

# Second Report to Creditors Under Section 439A of the Corporations Act 2001

Rivet Mining Services (NSW) Pty Limited  
ACN 616 024 929

Rivet Mining Services (QLD) Pty Limited  
ACN 616 055 380

Rivet Mining Services East Holdco Pty Limited  
ACN 616 023 655

Rivet Quarries Pty Limited  
ACN 616 055 399

(All Receivers and Managers Appointed) (All Administrators  
Appointed)

11 August 2017

Andrew Cummins, Peter Krejci and John Carrello  
Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848  
Level 30 Australia Square, 264 George Street Sydney NSW 2000  
GPO Box 7079, Sydney NSW 2001  
Phone (02) 8263 2300  
Facsimile (02) 8263 2399  
Email: [rivet@brifnsw.com.au](mailto:rivet@brifnsw.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)

**BRI Ferrier**

**TABLE OF CONTENTS**

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
1.1	Disclaimer .....	5
1.2	First Meeting of Creditors.....	5
1.3	Purpose of Report.....	6
1.4	Declaration of Independence, Relevant Relationships and Indemnities.....	6
<b>2</b>	<b>STATUTORY INFORMATION.....</b>	<b>6</b>
2.1	Company Details.....	6
2.2	Officeholders.....	7
2.3	Share Structure and Shareholders.....	8
2.4	Ultimate Holding Company.....	8
2.5	Current Registered Security Interests.....	8
2.6	Outstanding Winding up Applications.....	8
2.7	Related Entities.....	8
<b>3</b>	<b>COMPANIES HISTORY AND EVENTS LEADING UP TO ADMINISTRATION .....</b>	<b>9</b>
<b>4</b>	<b>REASONS FOR FAILURE .....</b>	<b>10</b>
<b>5</b>	<b>CONDUCT OF THE ADMINISTRATION .....</b>	<b>10</b>
<b>6</b>	<b>CURRENT FINANCIAL POSITION.....</b>	<b>11</b>
6.1	Assets.....	11
6.2	Liabilities .....	12
<b>7</b>	<b>HISTORICAL FINANCIAL INFORMATION .....</b>	<b>15</b>
7.1	Comparative Balance Sheets .....	15
7.2	Comparative Profit & Loss Statements.....	17
<b>8</b>	<b>PRELIMINARY INVESTIGATIONS .....</b>	<b>18</b>
8.1	Overview .....	18
8.2	Investigation Constraints.....	18
8.3	Books and Records.....	18
8.4	Risk of Litigation Action Generally.....	19
8.5	Insolvency & Insolvent Trading (Section 588G) .....	19
8.6	Assessment Of Insolvency .....	23
8.7	Voidable Transactions.....	25
8.8	Financial Position of the Director .....	27
8.9	Report to ASIC.....	27
<b>9</b>	<b>ESTIMATED RETURN TO CREDITORS.....</b>	<b>27</b>

<b>10</b>	<b>RECOMMENDATION OF ADMINISTRATOR.....</b>	<b>27</b>
	10.1 Deed of Company Arrangement.....	28
	10.2 Administration to End.....	28
	10.3 Liquidation .....	28
<b>11</b>	<b>ADMINISTRATORS' RECEIPTS AND PAYMENTS .....</b>	<b>28</b>
<b>12</b>	<b>ADMINISTRATORS' / LIQUIDATORS' REMUNERATION.....</b>	<b>28</b>
	12.1 Voluntary Administration Period.....	29
	12.2 Liquidation Period.....	29
<b>13</b>	<b>SECOND MEETING OF CREDITORS .....</b>	<b>29</b>
<b>14</b>	<b>QUERIES.....</b>	<b>30</b>

**Annexures**

- |    |   |
|----|---|
| 1  | Notice of Meeting   |
| 2  | Updated Declaration of Independence, Relevant Relationships and Indemnities |
| 3  | Current Registered Security Interests                                       |
| 4  | Current and Former Office Roles of Director                                 |
| 5  | Summarised RATAs  |
| 6  | ARITA Creditor Information Sheet  |
| 7  | Remuneration Approval Request Report  |
| 8  | Advice to Creditors About Remuneration                                      |
| 9  | Form 535: Formal Proof of Debt  |
| 10 | Form 532: Proxy Form  |

## **1 EXECUTIVE SUMMARY**

On 17 July 2017, Peter Krejci and Andrew Cummins, of BRI Ferrier (NSW), Level 30, Australia Square, 264 George Street, Sydney NSW 2000 and John Carrello of BRI Ferrier (WA), Unit 3, 99-101 Francis Street, Northbridge WA 6003 were appointed Joint and Several Voluntary Administrators of the following:

- Rivet Mining Services (NSW) Pty Limited ("Rivet NSW");
- Rivet Mining Services (QLD) Pty Limited ("Rivet QLD");
- Rivet Mining Services East Holdco Pty Limited ("Rivet East Holdco"); and
- Rivet Quarries Pty Limited ("Rivet Quarries").

The above companies will be collectively referred to as "RMS East Group" or "the Companies". As the Companies operated as a group and had intercompany dealings, we have determined it is appropriate to provide a single report to creditors regarding the affairs of the RMS East Group.

The appointments were effected pursuant to Section 436C of the Corporations Act 2001 ("the Act") by the secured party, One Corporate Trust Services Limited, who hold security interests over the whole, or substantially the whole of the Companies' property. One Corporate Trust Services Limited is the Security Trustee of a trust, in which SC Lowy Primary Investments, Ltd, Cadbury Hedge Fund Alternatives Portfolio, Sainsbury's Credit Opportunities Fund, Ltd, Investments Partners IV (A), LLC and Remagen Nominees Pty Limited ATF Remagen Lending Trust 2016-11 are beneficiaries ("the Secured Creditors").

Also on 17 July 2017, the Secured Creditors appointed Rob Kirman, Rob Smith and Anthony Connelly of McGrathNicol as Receivers and Managers of the Companies.

Pursuant to Section 439A of the Act, we have convened the Second Meeting of Creditors to be held concurrently for the Companies at 10:30am AEST on 21 August 2017 at the offices of BRI Ferrier (NSW) Pty Ltd, Level 30, Australia Square, 264 George Street, Sydney NSW 2000. Please find attached as **Annexure "1"** the Notice of Meeting of Creditors for your information.

We summarise below our observations of the Companies' affairs, our preliminary investigations and the potential outcome for creditors from this Administration process.

The Companies provided lifting and haulage services to the mining, energy and infrastructure sectors. The Companies operated three (3) heavy haulage and crane depots in Emerald (QLD), Rockhampton (QLD) and Newcastle (NSW).

On appointment, the Receivers and Managers conducted an urgent appraisal of the business and engaged with potential purchasers in an attempt to sell the business. In the interim, the Receivers and Managers continued to trade on the business.

No acceptable offers have been received for the business and the Receivers and Managers have now determined that there is insufficient cash flow to continue trading and to support a longer-term sale process. Accordingly, the Receivers and Managers are now in the process of an orderly wind-down.

Our preliminary investigations have determined that the Companies became insolvent on 17 July 2017. As a result, we have not identified any potential voidable recoveries that may be available for a Liquidator to pursue (if appointed). The claims that may be available to a Liquidator are discussed at section 8 of the Report.

We note that we have not received a proposal for a DOCA from the Director or any other party. Accordingly, given that the Companies appear to be insolvent, we recommend that they be placed into Liquidation.

There appears to be a significant shortfall owing to the Secured Creditors. Accordingly, there is no dividend likely to be paid to Unsecured Creditors.

**As Administrators, it is incumbent on us to consider the options available to Creditors and make recommendations in respect of the future of the Companies. The Companies appear to be insolvent and therefore we do not recommend that the Administrations should end. As there has been no proposal for a DOCA, we are unable to recommend that creditors resolve that the Companies execute a DOCA. Based on the information available to us, we recommend that creditors resolve to place the Companies into Liquidation so that a proper investigation of their affairs can be conducted.**

### **1.1 DISCLAIMER**

This Report and the statements made in it are based upon the review of available books and records, information provided by the Companies' Director, Advisors, Creditors and from our own enquiries. Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should further information be made available to us, or should matters change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendation, we have necessarily made forecasts and estimates of asset realisations and the ultimate amount of Creditors' claims against the Companies, and have made professional judgments. These forecasts, estimates and judgments may change as asset realisations progress and as Creditors' claims are made and adjudicated upon, and as further information is made available. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, Creditors should note that the Companies' ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

Neither the Administrators nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Companies' affairs which they consider may impact on our investigation or Reports, please forward the details to our office as soon as possible.

### **1.2 FIRST MEETING OF CREDITORS**

The First Meetings of Creditors in respect of the Companies was held on 27 July 2017. At those meetings, our appointment as Administrators of the Companies was confirmed. No Committees of Creditors were formed as no nominations were received in the respective meetings.

### 1.3 PURPOSE OF REPORT

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the Companies' business, property, affairs and financial circumstances and form an opinion about each of the following matters:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the Administrations to end; and
- Whether it would be in the Creditors' interests for the Companies to be wound up.

### 1.4 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") pursuant to Section 436DA of the Act was enclosed in the First Report to Creditors for each entity dated 19 July 2017 ("the First Reports"). The DIRRI records that the Administrators undertook a proper assessment of the risks to their independence prior to accepting the appointment.

At the date of this Report, we have executed an indemnity provided to us by the Receivers and Managers. We have accordingly updated our DIRRI and enclose a copy marked as **Annexure "2"**.

## 2 STATUTORY INFORMATION

The following is a summary of statutory and business details obtained from the Australian Securities and Investments Commission ("ASIC") database, the Personal Property Securities Register ("PPSR") database, and the Companies' records:

### 2.1 COMPANY DETAILS

#### 2.1.1 Rivet NSW

<b>Company Name</b>	Rivet Mining Services (NSW) Pty Limited
<b>Incorporation Date</b>	21/11/2016
<b>A.B.N</b>	65 616 024 929
<b>A.C.N</b>	616 024 929
<b>Registered Office</b>	Level 4, 697 Burke Road, Camberwell VIC 3124
<b>Principal Place of Business</b>	Level 4, 697 Burke Road, Camberwell VIC 3124

### 2.1.2 Rivet QLD

<b>Company Name</b>	Rivet Mining Services (QLD) Pty Limited
<b>Incorporation Date</b>	22/11/2016
<b>A.B.N</b>	89 616 055 380
<b>A.C.N</b>	616 055 380
<b>Registered Office</b>	Level 4, 697 Burke Road, Camberwell VIC 3124
<b>Principal Place of Business</b>	Level 4, 697 Burke Road, Camberwell VIC 3124

### 2.1.3 Rivet East Holdco

<b>Company Name</b>	Rivet Mining Services East Holdco Pty Limited
<b>Incorporation Date</b>	21/11/2016
<b>A.B.N</b>	59 616 023 655
<b>A.C.N</b>	616 023 655
<b>Registered Office</b>	Level 4, 697 Burke Road, Camberwell VIC 3124
<b>Principal Place of Business</b>	Level 4, 697 Burke Road, Camberwell VIC 3124

### 2.1.4 Rivet Quarries

<b>Company Name</b>	Rivet Quarries Pty Ltd
<b>Incorporation Date</b>	22/11/2016
<b>A.B.N</b>	79 616 055 399
<b>A.C.N</b>	616 055 399
<b>Registered Office</b>	Level 4, 697 Burke Road, Camberwell VIC 3124
<b>Principal Place of Business</b>	Level 4, 697 Burke Road, Camberwell VIC 3124

## 2.2 OFFICEHOLDERS

### 2.2.1 Rivet NSW

Name	Position	Start Date	Cease Date	Address
Mark Rowsthorn	Director & Secretary	21/11/2016	Current	131 Wellington Parade South, East Melbourne VIC 3002
Mark Hamilton Pryn	Secretary	23/05/2017	Current	10 Deane Street, Blackburn VIC 3130

### 2.2.2 Rivet QLD

Name	Position	Start Date	Cease Date	Address
Mark Rowsthorn	Director & Secretary	22/11/2016	Current	131 Wellington Parade South, East Melbourne VIC 3002
Mark Hamilton Pryn	Secretary	23/05/2017	Current	10 Deane Street, Blackburn VIC 3130

