

GOHRT NOMINEES PTY LTD

ACN 074 988 793

(Administrator Appointed) (“the company”)

ATF THE GOHRT FAMILY TRUST

ABN 23 425 186 430

Trading as “Carpets by Design”

Circular to Creditors

3 March 2017

Contents**Page**

1. Appointment	3
2. Process of Administration	3
3. Meeting of creditors	3
4. Employee claims	4
5. Purchase money security interests	4
6. Guarantees	4
7. Independence and remuneration	5

Annexures

- A Form 529 - Notice of First Meeting of Creditors
- B Declaration of Independence, Relevant Relationships and Indemnities
- C Statement as to Administrator's Remuneration

Enclosures

- (i) Form 532 - Appointment of Proxy
- (ii) Form 535 - Proof of Debt or Claim

1. Appointment

- 1.1 On 1 March 2017 I was appointed as Administrator of the company pursuant to Section 436A of the Corporations Act ("the Act").

2. Process of Administration

- 2.1 My role as Administrator of the company is to take control of its business, property and affairs with a view to either:
- (i) Facilitate the execution of a Deed of Company Arrangement to re-organise the company's affairs; or
 - (ii) Enter the company into liquidation; or
 - (iii) Return control of the company to the director.
- 2.2 Within approximately one month I will convene a meeting of creditors, to whom I will have previously sent my report on the possibilities for the future of the company. At that meeting, creditors will be given the opportunity to decide the company's future.
- 2.3 In the interim, the Act provides for a stay of proceedings against the company, effectively freezing debts owed by the company as at the date of my appointment.
- 2.4 I wish to make it clear that I will not be responsible for the payment of accounts of the company prior to my appointment.

3. Meeting of creditors

- 3.1 An initial meeting of creditors of the company will be held on Monday, 13 March 2017 at 11:00am (WST) at the offices of Sheridans, Chartered Accountants, Level 9, 40 St George's Terrace, Perth, Western Australia.
- 3.2 In respect of the initial meeting, please find enclosed the following:
- (a) Notice of Meeting;
 - (b) Appointment of Proxy;
 - (c) Proof of Debt or Claim.
- 3.3 Please note that Regulation 5.6.23 of the Act 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.
- 3.4 Accordingly, the enclosed Proof of Debt or Claim form must be returned to this office by no later than 4:00pm on Friday, 10 March 2017 in order that you may vote at the meeting.

3. Meeting of creditors (cont.)

- 3.5 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 to this office by no later than 4:00pm on Friday, 10 March 2017.

4. Employee claims

- 4.1 If you were an employee of the company at the date that I was appointed, you may be a creditor of the company for any or all of the following debts:
- (a) Outstanding wages;
 - (b) Annual leave and long service leave;
 - (c) Pay in lieu of notice;
 - (d) Redundancy; and/or
 - (e) Superannuation.
- 4.2 If you are owed accrued employee entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg.

5. Purchase money security interests

- 5.1 If you are a goods supplier, would you please advise this office immediately if you are claiming title to any goods delivered to the company, or lien over goods in your possession, which are the property of the company, and forward to this office the full details of your claim, including the basis thereof and any supporting documentation.
- 5.2 Please note that following the introduction of the Personal Property Securities Act ("PPSA") on 30 January 2012, for your security interest to be enforceable, your security interest must be registered on the PPSA register.

6. Guarantees

- 6.1 Would you please advise this office if you hold a personal guarantee signed by the director or an officer of the company for debt owed to you by the company.
- 6.2 Please note that during the voluntary administration period a guarantee cannot be enforced (except with leave of the Court) against a director, or a spouse, de facto spouse or a relative of a director.

7. Independence and remuneration

- 7.1 Please refer to my Declaration of Independence, Relevant Relationships and Indemnities attached (Annexure B).
- 7.2 I shall not be seeking approval for prospective fees at the first meeting of creditors. However, please find attached a Statement as to Administrator's Remuneration for your information (Annexure C).

