated on the basis of time spent by the Administrator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved for the period 29 March 2017 to the date of the meeting, being 5 April 2017, to a limit of \$7,000 plus GST, and that the Administrator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) That the Liquidator's future remuneration calculated on the basis of time spent by the Liquidator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved to a limit of \$50,000 plus GST, and that the Liquidator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If the company is wound up:

(a) That a Committee of Inspection not be formed.

FOR      AGAINST      ABSTAIN

☐      ☐      ☐

(b) To authorise the Liquidator to destroy, at her discretion, the books and records of the company, subject to obtaining prior approval from the Australian Securities and Investments Commission.

☐      ☐      ☐

Signature .....

Signature <sup>⑤</sup> of individual or person authorised <sup>⑥</sup> by corporate resolution to represent the corporation.

Dated this ..... day of ..... 2017

#### CERTIFICATE OF WITNESS

*This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I,..... of ..... certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated this .....day of..... 2017

Signature of witness .....

Description .....

Place of residence .....

#### Notes:

\* Delete as applicable

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

2. Address of creditor.

3. Name, address and description of the person appointed.

4. If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

5. The signature of the creditor or member is not to be attested by the person nominated as proxy.

6. A corporation may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A respectively or, by a representative appointed under Section 250D of the Corporations Act 2001. Copy of authority/power of attorney to be annexed.