### 2.2.3 Rivet East Holdco

Name	Position	Start Date	Cease Date	Address
Mark Rowsthorn	Director & Secretary	21/11/2016	Current	131 Wellington Parade South, East Melbourne VIC 3002
Mark Hamilton Pryn	Secretary	23/05/2017	Current	10 Deane Street, Blackburn VIC 3130

## 2.2.4 Rivet Quarries

Name	Position	Start Date	Cease Date	Address
Mark Rowsthorn	Director & Secretary	22/11/2016	Current	131 Wellington Parade South, East Melbourne VIC 3002
Mark Hamilton Pryn	Secretary	23/05/2017	Current	10 Deane Street, Blackburn VIC 3130

## 2.3 SHARE STRUCTURE AND SHAREHOLDERS

The shareholders at the date of appointment were as follows:

### 2.3.1 Rivet NSW

Shareholder	Share Class	Shares Issued	Paid Up Capital	Status
Rivet Mining Services East Holdco Pty Limited	Ordinary	100	\$100.00	Current

### 2.3.2 Rivet QLD

Shareholder	Share Class	Shares Issued	Paid Up Capital	Status
Rivet Mining Services East Holdco Pty Limited	Ordinary	100	\$100.00	Current

### 2.3.3 Rivet East Holdco

Shareholder	Share Class	Shares Issued	Paid Up Capital	Status
Rivet Pty Limited	Ordinary	100	\$100.00	Current

### 2.3.4 Rivet Quarries

Shareholder	Share Class	Shares Issued	Paid Up Capital	Status
Rivet Treasury Pty Limited	Ordinary	10,000	\$10,000.00	Current

## 2.4 ULTIMATE HOLDING COMPANY

Name	ABN
Rivet Holdco Pty Ltd	98 616 022 194

## 2.5 CURRENT REGISTERED SECURITY INTERESTS

Attached as **Annexure "3"** is a listing of the currently registered security interests based on a search of the PPSR database.

The Secured Creditors hold security interests in other members of the wider Rivet Group. The debt due to the Secured Creditors are cross-collateralised against all assets of the wider Rivet Group.

## 2.6 OUTSTANDING WINDING UP APPLICATIONS

There are no outstanding winding up applications against the Companies.

## 2.7 RELATED ENTITIES

Directorship searches have been undertaken for the sole Director of the Companies, Mark Rowsthorn.



Attached as **Annexure "4"** are the results of the searches, detailing the current and former Officer roles of the Director.

### **3 COMPANIES HISTORY AND EVENTS LEADING UP TO ADMINISTRATION**

The following information has been obtained from the Companies' Director, the Companies' books and records and documentation provided to the Administrators:

- Pursuant to Section 436C of the Act, Andrew Cummins, Peter Krejci and John Carrello were appointed Joint and Several Voluntary Administrators of the following entities:
  - Rivet Mining Services (NSW) Pty Limited;
  - Rivet Mining Services (QLD) Pty Limited;
  - Rivet Mining Services East Holdco Pty Limited; and
  - Rivet Quarries Pty Limited.
- On 17 July 2017, Andrew Cummins, Peter Krejci and John Carrello were also appointed Joint and Several Administrators of the following entities:
  - Australian Road Express Pty Limited;
  - Jolly's Transport Services Pty Limited;
  - WAFL SPV Pty Limited; and
  - JetStyle Express Pty Limited (collectively referred to as the "ARX Group").
- The ARX Group and the RMS East Group are part of a broader Rivet Group, in which entities not listed above remain under the control of its Directors.
- As creditors may be aware, the ARX Group was part of the McAleese Group, which was previously subject to external administration. On 29 August 2016, Said Jahani and Gayle Dickerson of Grant Thornton were appointed Receivers and Managers and Keith Crawford, Joseph Hayes, Jamie Harris and Jason Preston of McGrathNicol were appointed Administrators.
- At the second meeting of creditors held on 19 December 2016, creditors resolved to accept the proposal for three (3) related Deeds of Company Arrangement ("DOCAs"). The DOCAs entailed the transfer of assets from the McAleese Group to the Companies.
- Rivet NSW and Rivet East Holdco were incorporated on 21 November 2016 and Rivet QLD and Rivet Quarries were incorporated on 22 November 2016. These entities were incorporated in order to purchase property, plant and equipment from entities within the McAleese Group. The assets purchased were used in the heavy haulage and lifting business unit within the McAleese Group.

- ✦ From the above acquisition of assets, the business shifted to the provision of lifting and haulage services to the mining, energy and infrastructure sectors. The Companies operated three (3) crane depots in Emerald (QLD), Rockhampton (QLD) and Newcastle (NSW).
- ✦ The Administrators continued to trade on the business of the McAleese Group until the DOCAs were effectuated on 21 December 2016.
- ✦ In the six (6) months of trading since control of the Companies reverted to the Director, the Companies have failed to meet anticipated revenue forecasts, despite additional funding advanced by the Secured Creditors and attempts by management to turn around the business. Accordingly, the Secured Creditors made the decision to appoint Receivers and Managers and Voluntary Administrators on 17 July 2017.

#### **4 REASONS FOR FAILURE**

The Director advised that the failure of the Companies was due to a breakdown in negotiations between the Secured Creditors and the Companies for a solvent reconstruction, which led to the appointment of the Receivers and Managers and the Administrators.

Whilst we agree with the above, the Receivers and Managers have also advised that the Companies failed to meet anticipated revenue forecast in the past six (6) months. Below is a summary of the variance between the actual and forecasted revenue from January 2017 to June 2017:

	<b>Forecast (\$)</b>	<b>Actual (\$)</b>	<b>Variance (\$)</b>
Revenue	11,300,409	12,304,447	1,004,037
Gross Margin	4,709,872	4,046,024	(663,848)
EBITDA	2,083,388	1,819,387	(264,001)
EBIT	2,083,388	799,341	(1,284,047)

As a result, the Secured Creditors withdrew funding support and proceeded to appoint the Receivers and Managers and the Administrators.

#### **5 CONDUCT OF THE ADMINISTRATION**

On appointment, the Receivers and Managers conducted an urgent appraisal of the business and engaged with potential purchasers in an attempt to sell the business. In the interim, the Receivers and Managers continued to trade on the business.

No acceptable offers have been received for the business and the Receivers and Managers have now determined that there is insufficient cash flow to continue trading and support a longer-term sale process. Accordingly, the Receivers and Managers are in the process of an orderly wind-down of the business by completing all work in progress and deliveries before proceeding to shut down. Minimal staff have been retained to assist in the process and will be progressively terminated throughout the orderly wind-down. A sales agent will be appointed to realise the physical assets of the Companies and certain operating sites will be retained as part of the sale process to store such assets.

We will continue to liaise with the Receivers and Managers regarding providing an update on the status of the wind-down.

As Administrators, we have endeavoured to collect the books and records of the Companies in order to conduct our investigations into the financial affairs of the Companies. As the Companies were only incorporated recently, our investigations have focused on the trading of the Companies after December 2016 and therefore, financial information provided in this Report relate to the period 1 January 2017 to 17 July 2017.

We now provide to creditors a report detailing the outcome of our investigations.

## **6 CURRENT FINANCIAL POSITION**

Contained in this section is our analysis of the current financial position of the Companies, with regard to the Director's statements about the Companies' business, property, affairs and financial position ("RATAs") and our enquiries to date.

Attached as **Annexure "5"** is a summary of the respective RATAs submitted in relation to the Companies. We note that the Director has not provided estimated realisable values, only book values based on 30 June 2017 and updated book values up to 17 July 2017, where possible. Below is a discussion of each asset and liability category:

### **6.1 ASSETS**

#### **6.1.1 Cash on Hand/Cash at bank**

The RATAs indicated that the Companies held cash on hand/cash at bank as follows:

<b>Company</b>	<b>Amount (\$)</b>
Rivet Mining Services (NSW) Pty Limited	44,740
Rivet Mining Services (QLD) Pty Limited	130,066

We note that neither Rivet East Holdco nor Rivet Quarries held any cash on hand/cash at bank. The Receivers and Managers have taken possession of the cash on hand/cash at bank.

#### **6.1.2 Sundry Debtors**

The RATAs indicated that the Companies are owed amounts by sundry debtors as follows:

<b>Company</b>	<b>Amount (\$)</b>
Rivet Mining Services (NSW) Pty Limited	373,197
Rivet Mining Services (QLD) Pty Limited	2,636,197
Rivet Mining Services East Holdco Pty Limited	100
Rivet Quarries Pty Limited	10,000

The Receivers and Managers are dealing with the recovery of debtors. We note that the debtors of Rivet East Holdco and Rivet Quarries relate to intercompany loans with entities in the broader Rivet group, Rivet Pty Limited and Rivet Treasury Pty Limited respectively.

### 6.1.3 Plant and Equipment

The RATAs indicate that the Companies own plant and equipment with book values as follows:

Company	Amount (\$)
Rivet Mining Services (NSW) Pty Limited	3,330,252
Rivet Mining Services (QLD) Pty Limited	11,353,156

These assets are subject to the non-circulating security interest of the Secured Creditors and accordingly, the Receivers and Managers are dealing with the realisation of same.

We note that neither Rivet Mining Services East Holdco Pty Limited nor Rivet Quarries Pty Limited own any plant and equipment.

### 6.1.4 Other Assets

The RATAs indicated that the Companies held other assets as follows:

Company	Amount (\$)
Rivet Mining Services (NSW) Pty Limited	41,016
Rivet Mining Services (QLD) Pty Limited	399,445
Rivet Mining Services East Holdco Pty Limited	130,240

For Rivet Mining Services (NSW) Pty Limited and Rivet Mining Services (QLD) Pty Limited, these amounts relate to prepayment of certain expenses. These amounts are not recoverable.

For Rivet Mining Services East Holdco Pty Limited, this relates to investments in the other entities of the RMS East Group, which as a result of the administration, hold no realisable value.

## 6.2 LIABILITIES

### 6.2.1 Priority Creditors

The consolidated management accounts for the Companies as at 30 June 2017 disclose payroll liabilities totalling \$935K. However, it is our understanding that the Companies did not employ, but rather another entity in the broader Rivet group, Rivet Employees Operational Pty Limited, provided labour to the Companies. As such, the Director has not disclosed any amounts owing to Priority Creditors in the RATAs.

### 6.2.2 Secured Creditors

The RATAs indicated that the Secured Creditors are owed \$150M by RMS East Group, jointly and severally. Below is a summary of the estimated shortfall to the Secured Creditors as disclosed in the RATAs:

Company	Estimated Value of Security (\$)	Amount owing to Secured Creditors (\$)	Estimated Shortfall (\$)
Rivet Mining Services (NSW) Pty Limited	3,789,205	150,000,000	146,210,795
Rivet Mining Services (QLD) Pty Limited	14,518,864	150,000,000	135,481,136
Rivet Mining Services East Holdco Pty Limited	130,340	150,000,000	149,869,660
Rivet Quarries Pty Limited	10,000	150,000,000	149,990,000

We note that the debt owing to the Secured Creditors are a joint and several liability between the Companies. Accordingly, across the RMS East Group, the estimated shortfall is approximately \$131.5M, based on the joint and several liability of \$150M less the total estimated value of security of \$18.5M. The estimated value of security is the book value of the assets of the Companies.

Given the significant estimated shortfall, there is unlikely to be any return to Unsecured Creditors.

### 6.2.3 Unsecured Creditors

The RATAs indicates that Unsecured Creditors are owed \$3.5M. However, based on the records and Formal Proofs of Debt received to date, we have formed the view that Unsecured Creditors may be owed up to \$4.1M, subject to further enquiries and adjudication of claims. The major potential claims appear to be from related parties, totalling \$2.8M.