Should you have any queries in relation to the administration or the first meeting of creditors, please contact David Blanchett or Shannon O'Connor of this office.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'J. E. Low', with a stylized flourish at the end.

JENNIFER E. LOW
Administrator of
Gohrt Nominees Pty Ltd

FORM 529

Section 436E(3)
Corporations Act 2001

GOHRT NOMINEES PTY LTD ACN 074 988 793
(Administrator Appointed) ("the company")
Atf The Gohrt Family Trust ABN 23 425 186 430

**NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

1. On 1 March 2017 the company, under Section 436A, appointed Jennifer Elizabeth Low as Administrator of the company.
2. Notice is now given that a 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 Monday, 13 March 2017 at 11:00am (WST).
3. The purpose of the meeting is to determine:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) remove the Administrator from office; and
 - (b) appoint someone else as Administrator(s) of the company.

Dated this 3rd day of March 2017



JENNIFER E. LOW
Administrator of
Gohrt Nominees Pty Ltd

GOHRT NOMINEES PTY LTD ACN 074 988 793
(Administrator Appointed) ("the company")
Atf The Gohrt Family Trust ABN 23 425 186 430

**DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS
AND INDEMNITIES**

Independence

I, Jennifer Elizabeth Low, of Sheridans, Chartered Accountants, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Administrator of Gohrt Nominees Pty Ltd. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

Relevant Relationships

Neither, Sheridans ("the firm"), nor I have, or have had within the preceding 24 months, any relationships with the company, an associate of the company, a former insolvency practitioner appointed to the company or any person or entity that has a charge on the whole or substantially the whole of the company's property.

There are no other prior professional or personal relationships that should be disclosed (apart from those noted below).

Prior engagements with the company

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.

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 these appointments.

On 29 April 2016 the director contacted me to discuss the financial position of the company. This was followed by a number of telephone conversations and emails between me, the company's director, Mr Paul Gohrt, and the company's accountant Mr Carl Lombardo. On 5 May 2016, a meeting was held between Mr Gohrt, Mr Lombardo, me, and Ms Shannon O'Connor and Mr David Blanchett of this office for the purpose of:

- obtaining sufficient information about the company to advise the company and its director on the solvency of the company;
- discussing the formalities of placing the company into Voluntary Administration;
- clarifying and explaining to the company and its director the various options available to the company and the nature and consequences of an insolvency appointment; and

Prior engagements with the company (cont.)

- Discussing a potential proposal to be made by the company to the ATO.

Following this meeting, Mr Gohrt and Mr Lombardo proceeded to negotiate a proposal with the ATO. I was not involved in this process.

A second meeting was held on 1 March 2017 with Mr Gohrt and his wife Ms Yihuan Zhu, me, Mr Blanchett and Ms O'Connor for the purpose of placing the company into Voluntary Administration. I consented to act as Administrator on the same day.

The meetings, emails and telephone conversations do not affect my independence for the following reasons:

- the Courts and the Australian Restructuring Insolvency & Turnaround Association's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided to the company is such that it would not be subject to review and challenge during the course of the administration; and
- the pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of the company in an objective and impartial manner.

There are no other prior professional relationships or engagements that should be disclosed.

Indemnities

Carpets By Design - Commercial & Domestic Flooring Pty Ltd, in its own capacity and as trustee of The Zhu Family Trust, has provided me with an indemnity in the sum of \$50,000 in relation to my professional fees for the Voluntary Administration, and subsequent Deed of Company Arrangement or Liquidation, of the company. I note that Ms Zhu is the director of this company. This indemnity will only be called upon to the extent that I do not realise sufficient assets to pay at least \$50,000 of my professional fees and costs. There are no other conditions attached to the indemnity.