Below is a breakdown of the Unsecured Creditor claims:

Company	Trade Creditors		Australian Taxation Office		Related Party Loans	
	RATA Amount (\$)	Administrator's ERV (\$)	RATA Amount (\$)	Administrator's ERV (\$)	RATA Amount (\$)	Administrator's ERV (\$)
Rivet NSW	79,821	87,994	12,566	641,768	321,237	321,237
Rivet QLD	415,015	542,917	135,668	16,506	2,506,820	2,506,820
Rivet East Holdco	-	-	-	641,768	102	102
Rivet Quarries	-	-	-	641,548	-	-
<b>Total</b>	<b>494,836</b>	<b>630,911</b>	<b>148,234</b>	<b>641,768</b>	<b>2,828,159</b>	<b>2,828,159</b>

Our comments are as follows:

#### 6.2.3.1 Trade Creditors

The RATAs indicated that Trade Creditors claims total \$498K for the Companies. However, based on the Formal Proofs of Debt received to date, Trade Creditors may be owed approximately \$630K. These debts are largely comprised of supplier creditors, with the majority aged in current to 30 days.

In the event there is a dividend distribution to Unsecured Creditors, I will formally call for Formal Proofs of Debts to be submitted and the actual claims may vary from this estimate.

However, as mentioned above, given the significant estimated shortfall owing to the Secured Creditors, it is unlikely there will be any return to Unsecured Creditors.

#### 6.2.3.2 Australian Taxation Office

The RATAs state that the ATO is owed \$148K by the Companies. However, the ATO has lodged a Formal Proof of Debt in each entity, based on a liability arising as a member of a GST Group, which likely includes other entities in the broader Rivet group. We have requested further information regarding the entities in the GST Group and the tax structure from the Receivers and Managers, however to date, have not received this information. The ATO was unable to provide this information to us on the basis that we were not appointed to the representative entity of the GST Group.

As such, based on the information available to us, we believe the debt owing to the ATO is a joint and several liability between the Companies of at least \$641K. We are advised that there are minimal lodgements outstanding.

#### 6.2.3.3 Related Party Creditors

The Directors RATA indicates that the related parties were owed \$2.8M by the Companies as at the date of appointment. Below is a summary:

Company	Amount owed to Rivet Employees Operational Pty Limited (\$)	Amount owed to Rivet Mining Services Pty Limited (\$)	Amount owed to Rivet Treasury Pty Limited (\$)	Total (\$)
Rivet NSW	220,979	-	100,258	321,237
Rivet QLD	463,595	208,666	1,834,559	2,506,820
Rivet East Holdco		100	2	102
<b>Total</b>	<b>684,574</b>	<b>208,766</b>	<b>1,934,819</b>	<b>2,828,159</b>

- It appears that loans made to Rivet Employees Operational Pty Limited were in relation to payroll liabilities for employees that were utilised by the Companies.
- The loans with Rivet Mining Services Pty Ltd and Rivet Treasury Pty Limited do not appear to be subject to any formal loan agreement and appear to have been advanced on an as needed basis. The available records indicate that no interest was charged on the loans.
- We have not sought to verify or adjudicate on these claims.

## 7 HISTORICAL FINANCIAL INFORMATION

### 7.1 COMPARATIVE BALANCE SHEETS

Rivet East Group (Receivers and Managers Appointed) (Administrators Appointed) Comparative Balance Sheets						
	As at Jan-17 \$	As at Feb-17 \$	As at Mar-17 \$	As at Apr-17 \$	As at May-17 \$	As at Jun-17 \$
<b>Current Assets</b>						
Cash and Cash Equivalents	331,936	73,768	153,662	353,186	441,854	240,703
Trade and Other Receivables	1,209,394	3,041,684	4,163,050	5,535,958	4,743,918	5,046,335
Inventory	-	-	21,566	-	-	-
Prepayments	-	97,500	245,120	307,949	282,333	249,719
<b>Total Current Assets</b>	<b>1,541,330</b>	<b>3,212,951</b>	<b>4,583,397</b>	<b>6,197,093</b>	<b>5,468,104</b>	<b>5,536,756</b>
<b>Non Current Assets</b>						
Investments in Subsidiaries						
Rivet Quarries Pty Ltd	1	1	1	1	1	2
Rivet Mining Services (NSW) Pty Ltd	100	100	100	-	-	-
Rivet Mining Services (QLD) Pty Ltd	130,138	130,138	130,138	130,138	130,138	130,138
Rivet Mining Services Pty Ltd	9,900	9,900	9,900	9,900	9,900	-
Total Investments in Subsidiaries	140,139	140,139	140,139	140,039	140,039	130,140
Other Fixed Assets	20,000	(162,280)	15,428,970	15,257,776	15,128,611	14,796,740
<b>Total Non Current Assets</b>	<b>160,139</b>	<b>(22,141)</b>	<b>15,569,109</b>	<b>15,397,815</b>	<b>15,268,650</b>	<b>14,926,880</b>
<b>Total Assets</b>	<b>1,701,469</b>	<b>3,190,810</b>	<b>20,152,507</b>	<b>21,594,908</b>	<b>20,736,755</b>	<b>20,463,637</b>
<b>Current Liabilities</b>						
Trade Payables	175,233	473,356	365,629	463,822	498,999	231,074
Other Trade Payables	(32,469)	(8,785)	92,289	644,038	361,660	267,565
GST Payable	36,326	186,068	66,331	110,325	177,512	148,234
Sundry Payables	-	-	234,175	29,757	(195,628)	-
Payroll Clearing Accounts	120,756	54,094	176,202	18,718	436,009	225,497
Employee Provisions	(48,440)	(55,810)	(79,985)	(118,306)	(105,038)	709,065
<b>Total Current Liabilities</b>	<b>251,406</b>	<b>648,923</b>	<b>854,642</b>	<b>1,148,354</b>	<b>1,173,514</b>	<b>1,581,436</b>
<b>Non Current Liabilities</b>						
Related Party Loan Accounts						
McAleese Holdco Pty Ltd	9,900	9,900	9,900	9,900	9,900	9,900
Harbrew Pty Ltd	130,038	130,038	15,848,038	11,946,001	11,946,001	11,189,570
McAleese Finance Pty Ltd	1,028,855	1,743,380	3,221,556	3,849,799	3,167,397	3,068,795
National Crane Hire Pty Ltd	-	-	-	3,902,477	3,902,477	3,902,477
Cootes Transport Group Pty Ltd	-	95,127	95,127	65,960	65,960	(312)
Rivet Mining Services Pty Ltd	-	-	-	-	-	208,666
Rivet Mining Services (NSW) Pty Ltd	130,669	172,147	303,457	246,244	412,027	(445,224)
Rivet Mining Services (QLD) Pty Ltd	462,620	589,866	458,556	1,880,199	2,477,844	(846,634)
Rivet Employees Operational Pty Ltd	(593,190)	(761,913)	(1,074,054)	(2,359,182)	(3,122,610)	1,101,427
Rivet Mining Services West Holdco Pty Ltd	-	-	-	-	-	(1)
Rivet Mining Services East Holdco Pty Ltd	(100)	(100)	(100)	(100)	(100)	(100)
Rivet Group Holdings Pty Ltd	(100)	(100)	(100)	(100)	(100)	(100)
Total Related Party Loan Accounts	1,168,693	1,978,345	18,862,380	19,541,198	18,858,796	18,188,464
<b>Total Non Current Liabilities</b>	<b>1,168,693</b>	<b>1,978,345</b>	<b>18,862,380</b>	<b>19,541,198</b>	<b>18,858,796</b>	<b>18,188,464</b>
<b>Total Liabilities</b>	<b>1,420,099</b>	<b>2,627,268</b>	<b>19,717,022</b>	<b>20,689,552</b>	<b>20,032,310</b>	<b>19,769,900</b>
<b>Net Assets</b>	<b>281,370</b>	<b>563,542</b>	<b>435,485</b>	<b>905,356</b>	<b>704,445</b>	<b>693,737</b>
<b>Equity</b>						
Contributed Equity	10,300	10,300	10,300	10,200	10,200	10,200
Current Year Profit	258,915	282,172	(128,057)	469,972	(200,911)	(10,708)
Retained Earnings	12,155	271,070	553,242	425,185	895,156	694,245
<b>Total Equity</b>	<b>281,370</b>	<b>563,542</b>	<b>435,485</b>	<b>905,356</b>	<b>704,445</b>	<b>693,737</b>

We make the following comments with respect to the comparative Balance Sheets:

- These management accounts have been consolidated with several entities operating under Rivet East Group, which includes the Companies. As such, my commentary relates to the Companies collectively.
- The fixed assets of the Companies increased significantly to \$15.4M in March 2017 as a result of acquisition of various assets and PPE, pursuant to the terms of the previous DOCAs.
- The debt of \$150M owing to the Secured Creditors have not been disclosed in the management accounts. We have been advised that this is due to the fact that the debt is held at a group level in another entity in the broader Rivet group, Rivet Treasury Pty Limited. Notwithstanding this, it is our understanding that this debt is cross-guaranteed by the Companies.
- Whilst there are payroll liabilities disclosed throughout the period, it is our understanding that none of the Companies were employing, but rather another entity in the broader Rivet group, Rivet Employees Operational Pty Ltd, provided labour services.
- The accounts disclose GST Payable amounts, however as mentioned previously, the Companies are members of a GST Group. Accordingly, the debt owing to the ATO appears to be understated in the management accounts.
- In March 2017, the related party loan accounts increased to \$15.8M in March 2017, which appears to relate to the acquisition of assets and PPE as mentioned above.



## 7.2 COMPARATIVE PROFIT & LOSS STATEMENTS

Rivet East Group (Receivers and Managers Appointed) (Administrators Appointed)							
Comparative Profit & Loss Statements							
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Cartage Revenue	880,457	1,742,578	1,020,548	1,699,909	1,706,539	1,382,389	8,432,419
Sub Contractor Revenue	312,447	275,849	819,236	1,021,079	541,940	801,099	3,771,650
Storage Revenue	1,542	165	660	4,476	7,893	5,001	19,737
Pilots & Escorts Revenue	16,584	13,203	924	2,970	20,245	25,685	79,611
Sundry Revenue	-	-	-	-	-	1,029	1,029
<b>Total Revenue</b>	<b>1,211,030</b>	<b>2,031,794</b>	<b>1,841,367</b>	<b>2,728,434</b>	<b>2,276,618</b>	<b>2,215,203</b>	<b>12,304,447</b>
<b>Cost of Goods Sold</b>							
Labour and Oncosts	409,168	697,801	616,828	538,757	719,371	428,262	3,410,187
Sub Contractor Costs	188,389	175,711	695,045	972,417	482,257	624,475	3,138,294
Fuel & Oil	556	91,092	88,645	184,359	200,993	145,723	711,368
Tyres	9,736	16,435	10,262	15,974	20,001	27,873	100,282
Repairs & Maintenance	42,403	86,883	94,217	54,507	141,711	114,115	533,836
Consumables	2,602	8,525	5,587	3,645	11,440	3,041	34,839
Equipment Hire	-	248	1,929	1,278	2,678	3,619	9,752
Registrations & Permits	200	12,900	(337)	76,084	(3,400)	32,021	117,466
Tolls & Weighbridges	100	158	-	4,282	1,441	7,629	13,610
Manufacturing Costs	-	-	-	-	1,371	480	1,851
Pilots & Escorts Costs	13,530	1,820	12,920	20,017	37,906	46,404	132,597
Other Direct Costs	6,540	9,792	5,454	3,801	16,331	12,423	54,340
<b>Total Cost of Goods Sold</b>	<b>673,225</b>	<b>1,101,365</b>	<b>1,530,551</b>	<b>1,875,120</b>	<b>1,632,098</b>	<b>1,446,064</b>	<b>8,258,423</b>
<b>Gross Margin</b>	<b>537,806</b>	<b>930,429</b>	<b>310,816</b>	<b>853,314</b>	<b>644,519</b>	<b>769,139</b>	<b>4,046,024</b>
<b>Expenses</b>							
<b>Overheads</b>							
Labour and Oncosts	134,088	166,437	170,476	123,385	248,387	258,930	1,101,703
Other Personnel Costs	8,791	28,416	16,655	(7,437)	61,282	29,230	136,936
<b>Property Costs</b>							
Rent	40,119	71,045	44,136	23,553	41,039	43,938	263,831
Rates & Taxes	1,983	5,174	-	-	-	-	7,157
Electricity	291	1,495	1,820	7,454	4,840	1,722	17,622
Cleaning	3,743	1,594	3,408	1,877	4,357	1,296	16,274
Security	1,635	3,021	-	-	(400)	238	4,494
Licence/Environmental Fees	1,908	13,127	810	4,380	10,676	5,596	36,496
<b>Total Property Costs</b>	<b>49,679</b>	<b>95,456</b>	<b>50,174</b>	<b>37,264</b>	<b>60,511</b>	<b>52,790</b>	<b>345,873</b>
Professional Fees	-	1,050	17,886	6,595	15,861	1,130	42,523
Insurance Expense	4,391	-	8,967	-	20,756	59,736	93,850
Office Running Costs	1,096	5,470	6,653	946	15,419	6,554	36,138
MIS & Communications	-	300	(120)	-	50,049	1,577	51,806
Marketing Expense	3,005	1,088	5,266	15,579	13,004	21,899	59,840
Management Fees	6,227	25,712	25,712	31,059	47,025	31,059	166,793
<b>Other Expenses</b>							
R&M - Depot/Office	18,661	738	1,955	2,526	5,287	278	29,445
Bad & Doubtful Debts	-	-	-	-	-	10,157	10,157
Low Value Assets	-	4,869	-	1,122	-	430	6,422
General/Other Expenses	52,954	56,799	541	642	19,920	14,294	145,151
<b>Total Other Expenses</b>	<b>71,615</b>	<b>62,406</b>	<b>2,496</b>	<b>4,291</b>	<b>25,207</b>	<b>25,159</b>	<b>191,174</b>
<b>Total Overheads</b>	<b>278,890</b>	<b>386,336</b>	<b>304,165</b>	<b>211,681</b>	<b>557,500</b>	<b>488,064</b>	<b>2,226,637</b>
Depreciation & Amortisation	-	261,917	130,959	171,143	129,165	326,863	1,020,046
(Profit)/Loss on Sale of Assets	-	-	-	-	-	(4,493)	(4,493)
Bank Fees & Charges	-	4	-	518	80	(0)	602
<b>Significant Items</b>							
Investments - Gain/Loss on Sale	-	-	-	-	-	9,899	9,899
Abnormal Items	-	-	-	-	158,685	(40,485)	118,200
Agents/Valuers Fees	-	-	3,750	-	-	-	3,750
<b>Total Significant Items</b>	<b>-</b>	<b>-</b>	<b>3,750</b>	<b>-</b>	<b>158,685</b>	<b>(30,586)</b>	<b>131,849</b>
<b>Total Expenses</b>	<b>278,890</b>	<b>648,257</b>	<b>438,874</b>	<b>383,343</b>	<b>845,430</b>	<b>779,847</b>	<b>3,374,641</b>
<b>Net Profit</b>	<b>258,915</b>	<b>282,172</b>	<b>(128,057)</b>	<b>469,972</b>	<b>(200,911)</b>	<b>(10,708)</b>	<b>671,383</b>

We make the following comments with respect to the comparative Profit and Loss Statements:

- ✦ These management accounts have been consolidated with several entities operating under Rivet East Group, which includes the Companies. As such, my commentary relates to the Companies collectively.
- ✦ In March 2017, a loss was incurred in which there was a marked increase in the cost of goods sold, but a decrease in revenue. As a result, it appears that the Companies delayed payment of expenses, indicating the Companies had cash flow difficulties. This correlates with an increase of debts aged 30 days in March 2017.
- ✦ From March 2017, when the subcontractor costs increased significantly, there was also a corresponding decrease in labour and on costs, and vice versa. Accordingly, the labour costs (as a proportion to revenue) were fairly stable throughout the period.
- ✦ The “Abnormal Items” expenses relates to credit card fraud of \$118K. An insurance claim may be considered, however any recovery is considered an asset of the Companies and ultimately, for the Receivers and Managers to recover.
- ✦ Whilst there were some losses incurred, the overall trading performance during this period was profitable. However, the profit was significantly less than the forecasted amount of \$2M during this period.

## **8 PRELIMINARY INVESTIGATIONS**

### **8.1 OVERVIEW**

During the course of the Administration, we have conducted investigations into the affairs of the Companies to ascertain whether there are any transactions that appear to be voidable, or other causes of action available whereby money, property or other benefits may be recoverable by a liquidator pursuant to Part 5.7B of the Act, in the event that creditors resolve to wind up the Company. Creditors should be aware that an administrator does not have the power to recover voidable transactions or take action for insolvent trading.

### **8.2 INVESTIGATION CONSTRAINTS**

The Act sets out a strict timeline for the reporting of an administrator’s investigations of an insolvent company’s affairs prior to the second meeting of Creditors.

As such, our investigations into the Companies’ affairs are preliminary at this stage. The interim findings discussed below are based on the available records reviewed and time constraints. A liquidator would conduct more detailed investigations, provided that necessary funding is available.

### **8.3 BOOKS AND RECORDS**

Section 286 of the Act provides that:

“A company, registered scheme or disclosing entity must keep written financial records that:

- (a) correctly record and explain its transactions and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited.”

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the company was insolvent throughout the period the books were not maintained (Section 588E of the Act).

Our preliminary view is that the Company has kept sufficient books and records to meet the requirements of Section 286 of the Act.

## **8.4 RISK OF LITIGATION ACTION GENERALLY**

Part 5.7B of the Act gives liquidators (but not administrators) the right to commence certain legal proceedings to recover money, property or other benefits for the benefit of the Unsecured Creditors of a company.

Creditors should note that recovery actions:

- have the potential to increase the pool of funds available to Creditors;
- are usually expensive, lengthy and have unpredictable outcomes;
- should not be commenced unless defendants have the financial resources to satisfy any judgement; and
- must be funded out of the Company’s existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

## **8.5 INSOLVENCY & INSOLVENT TRADING (SECTION 588G)**

The *Corporations Act 2001* prohibits Insolvent Trading and provides that Directors can be required to compensate Creditors for losses they suffer because of Insolvent Trading by making a payment to a liquidator of the company. We have considered the prospects of such a claim, as it is one that is only available if creditors decide that the Companies should be placed into Liquidation, and so may be relevant to the decisions Creditors take at their forthcoming Meeting.

### **8.5.1 What is Insolvent Trading?**

Insolvent Trading is the incurring of a debt or liability at a time when the Companies are insolvent and when the Director has reasonable grounds to suspect, or a person in their position would have suspected, that the Companies were insolvent.

If such a debt or liability is incurred, a Court may require the Director to pay an amount of compensation to a Liquidator of the Companies equal to the loss suffered by creditors. In determining that loss, it is necessary to have regard to any amount that may be recovered from the Companies’ assets or from the recovery of other claims such as Unfair Preferences.

Recovery for Insolvent Trading is only available in a Liquidation. A claim may be brought by a Liquidator, or, if, but only if, the Liquidator declines to pursue a claim, by one or more Creditors.

A Liquidator pursuing a claim must:

- demonstrate Insolvency
- show that the Director suspected, or should have suspected, insolvency
- show that a debt or liability was incurred
- show the debt or liability has not been paid, so that the creditor has suffered loss.

A Director accused of Insolvent Trading can answer a claim by showing that:

- the Director had reasonable grounds to believe the debt would be paid; and/or
- the Director relied on information from another reliable person to believe the debt would be paid; and/or
- the Director did everything he or she could to avoid the incurring of the debt; and/or
- the Director was not participating in the management of the Company for some good reason, such as illness; and/or
- the Director was acting honestly and reasonably and, notwithstanding that a debt or liability was incurred that will be unpaid, he or she should be excused from liability.

Litigation in respect of Insolvent Trading is carried out in the ordinary civil courts. This means that the costs of pursuit of a claim are borne by the Liquidator, who uses the Company's assets and may enter into a form of borrowing called "litigation funding" to do so, or may ask creditors to make a voluntary contribution to the pursuit of a claim.

If a claim is successful some of the costs, but not all of them, may also be ordered to be paid by the Directors. If the Liquidator fails in some or all of the claim, he or she may be ordered to pay some or all of the costs incurred by the Directors in defending the claim. Because of this, in practice Liquidators can only pursue claims where they have funds available to meet both their own and the Defendant's costs, or they have the benefit of "insurance" against costs provided either by creditors or a commercial litigation funder.

If the Company has no assets and neither a litigation funder nor creditors are willing to fund the litigation, no claim can be pursued. Litigation in respect of Insolvent Trading can be expensive, slow and risky. The Liquidator, funder and creditors are exposed to the risk that if the Directors are found liable, they may be unable to meet the judgment against them.

Where a Company is a subsidiary of another Company, a claim can also be brought against the holding Company.

### **8.5.2 Insolvency**

One important element of liability for Insolvent Trading is if, and when, the Company became insolvent.

Section 95A of the *Corporations Act* defines solvency as follows:

*“95A(1) [when person is solvent] A person is solvent if, and only if, the person is able to pay all the person’s debts, as and when they become due and payable.*

*95A(2) [insolvent person not solvent] A person who is not solvent is insolvent”.*

Under Australian law, the test of insolvency is a “cash flow” test: it is focussed on whether, in commercial reality, a company is able to meet its liabilities as and when they fall due for payment. The forensic assessment of insolvency, and preparation of a case on insolvency, involves a thorough, and costly, examination of the Company’s business, its market, its relationships with its customers, lenders, suppliers, owners and with regulators. Where a Company has had expectations of support from related parties, that support is a factor that has to be considered in the context of insolvency.

In elaborating on the cash flow test of insolvency, the Courts have provided extensive commentary on the subject to determining insolvency. One of the leading authorities is the judgment of the Victorian Supreme Court in *ASIC -v- Plymin*, in which Justice Mandie, relying on Expert Evidence, identified the following 14 indicators of insolvency:

- ✦ Continuing Losses;
- ✦ Liquidity ratios below 1;
- ✦ Overdue Commonwealth and State taxes;
- ✦ Poor relationship with present Bank, including inability to borrow further funds;
- ✦ No access to alternative finance;
- ✦ Inability to raise further equity capital;
- ✦ Suppliers placing company on COD, or otherwise demanding special payments before resuming supply;
- ✦ Creditors unpaid outside trading terms;
- ✦ Issuing of post-dated cheques;
- ✦ Dishonoured cheques;
- ✦ Special arrangements with selected creditors;
- ✦ Solicitors' letters, summons(es), judgements or warrants issued against the company;
- ✦ Payments to creditors of rounded sums which are not reconcilable to specific invoices;
- ✦ Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts.

Comprehensive forensic insolvency assessment requires the review of each of these indicators, as well as the Company’s business, to answer the question “was it able to pay its debts as and when they fell due”.

As part of reporting to you about Insolvent Trading, we are required to form a preliminary view about when the Companies became insolvent. Our opinion is necessarily formed summarily: a forensic analysis of insolvency would be more thorough, more expensive and slower than the Voluntary Administration process ordinarily permits. We have set out our views below.

### **8.5.3 Director's Knowledge**

As well as insolvency, a Liquidator must also show when the Director suspected, or ought to have suspected, that the Company was insolvent. If a claim is brought, this will normally involve the comprehensive review of company records to show when the Directors first learnt of circumstances that could indicate insolvency. That review is typically thorough and expensive. Again, for the purpose of reporting to you, we are required to make a summary assessment of when suspicions were or should have been formed. We have set out our views in this respect below as well.

### **8.5.4 Loss**

Only losses incurred at or after the time of insolvency can form the basis of a claim, although all unpaid unsecured creditors are entitled to share in any recovery after costs. A debt or liability is "incurred" when the last event that could have avoided the liability arising occurs. For example, taking delivery will normally be the time at which a debt for the supply of goods is incurred.

Liabilities that have fallen due, but which were not freshly incurred during the period of insolvency cannot form the basis for a claim. Such liabilities commonly include ongoing contracts of employment, long term leases and hire-purchase arrangements, guarantees, loans and long term supply and construction contracts (in this case the Boral Contract).