Dated: 3 March 2017



JENNIFER E. LOW
Administrator

NOTE: *If circumstances change, or new information is identified, I am required under the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with the next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*

GOHRT NOMINEES PTY LTD ACN 074 988 793
(Administrator Appointed) ("the company")
Atf The Gohrt Family Trust ABN 23 425 186 430

STATEMENT AS TO ADMINISTRATOR'S REMUNERATION

1. Remuneration methods

As Administrator, I advise that there are four different methods that may be used to calculate Administrator's remuneration:

- (i) Time based/hourly rates - the total fee charged is based on the hourly rate charged by each person who carried out the work multiplied by the number of hours spent by each person on the tasks performed.
- (ii) Fixed fee method - a fixed amount charged for the administration.
- (iii) Percentage - The total fee charged is based on a percentage of a particular variable, such as gross proceeds of asset realisations.
- (iv) Contingency - The Administrator's fee is structured to be contingent on a particular outcome being achieved.

2. Remuneration method chosen

Given the nature of this administration, I propose that my remuneration be calculated at an hourly rate for the time spent by each member of my staff. I believe this method to be appropriate because it accurately and fairly reflects the work required to administer this matter.

3. Explanation of method chosen

Sheridans' applicable rates effective from 1 August 2016 are set out the table overleaf (Section 5). The last column of the table provides a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration.

4. 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.

4. Disbursements (cont.)

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 financial year ending 30 June 2017.

5. Sheridans' applicable rates

Below is the schedule of Sheridans' applicable rates referred to in Section 3.

Staff Level	Fee \$ / hr	Experience Rate Classification
Registered Liquidator	538	Official Liquidator & Bankruptcy Trustee bringing her specialist skills to the administration or insolvency task.
Director	432	More than 10 years' insolvency experience, more than 4 years as a manager. Answerable to the appointee but otherwise responsible for all aspects of administration.
Senior Manager	381	More than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for most aspects of administration. Experienced and competent at all levels. Controls staff and their training.
Manager	301	6 - 7 years. Qualified accountant, with well-developed technical and commercial skills. Has significant conduct of most administrations. Answerable to the appointee but otherwise manages administrations on a day to day basis. Controls 2 - 4 staff.
Supervisor	265	4 - 6 years. CA Program complete. Has conduct of minor administrations and experience in controlling 1 - 3 staff. Assists planning and control of medium to larger jobs.
Senior 1	243	2 - 4 years. CA Program normally completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Senior 2	221	2 - 3 years. CA Program would normally be commenced. Required to control the fieldwork on small jobs and is responsible for helping to complete fieldwork on medium to large jobs.
Intermediate 1	185	1 - 2 years. Graduate required to assist in day-to-day field work under supervision of more senior staff.
Intermediate 2	175	0 - 1 year. Trainee / graduate required to assist in day-to-day field work under supervision of more senior staff.
Graduate	147	0 - 1 year. HSC, graduate or completing part-time degree. Required to assist in administration and day-to-day field work under supervision of more senior staff.
Secretary	137	Appropriate skills including word processing competency.

Sheridans' Scale of Fees is increased on 1 August each year in line with the CPI amount. Sheridans' current Scale of Fees is available from Sheridans' office on request.

6. Information sheet

An information sheet INFO 85 - "Approving fees: a guide for creditors" is available on ASIC's website at www.asic.gov.au at the "Publications tab" under "Information Sheets"; Letter "A".

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.

FORM 532
Corporations Act 2001

Regulation 5.6.29

APPOINTMENT OF PROXY

GOHRT NOMINEES PTY LTD
ACN 074 988 793
(Administrators Appointed)

*I/*We ❶..... of ❷.....
a creditor of Gohrt Nominees Pty Ltd, appoint ❸..... or in his
or her absence as *my/*our *general/*special proxy to
vote at the meeting of members and creditors to be held on **Monday, 13 March 2017**, or at any
adjournment of that meeting, and to vote ❹:

VOTING

*generally as he/she determines on *my/*our behalf

OR

*specifically in accordance with the following special instructions:

(insert special instructions)

Signature ❺..... of individual or person authorised ❻
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 thisday 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 or member.
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.

FORM 535

Subregulation 5.6.49(2)

Corporations Act

GOHRT NOMINEES PTY LTD
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: _____