### **8.5.5 Litigation and Funding**

As noted above, if a Company does not have significant assets, a Liquidator contemplating bringing a claim for Insolvent Trading will only be able to pursue a claim if either Creditors or a commercial Litigation Funder is willing to fund the Liquidator's Legal and Accounting Costs and meet any costs the Liquidator may be liable to pay if the claim is unsuccessful.

Funding of this sort can be arranged as follows:

- A creditor or creditors may contribute funds for additional investigations and litigation. Such creditors need to indemnify the Liquidator against any adverse costs orders should the litigation prove unsuccessful. However, should the litigation be ultimately successful, creditors who have funded the litigation may apply to the court to have their claim met in priority to other creditors not participating in the funding arrangement; and/or
- The Liquidator may request funding from an independent, specialist litigation funding firm. Generally, the litigation funder is compensated for its risk by receiving a share of up to 30 - 40% from any recoveries arising out of the litigation, where there is usually a minimal return (being a multiple of the risk) also required by the funder. Litigation funding is expensive in this regard, and therefore only feasible where the possible recoveries are significant.

### **8.5.6 Legal controversy**

There are two controversial areas of insolvency law that impact on the Company. These are:

- Set-off. Traditionally courts have not allowed set-off of claims such as those for Insolvent Trading. However, in modern cases the Courts have been more generous to parties owing money to an insolvent Company. They have said they would allow the setting off of claims by parties liable to make payments to Liquidators of amounts owed to them by the insolvent Company. This matter remains an unresolved issue at law.
- Financial Support. Until 1993, the test of insolvency in Australia required that a Company be able to meet its liabilities *from its own monies*. This requirement was removed in 1993. Subsequently, the Courts have held that the provision of “financial support” by a related party can be a basis on which a Company is solvent when, without that support, it would clearly be insolvent. Where solvency is disputed, the Court’s inquiry needs to extend to the nature and extent of that support. This remains a controversial issue in insolvency law.

## 8.6 ASSESSMENT OF INSOLVENCY

Our assessment has been based on the information available to us from the Companies’ records, from information provided by the Director, the Companies’ management staff and Creditors and on the basis of separate investigations of the Companies’ affairs. As noted above, this assessment has been undertaken on a summary basis. If the Companies are placed into Liquidation and litigation were contemplated, a Liquidator would need to undertake a more thorough and rigorous assessment. Legal advice would also be necessary and conduct public examinations of the relevant parties essential.

It is our view that the Companies were insolvent from 17 July 2017. The reasons for my assessment are as follows:

- The ageing of creditors from January 2017 to June 2017 has not deteriorated significantly. Despite a slight increase in ageing to 30 days in March 2017, April 2017 and May 2017, this recovers in June 2017. A summary of the aged creditors is as follows:

	Aged Payables				
	Current	30 days	60 days	90 days	120 days
January 2017	98.78%	1.22%	0.00%	0.00%	0.00%
February 2017	96.44%	3.56%	0.00%	0.00%	0.00%
March 2017	68.62%	30.01%	1.36%	0.00%	0.00%
April 2017	89.22%	10.78%	0.00%	0.00%	0.00%
May 2017	81.92%	14.50%	2.01%	1.57%	0.00%
June 2017	97.34%	2.45%	-0.30%	0.20%	0.30%

- There has not been any evidence of creditors increasing pressure against the Companies, by way of payment arrangements, change from credit to COD terms, issuing statutory demands or filing winding up applications.
- Similarly, the ageing of debtors from January 2017 to June 2017 has not deteriorated. Whilst there is a small increase in ageing to 60 days and above, this is not material. A summary of the aged debtors is as follows:

	Aged Receivables				
	Current	30 days	60 days	90 days	120 days
January 2017	98.78%	1.22%	0.00%	0.00%	0.00%
February 2017	82.25%	17.56%	0.19%	0.00%	0.00%
March 2017	49.27%	45.27%	5.33%	0.14%	0.00%
April 2017	60.99%	26.57%	9.61%	2.72%	0.11%
May 2017	57.98%	27.63%	7.96%	5.99%	0.45%
June 2017	55.44%	33.59%	3.26%	2.49%	5.24%

- There was a positive gross margin throughout January 2017 to June 2017, which deteriorates significantly in March 2017, however recovers by June 2017. A summary is as follows:

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total
Revenue	1,211,030	2,031,794	1,841,367	2,728,434	2,276,618	2,215,203	12,304,447
COGS	673,225	1,101,365	1,530,551	1,875,120	1,632,098	1,446,064	8,258,423
Gross Margin %	44.41%	45.79%	16.88%	31.27%	28.31%	34.72%	32.88%

- The overheads to revenue ratio deteriorated from January 2017 to April 2017, however recovers by June 2017. A summary is as follows:

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total
Revenue	1,211,030	2,031,794	1,841,367	2,728,434	2,276,618	2,215,203	12,304,447
Overheads	278,890	386,336	304,165	211,681	557,500	488,064	2,226,637
Overheads to Revenue %	23.03%	19.01%	16.52%	7.76%	24.49%	22.03%	18.10%

- The EBITDA to revenue was trending downwards as detailed below:

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total
Revenue	1,211,030	2,031,794	1,841,367	2,728,434	2,276,618	2,215,203	12,304,447
EBITDA	258,915	544,093	6,651	641,633	87,019	281,075	1,819,387
EBITDA to Revenue %	21.38%	26.78%	0.36%	23.52%	3.82%	12.69%	14.79%

- The Companies had the financial support of related entities and the Secured Creditors, evidenced by their involvement as proponents of the previous DOCAs of the McAleese Group. However, when the Companies failed to meet anticipated revenue forecasts from January 2017 to June 2017, the Secured Creditors withdrew funding support on or about 17 July 2017.

Considering all facts, we have formed the preliminary view that the Company was insolvent from 17 July 2017.

### 8.6.1 Potential Claim & Conclusion

We have formed the preliminary view that the Company was insolvent on 17 July 2017, the day of our appointment, and therefore, the Director was not responsible for trading on the Companies whilst insolvent.

On this basis, we have not identified an insolvent trading claim against the Director.



## 8.7 VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Administrators.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years in relation if the transactions were entered into with related parties with the intention of fraud.

ARITA has issued a creditor information sheet “Offences, Recoverable Transactions and Insolvent Trading” providing further information about voidable transactions. This information sheet is attached as **Annexure “6”**.

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

### 8.7.1 Unreasonable Director Related Transactions (S588FDA)

A transaction is an unreasonable Director-related transaction of the Company if:

- ✦ The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by the Company.
- ✦ The transaction is to a Director or close associate of the Director or for their benefit.
- ✦ A reasonable person in the Company’s circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.
- ✦ The transaction was entered into during the four (4) years leading to my appointment.

Our preliminary investigations have not identified any unreasonable director-related transactions.

### 8.7.2 Unfair Preferences

An unfair preference results when the Company and a creditor are parties to a transaction and the creditor receives more than it would receive if the transaction is set aside and the creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- ✦ that the Company was insolvent at the time the payments were made; and
- ✦ that the recipient had reasonable grounds to suspect that the Company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to the liquidator relate only to payments to unrelated parties made within six (6) months from the date of the appointment known as the Relation Back Period (“RBP”). The RBP is extended to four (4) years for transactions with related parties.

As it is our preliminary view that the Companies were not insolvent until 17 July 2017, the RPB would be restricted to payments made after 17 July 2017. However, given the appointment of external administrators occurred on 17 July 2017, there were no unfair preference payments made by the Companies.

### **8.7.3 Unfair Loans (S588FD)**

A loan is unfair if it is made to a Company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- ✦ Risk the lender is exposed to;
- ✦ Value of the security;
- ✦ Term;
- ✦ Repayment schedule; and
- ✦ Amount of loan.

It appears that the Company was not charged any interest on the loans from related parties. As such, we have not identified any claim for unfair loans.

### **8.7.4 Uncommercial Transactions (S588FB)**

A transaction is considered uncommercial if it is made at a time when the Company is insolvent and it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction having regard to:

- ✦ The benefits or detriment to the Company of entering into the transaction; and
- ✦ The prospective benefits to other parties to the transaction.

The clawback provisions available to the liquidator relate only to payments to unrelated parties made within two (2) years from the date of the appointment. The RBP is extended to four (4) years for transactions with related parties.

As it is our preliminary view that the Companies were not insolvent until 17 July 2017, the RPB would be restricted to payments made after 17 July 2017. However, given the appointment of external administrators occurred on 17 July 2017, there were no uncommercial transactions made by the Companies.

### **8.7.5 Circulating Security Interests Created Within Six Months before the Relation-Back Day (S588FJ)**

A circulating security interest in property of the company created within six (6) months before the relation-back day may be void against a liquidator. However, circulating security interests that are created within this period for consideration paid at or after the date of creation remains valid.

Our preliminary investigations have not identified any voidable security interests.

## **8.8 FINANCIAL POSITION OF THE DIRECTOR**

We note that we have not identified any voidable transactions that may be pursued against the Director at this stage. Notwithstanding, we have requested particulars of the Director's assets and liabilities. Such information has not been provided to our office at this stage.

We note that there is no statutory requirement for the Director to provide details of their financial information. However, this information is of assistance in determining whether insolvent trading claims (or other claims) are worthwhile pursuing. That is, if the Director has no available or identifiable assets then pursuing a legal action against him would not appear to be commercial.

In addition, we have conducted searches of the respective land titles offices of NSW, QLD, VIC and WA which indicate that the Director has no current real property interests in these states.

In a Liquidation scenario, further investigations would be required to confirm whether the Director has the capacity to meet any insolvent trading and/or voidable transactions claim.

## **8.9 REPORT TO ASIC**

Pursuant to section 438D of the Act, we are able to lodge a confidential report to ASIC in respect of our preliminary investigations and any potential offences identified. As we have not identified any potential offences, we do not intend to lodge this report to ASIC.

Should the Company be wound up, a liquidator is required to complete an investigation into the Companies' affairs and, if offences are identified, or if the Companies are unable to pay its Creditors more than 50 cents in the dollar, lodge a report with ASIC pursuant to Section 533 of the Act.

## **9 ESTIMATED RETURN TO CREDITORS**

Given the significant estimated shortfall to the Secured Creditors, we do not anticipate there will be any surplus available from the realisation of the Companies' assets in the Receivership to enable a return to Unsecured Creditors in a Liquidation.

At the forthcoming Second Meeting of Creditors, should the Companies be placed into Liquidation, a Liquidator will have the ability to undertake substantive investigations (subject to available funding) without time constraint. Such investigations may identify voidable transaction recoveries and/or an insolvent trading claim not identified above, which may result in a return to Unsecured Creditors. Creditors will be notified in due course of the prospect a return.

## **10 RECOMMENDATION OF ADMINISTRATOR**

Pursuant to Section 439A(4)(b) of the Act, the Administrators are required to make a statement setting out the Administrators' opinion about each of the following matters and provide their reasons for those opinions:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the administrations to end;

- 4 Whether it would be in the Creditors' interests for the Companies to be wound up.

We set out below our opinions as to each of these options:

### **10.1 DEED OF COMPANY ARRANGEMENT**

We have not received any proposal for a DOCA from the Director or any other party.

**Accordingly, such option is not available to Creditors.**

### **10.2 ADMINISTRATION TO END**

Creditors may resolve that the Administration of the Companies should end and that control of the Companies should be handed back to its Director.

The Companies appear to be insolvent and if the administrations were to end, the Companies would be placed in a similar position to that existing prior to our appointment as Administrators, in which the Secured Creditors were not willing to provide any further funding support to the Companies to enable continued trading.

**We do not recommend that the Administrations end on the basis that the Companies appear to be insolvent and without sufficient funding support to facilitate continued trading.**

### **10.3 LIQUIDATION**

Should Creditors decide to wind up the Companies, the Administrations would revert to Creditors Voluntary Liquidations and the Administrators would become the Liquidators, unless creditors resolved to appoint an alternative Liquidator.

One of the roles of the Liquidators would be to complete investigations into the reasons for the Company's failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC in the event that offences are uncovered.

**On the basis that the Companies are insolvent and that no DOCA has been submitted for Creditors' consideration, we recommend that Creditors resolve to wind up the Company at the forthcoming Second Meeting of Creditors.**

## **11 ADMINISTRATORS' RECEIPTS AND PAYMENTS**

As at the date of this Report, there have been no receipts or payments made in the Administrations.

## **12 ADMINISTRATORS' / LIQUIDATORS' REMUNERATION**

In compliance with the Australian Restructuring, Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice and the requirements of the Act, I am required to provide detailed information in respect of my remuneration. We attach our Remuneration Approval Request Report as **Annexure "7"** which details the major tasks that have been and will be conducted in these administrations. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in

our Remuneration Matrix. This document is contained within the Remuneration Approval Request Report. In addition, a schedule of hourly rates are attached as **Annexure "8"**.

To date, our remuneration has been calculated on this "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

ASIC has issued an information sheet for Creditors on approving remuneration for insolvency practitioners. This information sheet is available for download from [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). Alternatively, a copy can be obtained from our office.

### **12.1 VOLUNTARY ADMINISTRATION PERIOD**

Creditors will be asked to approve the Administrators' remuneration at the Second Meeting of Creditors for the costs incurred.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "7"** for further details.

### **12.2 LIQUIDATION PERIOD**

If the Companies are placed into liquidation at the Second Meeting of Creditors, we will be appointed Liquidators of the Companies, unless creditors resolve to appoint an alternate Liquidator. We note that we have not received an alternate consent to act as Liquidator.

On the basis that we are to be appointed Liquidators, we will seek approval for our estimated remuneration in conducting the Liquidations. The attached Remuneration Approval Request Report details an estimate of the costs likely to be incurred in a liquidation. It is an estimate only and may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "7"** for further details.

## **13 SECOND MEETING OF CREDITORS**

The Second Meeting of Creditors will be held on 21 August 2017 at 10:30am AEST. The formal Notice of Meeting is attached as **Annexure "1"** for your reference.

The purpose of the Second Meeting of Creditors is to enable Creditors to consider the Administrators' Report pursuant to section 439A of the Act and to determine the Companies' future.

To participate as a Creditor and/or eligible employee Creditor, you should:

- ✦ Provide us with a Proof of Debt detailing your claim to be a Creditor and/or eligible employee Creditor. Proofs of Debt are enclosed as **Annexure "9"**. If you have previously provided a proof of debt and wish to amend your claim, you may do so. Otherwise, Creditors whose proofs were accepted for voting at the First Meeting are not required to be re-lodged for the Second Meeting of Creditors.
- ✦ Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which is attached as **Annexure "10"**, must be in accordance with Form 532. Proxies

submitted for the First Meeting are not valid for the forthcoming meeting. It is necessary for all Creditors to submit new proxies for this meeting. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.

- ✦ A special proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging special proxies, need to be mindful that their intended voting patterns can become academic or “contradictory” where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at my office by 4.00 pm one (1) business day prior to the meeting.
- ✦ Where a facsimile copy of a proxy is sent, the original must be lodged with my office within seventy-two hours after receipt of the facsimile. An attorney of a Creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

## **14. QUERIES**

Should you have any further queries or require any assistance with the completion of forms, please contact our office as follows:

- ✦ Phone: (02) 8263 2300
- ✦ Email: [rivet@brifnsw.com.au](mailto:rivet@brifnsw.com.au) (preferred)
- ✦ Mailing: GPO Box 7079, Sydney NSW 2001
- ✦ Facsimile: (02) 8263 2399

Yours faithfully

**RIVET MINING SERVICES (NSW) PTY LIMITED**

**RIVET MINING SERVICES (QLD) PTY LIMITED**

**RIVET MINING SERVICES EAST HOLDCO PTY LIMITED**

**RIVET QUARRIES PTY LIMITED**

**(ALL RECEIVERS AND MANAGERS APPOINTED) (ALL ADMINISTRATORS APPOINTED)**



**ANDREW CUMMINS**

Joint and Several Administrator

FORM 529  
CORPORATIONS ACT 2001  
Subregulation 5.6.12(2)

**NOTICE OF SECOND MEETING OF CREDITORS**

RIVET MINING SERVICES (QLD) PTY LTD  
ACN 616 055 380

RIVET MINING SERVICES (NSW) PTY LTD  
ACN 616 024 929

RIVET MINING SERVICES EAST HOLDCO PTY LTD  
ACN 616 023 655

RIVET QUARRIES PTY LTD  
ACN 616 055 399

(ALL RECEIVERS AND MANAGERS APPOINTED) (ALL ADMINISTRATORS APPOINTED)  
("THE COMPANIES")

NOTICE is given that a Meeting of the Creditors of the Companies will be held at the offices of BRI Ferrier (NSW), Level 30, Australia Square, 264 George Street, Sydney NSW 2000, on Monday, 21 August 2017 at 10:30am AEST (local Sydney time).

AGENDA

1. That the meetings of Rivet Mining Services (QLD) Pty Ltd, Rivet Mining Services (NSW) Pty Ltd, Rivet Mining East Holdco Pty Ltd and Rivet Quarries Pty Ltd be held concurrently.
2. To receive the report of the Administrators and receive questions from creditors.
3. To fix the remuneration of the Administrators.
4. For creditors to resolve:
  - a. That the Companies execute a Deed of Company Arrangement; or
  - b. That the Voluntary Administrations should end; or
  - c. That the Companies be wound up.
5. If creditors resolve to wind up the Companies:
  - a. To consider the appointment of an alternate Liquidator(s);
  - b. To consider approving the remuneration of the Liquidator; and
  - c. To consider the destruction of the Companies' books and records.
6. To consider the appointment of a Committee of Inspection.
7. To consider any other business.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4.00pm AEST on the business day prior to the meeting. A corporate creditor can only be represented by proxy or by an attorney pursuant to Corporations Regulations 5.6.28 and 5.6.31A or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

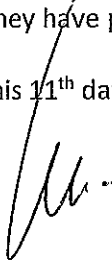
**Teleconference facilities**

Creditors wishing to attend by telephone are advised to contact Mr Anthony Locascio of this office by 4:00pm two (2) business days prior to the meeting.

Creditors wishing to participate in the meeting by telephone must return to the convenor of the meeting not later than two (2) business days before the day of the meeting, a written statement setting out the name of the person and of the proxy or attorney, (if any), an address to which notices to the person, proxy or attorney may be sent, a telephone number at which the person, proxy or attorney may be contacted and any facsimile number to which notices to the person, proxy or attorney may be sent. A person, or the proxy or attorney of a person who participates in the meeting by telephone, must pay any costs incurred in participating and is not entitled to be reimbursed for those costs from the assets of the Companies.

In accordance with Corporations Regulation 5.6.23(1), creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Companies with the Administrators.

Dated this 11<sup>th</sup> day of August 2017

A handwritten signature in black ink, appearing to read 'Andrew Cummins', is written over the date line.

**ANDREW CUMMINS**

**Joint and Several Voluntary Administrator**



## Declaration of Independence, Relevant Relationships and Indemnities

WAFL SPV Pty Limited  
ACN 130 012 887

Jolly's Transport Services Pty Limited  
ACN 097 891 248

Australian Road Express Pty Ltd  
(Formerly known as W.A. Freightlines Pty Ltd)  
ACN 051 918 015

JetStyle Express Pty Ltd  
ACN 077 984 653

Rivet Mining Services East Holdco Pty Limited  
ACN 616 023 655

Rivet Quarries Pty Limited  
ACN 616 055 399

Rivet Mining Services (NSW) Pty Limited  
ACN 616 024 929

Rivet Mining Services (QLD) Pty Limited  
ACN 616 055 380

(All Receivers and Managers Appointed)(All Administrators Appointed)

11 August 2017

Peter Krejci, Andrew Cummins and John Carrello  
Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848

Level 30

Australia Square

264 George Street, Sydney NSW 2000

GPO Box 7079, Sydney NSW 2001

Phone (02) 8263 2300

Facsimile (02) 8263 2399

Email: [info@briferriernsw.com.au](mailto:info@briferriernsw.com.au)

Website: [www.briferrier.com.au](http://www.briferrier.com.au)



This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including:
  - i the circumstances of the appointment;
  - ii any relationships with the Insolvent and others within the previous 24 months;
  - iii any prior professional services for the Insolvent within the previous 24 months;
  - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and BRI Ferrier (NSW) Pty Ltd.

## **A. INDEPENDENCE**

We, Andrew Cummins and Peter Krejci, of BRI Ferrier (NSW) and John Carrello of BRI Ferrier (WA) have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Voluntary Administrator of the following entities:

- |   |  |
|---|--|
| ✦ WAFL SPV Pty Limited<br>ACN 130 012 887   | ✦ Rivet Mining Services East Holdco Pty Limited<br>ACN 616 023 655 |
| ✦ Jolly's Transport Services Pty Limited<br>ACN 097 891 248   | ✦ Rivet Quarries Pty Limited<br>ACN 616 055 399                    |
| ✦ Australian Road Express Pty Ltd<br>(Formerly known as W.A. Freightlines Pty Ltd)<br>ACN 051 918 015 | ✦ Rivet Mining Services (NSW) Pty Limited<br>ACN 616 024 929       |
| ✦ JetStyle Express Pty Ltd<br>ACN 077 984 653   | ✦ Rivet Mining Services (QLD) Pty Limited<br>ACN 616 055 380       |

(Collectively referred to as "the Rivet Group of Companies") in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

## **B. DECLARATION OF RELATIONSHIPS**

### **I. CIRCUMSTANCES OF APPOINTMENT**

This appointment was referred to us by Henry Davis York. Henry Davis York are a Firm of solicitors who we have dealt with from time to time.

We have had a number of discussions with the secured creditor and their representatives in July 2017. These are detailed below:

- ✦ On 6 July 2017, Mr Peter Krejci had a telephone conversation with a representative of Henry Davis York, the secured creditor's solicitors. The solicitor and Mr Krejci discussed the Rivet Group of Companies generally and the group's financial position.

- On 11 July 2017, Mr Cummins and a representative of Remagen had a further telephone discussion to discuss the potential appointment as voluntary administrator and the timing and cost of the appointment.
- On 13 July 2017 at approximately 6.30pm, Mr Cummins had a telephone conversation with Remagen to discuss the costs associated with the voluntary administration and the particulars of an indemnity for the costs as Voluntary Administrators.
- On 16 July 2017, Mr Cummins had 2 telephone conversations with Remagen to discuss the timing of proposed appointment and the indemnity for costs. During this meeting, we were requested to provide our written consent to act as Voluntary Administrator.
- On 17 July 2017 at 8:00am, Mr Cummins and Mr Krejci had a telephone conference with Remagen to finalise the particulars of the indemnity and to generally discuss the voluntary administration.

On 17 July 2017 at 4.35pm, we were appointed Voluntary Administrators of the Rivet Group of Companies.

We have received no remuneration for the abovementioned correspondence and advice.

These telephone discussions do not affect our independence for the following reasons:

- The Courts and the Australian Restructuring Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice ("COPP") specifically recognise the need for practitioners to provide advice on the insolvency practice 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 discussions with the Secured Creditor is such that it would not be subject to review and challenge during the course of the Voluntary Administration.
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the Rivet Group of Companies in an objective and impartial manner.

We have provided no other information or advice to the Rivet Group of Companies, its Directors, its secured creditors or advisors prior to our appointment beyond that which we have outlined in this DIRRI.

## II. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why no conflict of interest or duty
Remagen Capital Partners	<p>We understand that Remagen Capital Partners is a shareholder of One Corporate Trust Services Limited, a secured creditor of the Companies.</p> <p>One Corporate Trust Services Limited have appointed us as Voluntary Administrators of the Rivet Group of Companies.</p> <p>Remagen have previously referred work to us. The details of which appear below</p> <ul style="list-style-type: none"> <li>▲ A small creditors voluntary liquidation 2014</li> <li>▲ A small voluntary administration/creditors voluntary liquidation in 2015</li> <li>▲ A medium sized voluntary administration/Deed of Company Arrangement in 2016.</li> </ul> <p>Mr Simon Raftery a director of Remagen Capital Limited was previously employed by the BRI Ferrier. That employment ceased in 2013.</p>	<p>Work that has been carried out in respect of other administrations in which Remagen Capital Partners/One Corporate Trust Services Limited does not have any bearing on this administration and will not affect our ability to comply with our statutory and fiduciary duties.</p> <p>We have not paid any benefit to Remagen with respect to these referrals. Therefore we are of the view that the referral source will not give rise to any imediment conflict of interest.</p>

In addition to the above, we also note that Principals of BRI Ferrier routinely accept nominations and appointments as insolvency practitioners by the major trading banks, in addition to creditors such as the ATO. The nature of these relationships varies over time depending on the nature of the engagements. Such relationships do not impede our independence or give rise to a conflict of duties because we accept such engagements only on the basis that our independence will be maintained and the relationships are maintained on professional commercial terms.

### III. PRIOR PROFESSIONAL SERVICES TO THE INSOLVENT

Neither of us, nor our firm, have provided any professional services to the Companies in the previous 24 months.

### IV. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has a charge on the whole or substantially whole of Companies' property that should be disclosed.

### C. INDEMNITIES AND UP-FRONT PAYMENTS

In addition to the indemnities that we are entitled to under statute, the Receivers have undertaken to indemnify us, to an amount of \$240,000. A Deed of indemnity has been executed. The amount is to be split across the 8 entities within the Rivet Group. This indemnity will partially meet our remuneration and expenses in conducting the Voluntary Administrations. There are no terms or conditions attached to the provision of the indemnity that will affect our ability to comply with our statutory and fiduciary duties.

We have received no other up-front payments or indemnities. We also note that the provision of the indemnity will not influence the work undertaken by us.

Dated: 11 August 2017

.....  
PETER KREJCI  
Joint and Several Administrator

.....  
ANDREW CUMMINS  
Joint and Several Administrator

.....  
JOHN CARRELLO  
Joint and Several Administrator

**Note:**

1. If circumstances change, or new information is identified, we are required under the Corporations Act and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

**Rivet Mining Services (NSW) Pty Ltd**  
**(Receivers and Managers Appointed) (Administrators Appointed)**  
**ACN 616 023 655**

[illegible]



Registration Number	Registration Date	Collateral	Secured Party
201612210044382	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044428	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044444	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044459	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044463	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044485	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044492	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210044526	21/12/2016	Motor Vehicle	One Corporate Trust Services Limited ACN 163 307 800
201612210101753	21/12/2016	All PAP with Exception	One Corporate Trust Services Limited ACN 163 307 800
201612210102719	21/12/2016	Account	One Corporate Trust Services Limited ACN 163 307 800
201612210102726	21/12/2016	Chattel Paper	One Corporate Trust Services Limited ACN 163 307 800
201612210102735	21/12/2016	General Intangible	One Corporate Trust Services Limited ACN 163 307 800
201702020053781	02/02/2017	General Intangible	One Corporate Trust Services Limited ACN 163 307 800
201703010038150	01/03/2017	Motor Vehicle	Coates Hire Operations Pty Limited ACN 074 126 971
201703010038412	01/03/2017	Other Goods	Coates Hire Operations Pty Limited ACN 074 126 971
201706220059480	22/06/2017	Other Goods	Southern Cross Oil Pty Ltd ACN 151 437 544

Company	A.C.N.	Position	Appointment Date	Cessation Date
1-Stop Connections Pty Limited	102573544	Director	11/05/2006	15/06/2007
3-7a Alma Road Pty Ltd	096960673	Director	29/05/2001	4/06/2006
ACN 002930010 Pty Ltd	002930010	Director	10/05/2002	10/02/2007
ACN 010 102 002 Pty Ltd	010102002	Director	11/05/2006	11/02/2011
ACN 069 272 260 Pty Ltd	069272260	Director	10/05/2002	10/02/2007
ACN 095 062 570 Pty Ltd	095062570	Director	10/05/2002	10/02/2007
ACN 106978330 Pty Ltd	106978330	Director	30/08/2000	10/02/2007
Adderstone Finance Pty Limited	057944902	Director	10/05/2002	14/06/2003
Albany Bulk Handling Pty Limited	094810974	Director	27/12/1997	9/08/2003
Artmill Distributors Pty Ltd	000164134	Director	23/10/1999	14/06/2003
Asciano (Employee Share Plans) Pty Ltd	126768152	Director	26/07/2003	10/02/2007
Asciano Executive Services Pty Ltd	126912981	Director	5/08/2003	10/02/2007
Asciano Finance Limited	123180450	Director	17/12/2002	10/02/2007
Asciano Holdings (Corporate) Pty Ltd	126577553	Director	16/07/2003	10/02/2007
Asciano Holdings (Executive) Pty Ltd	126910530	Director	5/08/2003	10/02/2007
Asciano Holdings (Properties) Pty Ltd	123683447	Director	29/01/2003	10/02/2007
Asciano Holdings (Rail) Pty Ltd	123684051	Director	29/01/2003	10/02/2007
Asciano Limited	123652862	Director	28/01/2003	10/02/2007
Asciano Properties Operations Pty Ltd	123685496	Director	29/01/2003	10/02/2007
Asciano Properties Pty Ltd	123685021	Director	29/01/2003	10/02/2007
Asciano Rail Holdings Pty Ltd	098059137	Director	4/09/1997	10/02/2007
Asciano Services Pty Ltd	052134362	Director	20/02/1998	10/02/2007
Atn Access Pty Limited	081516369	Director	24/02/2000	10/02/2007
Australian Amalgamated Terminals Pty Limited	098458229	Director	14/06/2002	14/06/2003
Australian Road Express Pty Ltd	051918015	Director	28/04/2014	Current
		Secretary	14/02/2017	Current
Australian Wine Exchange Nominees Pty Limited	096762328	Director	29/05/1997	17/09/2004
Australian Wine Exchange Pty. Ltd.	087049705	Director	29/03/1996	20/11/2003
Australis Terminal Co. Pty Limited	115006472	Director	10/05/2002	14/06/2003
Autocare Services Pty Ltd	004497607	Director	10/05/2002	10/02/2007
Autotrans Express (Aust) Pty Ltd	080635365	Director	12/09/1997	14/06/2003
Avellaneda Pty Limited	064817581	Director	10/05/2002	14/06/2003
Awx Capital Limited	096176377	Director	14/03/1997	9/09/2003
Bae Systems Australia Logistics Pty Ltd	086228864	Director	9/02/1995	14/06/2003
Bbf Logistics Pty Limited	081249498	Director	27/11/1997	27/11/1997
		Alternate Director	27/11/1997	29/09/1998
Bourke Spencer Pty Ltd	113805986	Director	13/04/2005	Current
		Secretary	13/04/2005	Current
Bowmans Rail Pty Ltd	105070451	Director	10/05/2002	14/06/2003
Braeshore Pty. Limited	004000300	Director	10/05/2002	18/01/2003
Bulkships (Hull 4381 & 4382) Pty. Limited	008577820	Director	10/05/2002	14/06/2003
Buona Fortuna Investments Pty Ltd	613301554	Director	28/06/2016	Current
		Secretary	28/06/2016	Current
Burnie Searoads Pty. Ltd.	009483532	Director	1/03/1997	3/11/1997
Car Compounds Of Australia Pty Ltd	055362546	Director	10/05/2002	9/08/2003
Cargo Distributors Pty Ltd	006891603	Director	10/05/2002	14/06/2003
Cargo Link Pty Limited	059193412	Director	10/05/2002	14/06/2002
Cargotec Automation Solutions Australia Pty Ltd	126580103	Director	16/07/2003	10/02/2007
Carpentaria Environmental Services Pty. Ltd.	010939250	Director	1/12/1997	9/06/2002
Cat-Link Ship Investment Pty Limited	069897892	Director	10/05/2002	14/06/2003
Contento Investments Pty Ltd	612918260	Director	9/06/2016	Current
		Secretary	9/06/2016	Current
Cumberland Holdings Pty Limited	000079078	Director	10/05/2002	14/06/2003
Cytopia Pty Limited	079253606	Director	11/01/1994	1/02/2006
Dalanda Pty Limited	056625097	Director	10/05/2002	14/06/2003
Davies, Craig Proprietary Limited	004918825	Director	29/01/1996	27/02/2001
De Julia Transport Pty Ltd	000601614	Director	10/05/2002	18/01/2003
Dnata Airport Services Pty Ltd	098319790	Director	10/05/2002	14/06/2003
Doogs Pty Limited	056624858	Director	11/05/2006	15/06/2007
Dt Queensland Pty Ltd	056351332	Director	1/12/1997	14/01/2000
E.L. Bell Packaging Pty. Ltd.	082221109	Director	12/05/1998	31/08/2010

Company	A.C.N.	Position	Appointment Date	Cessation Date
Eastern Basin Pty Ltd	083102890	Director	25/08/1994	10/02/2007
Elmani Pty. Ltd.	082221136	Director	12/05/1998	31/08/2010
Equine Rehabilitation Centre Pty Ltd	109734992	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Equitius Pty Ltd	065981526	Director	10/05/2002	10/02/2007
Federated Stevedores Darwin Pty. Limited	009641427	Director	10/05/2002	14/06/2003
Fermiscan Cbs Pty Limited	099067508	Director	13/12/1997	27/02/2002
Finemores (No 2) Pty Limited	000678731	Director	1/03/1997	3/11/1997
Finemores (No 46) Pty Limited	007560189	Director	1/03/1997	3/11/1997
Finemores Logistics Australia Group Pty Limited	002355697	Director	1/03/1997	3/11/1997
Finemores Properties Pty Limited	008482700	Director	1/03/1997	3/11/1997
Fire Engineering Pty. Limited	008438739	Director	10/05/2002	14/06/2003
Freshmark Pty Ltd	009838153	Director	23/06/1990	14/06/2003
Furniture Placements Australia Pty Ltd	083194503	Director	29/06/1994	23/05/1996
Gainall Pty. Limited	008583220	Director	1/03/1997	19/03/2000
Geelongport Pty Limited	003996594	Director	4/08/1994	10/02/2007
Glenthorn Nominees Pty Ltd	123830455	Director	7/02/2007	Current
		Secretary	7/02/2007	Current
Glenthorn Pty. Limited	122177762	Director	13/10/2006	Current
		Secretary	13/10/2006	Current
Greens Distribution Pty Limited	004437209	Director	10/05/2002	14/06/2003
Harbrew Pty. Limited	010601788	Director	3/10/2011	Current
Heavy Haulage Australia Nt Pty Ltd	162634862	Director	21/11/2014	Current
Heavy Haulage Australia Pty Ltd	100650226	Director	21/11/2014	Current
Heavy Haulage Australia Wa Pty Ltd	162055781	Director	21/11/2014	Current
Hfc Foundation Nominees Pty Ltd	130363361	Director	3/09/2008	7/04/2011
Hha Fleet Pty Ltd	164099101	Director	21/11/2014	Current
Hha Group Pty Ltd	151153294	Director	21/11/2014	Current
Hha Holdings Nt Pty Ltd	162631521	Director	21/11/2014	Current
Hha Holdings Qld Pty Ltd	146098268	Director	21/11/2014	Current
Hha Holdings Wa Pty Ltd	151155672	Director	21/11/2014	Current
Hha Vertical Qld Pty Ltd	160684177	Director	21/11/2014	Current
Hollandia Holdings Pty Ltd	009457783	Director	23/05/1989	8/06/1998
		Secretary	23/05/1989	27/06/1990
Holyman (New Zealand) Pty Limited	081075676	director	10/05/2002	14/06/2003
Holyman Operations Pty Ltd	004852733	director	10/05/2002	14/06/2003
Holyman Ports Pty Limited	072725181	director	10/05/2002	14/06/2003
Holyman Pty Limited	062572034	director	10/05/2002	14/06/2003
Holyman Refrigeration Pty Ltd	067157911	director	10/05/2002	14/06/2003
Holyman Superannuation Pty Ltd	063887098	director	10/05/2002	14/06/2003
Holyman Transport Pty Limited	009583680	director	10/05/2002	14/06/2003
Hvlift Pty Ltd	155332086	director	21/11/2014	Current
Ies Dgm Pty Ltd	112151809	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
Independent Industrial Investments Proprietary Limited	004182398	Director	10/05/2002	18/01/2003
International Corporate Relocations Pty. Ltd.	059965918	Director	31/12/1996	16/02/1999
International Energy Services Group Pty Limited	112499573	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
International Energy Services Holdings Pty Limited	112063779	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
International Energy Services Pty Limited	112063877	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
International M. R. Pty. Limited	122929266	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
International Packaging Pty. Limited	007438039	Director	22/04/1997	16/02/1999
Intravest Pty Limited	001726496	Director	10/05/2002	14/06/2003
Inveriael Pty Limited	051626825	Director	10/05/2002	14/06/2003
Jack Seatons Transport Pty. Ltd.	000294137	Director	10/05/2002	14/06/2003
Jamison Equity Pty Limited	008648655	Director	10/05/2002	14/06/2003
Jetstyle Express Pty Ltd	077984653	Director	28/04/2014	Current
		Secretary	14/02/2017	Current

Company	A.C.N.	Position	Appointment Date	Cessation Date
Jolly's Transport Services Pty Ltd	097891248	Director	28/05/2014	Current
		Secretary	14/02/2017	Current
Kentucky Woods Pty. Ltd.	055752657	Director	28/05/1992	10/02/2004
		Secretary	28/05/1992	28/06/1994
L.J. Pty Limited	009658324	Director	1/03/1997	3/11/1997
Labrador Developments Pty. Ltd.	065403527	Director	28/06/1994	30/01/2005
Labrafin Pty Ltd	073405151	Director	27/03/1996	28/04/2001
Lang Logistics Pty Limited	004289525	Director	10/05/2002	18/01/2003
Lang Securities Pty Limited	003094460	Director	10/05/2002	14/06/2003
Liberty Air Services Pty Limited	105904292	Director	10/05/2002	14/06/2003
Liberty Cargo Systems Pty. Ltd.	005648322	Director	10/05/2002	14/06/2003
Liberty Pacific (Qld) Pty. Limited	060181964	Director	10/05/2002	14/06/2003
Liberty Pacific Pty Limited	050528240	Director	10/05/2002	14/06/2003
Linx (Bwl) Pty Ltd	079543829	Director	10/05/2002	10/02/2007
Linx Cargo Care Group Pty Ltd	123683885	Director	29/01/2003	10/02/2007
Linx Cargo Care Pty Ltd	123685183	Director	29/01/2003	10/02/2007
Linx Portlink Pty Ltd	072506891	Director	10/05/2002	10/02/2007
Linx Ports Pty Ltd	120380289	Director	25/06/2002	10/02/2007
Linx Stevedoring (Bsl) Pty Ltd	000013838	Director	7/05/1998	10/02/2007
Linx Stevedoring Pty Ltd	007427652	Director	7/01/1987	10/02/2007
		Secretary	7/01/1987	27/06/1990
Liquip International Pty Limited	112087448	Director	5/04/2012	20/03/2013
		Director	1/04/2014	22/08/2014
Ltq Engineering Pty Limited	106473965	Director	10/05/2002	14/12/2002
M. Rowsthorn Finance Pty. Ltd.	064761315	Director	9/06/1994	Current
		Secretary	9/06/1994	Current
Malleys Transport Pty Ltd	059906311	Director	29/04/1995	14/06/2003
Marplan Charter Pty. Ltd.	122075656	Director	6/10/2006	Current
		Secretary	6/10/2006	Current
Marplan Pty. Ltd.	122074453	Director	6/10/2006	Current
		Secretary	6/10/2006	Current
Marcson Pty Limited	115166320	Director	6/07/2005	Current
		Secretary	6/07/2005	Current
Maremma Pty. Limited	008648815	Director	10/05/2002	14/06/2003
Mark Rowsthorn Superannuation Fund Pty Ltd	114870450	Director	21/06/2005	Current
		Secretary	21/06/2005	Current
Martin Shirley & Associates Pty. Ltd.	050235893	Director	10/05/2002	14/06/2003
Mather & Platt Investments Pty Ltd	000066679	Director	10/05/2002	14/06/2003
Mcaleese Holdco Pty Ltd	156339865	Director	19/03/2012	Current
Mcaleese Investments Pty Ltd	129922541	Director	21/10/2014	Current
Mcaleese Limited	156354068	Director	19/03/2012	30/09/2016
Mcaleese Subco Pty Ltd	144647870	Director	14/04/2015	Current
Morrow Nominees Pty. Limited	125177399	Director	1/05/2007	24/09/2007
		Secretary	1/05/2007	24/09/2007
		Director	24/05/2010	Current
		Secretary	24/05/2010	Current
Milcorp Services Pty. Ltd.	066368956	Director	8/09/1994	15/12/2002
Mostia Dion Nominees Pty. Ltd.	005499945	Director	15/08/1986	Current
		Secretary	15/08/1989	Current
Movinghome.Com.Au Pty. Ltd.	083090966	Director	4/07/2000	15/06/2007
Mulgara Pty. Limited	008665352	Director	10/05/2002	14/06/2003
National Crane Hire Pty Ltd	101646235	Director	14/04/2015	Current
National Crane Service & Repairs Pty Ltd	091998560	Director	14/04/2015	Current
National Rail Consortium (Insurance) Pty Ltd	099569534	Director	12/02/1998	10/02/2007
National Stevedores Tasmania Pty Limited	009477150	Director	10/05/2002	14/06/2003
National Stevedoring Holdings Pty Limited	060623529	Director	10/05/2002	10/02/2007
Pacific National (Nsw) Pty Ltd	099150688	Director	30/12/2007	10/02/2007
Pacific National (Qld) Pty Ltd	107180183	Director	25/11/1999	10/02/2007
Pacific National (Queensland Coal Holdco) Pty Limited	130556151	Director	8/04/2004	10/02/2007
Pacific National (Queensland Coal) Pty Ltd	129529648	Director	3/02/2004	10/02/2007
Pacific National (Tasmania) Pty Limited	079371305	Director	24/02/2000	10/02/2007

Company	A.C.N.	Position	Appointment Date	Cessation Date
Pacific National Bulk Rail Pty Ltd	075295644	Director	30/08/2000	10/02/2007
Pacific National Pty Ltd	098060550	Director	4/09/1997	10/02/2007
Pack-Tainers Rail Services Pty Ltd	092287486	Director	10/05/2002	14/06/2003
Palm Valley Pipeline Company Pty. Limited	008580603	Director	10/05/2002	14/06/2003
Patrick Bulk Transport Pty Limited	119241413	Director	10/05/2002	14/06/2003
Patrick Chartering Pty Limited	004948467	Director	10/05/2002	14/06/2003
Patrick Container Ports Pty Ltd	009762985	Director	10/05/2002	10/02/2007
Patrick Distribution Pty Limited	007148709	Director	10/05/2002	10/02/2007
Patrick Holdings (Containers) Pty Ltd	123684060	Director	29/01/2003	10/02/2007
Patrick Packing Services Pty Limited	095426172	Director	10/05/2002	14/06/2003
Patrick Port Services Pty Limited	058614994	Director	10/05/2002	10/02/2007
Patrick Shipping Pty Limited	009540032	Director	10/05/2002	14/06/2003
Patrick Stevedores Holdings Pty Limited	060462919	Director	10/05/2002	10/02/2007
Patrick Stevedores No 1 Pty Limited	003621645	Director	10/05/2002	14/06/2003
Patrick Stevedores No 2 Pty Limited	003893141	Director	10/05/2002	14/06/2003
Patrick Stevedores No 3 Pty Limited	010815362	Director	10/05/2002	14/06/2003
Patrick Stevedores Operations No 2 Pty Limited	056292687	Director	10/05/2002	10/02/2007
Patrick Stevedores Operations Pty Limited	065375840	Director	10/05/2002	10/02/2007
Patrick Technology & Systems Pty Limited	058304340	Director	9/10/2002	10/02/2007
Phillips Transport Pty Limited	095062589	Director	10/05/2002	10/02/2007
Phm Services Pty Ltd	051555714	Director	24/07/1998	1/05/2006
Plzen Pty Limited	065905571	Director	11/05/2006	11/02/2011
Pn Tas (Operations) Pty Limited	078295468	Director	25/02/2004	11/02/2011
Pn Tas (Services) Pty Limited	078906519	Director	25/02/2004	11/02/2011
Prinrom Pty Limited	060569691	Director	11/05/2006	19/01/2007
Prk Corporation Pty Ltd	008660124	Director	11/05/2006	15/06/2007
Psl Services Pty Limited	082168269	Director	11/05/2006	11/02/2011
Public Health Management Pty Ltd	101224711	Director	25/07/2002	1/05/2006
Qlm Pty Ltd	099072992	Director	26/07/2006	15/06/2007
Queensland Bulk Handling Pty Ltd	010284509	Director	3/07/2006	2/08/2007
Quexton Pty Ltd	002202575	Director	11/05/2006	15/06/2007
R & A Family Investments Pty Ltd	104559819	Director	30/04/2003	30/03/2007
R & A Family Management Pty Ltd	104559837	Director	30/04/2003	29/11/2005
R & H Nominees Pty Ltd	000584930	Director	24/10/2003	15/06/2007
R & H Transport Services Pty Limited	010080163	Director	19/06/1998	15/06/2007
Race Container Express Pty Limited	000561820	Director	11/05/2006	19/01/2007
Ralph Symonds Australia Ltd	000980610	Director	11/05/2006	13/04/2007
Real Property Leases Pty Limited	001047301	Director	2/03/2001	4/11/2001
Refrigerated Roadways (Nsw) Pty. Ltd.	003207145	Director	1/12/1997	14/10/1999
Refrigerated Roadways Pty. Ltd.	005744123	Director	1/12/1997	15/06/2007
Resarta Pty Limited	084410515	Director	2/03/2001	15/06/2007
Residual Group Holdco Pty Limited	616022649	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Riverina Black Beef Pty Limited	055371652	Director	11/05/2006	19/01/2007
Rivet Employees Operational Pty Limited	616023619	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Energy Aviation Pty Limited	616024901	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Energy Holdco Pty Limited	616023600	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Energy Operations Pty Limited	616024885	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Energy Pty Ltd	112151694	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Funding Pty Limited	616023628	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Holdco Pty Limited	616022194	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Mining Services (Nsw) Pty Limited	616024929	Director	21/11/2016	Current
		Secretary	21/11/2016	Current

Company	A.C.N.	Position	Appointment Date	Cessation Date
Rivet Mining Services (Qld) Pty Limited	616055380	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Mining Services East Holdco Pty Limited	616023655	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Mining Services Goldfields Pty Limited	616024910	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Mining Services Pty Ltd	119899446	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
		Secretary	14/02/2017	Current
Rivet Mining Services West Holdco Pty Limited	616023646	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Pty Ltd	616022658	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Quarries Pty Limited	616055399	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rivet Treasury Pty Ltd	156099204	Director	21/11/2016	Current
		Secretary	21/11/2016	Current
Rosey Kids Foundation Pty Ltd	125660568	Director	29/05/2007	Current
Rth Pty Limited	079486427	Director	25/07/1997	23/10/1998
		Secretary	25/07/1997	23/10/1998
Savoy Tavern Pty Ltd	164122669	Director	5/06/2013	Current
		Secretary	5/06/2013	Current
Scarabus Pty. Ltd.	008645387	Director	11/05/2006	15/06/2007
Scfs Pty. Limited	001719633	Director	11/05/2006	19/01/2007
Seatons C.F.S. Pty. Limited	074572964	Director	11/05/2006	19/01/2007
Seatons Container Freight Station Pty. Limited	001623436	Director	11/05/2006	15/06/2007
Seatons Container Services Pty. Ltd.	001259776	Director	11/05/2006	15/06/2007
Serenade Pty. Ltd.	008644737	Director	11/05/2006	15/06/2007
Shields Transport (Vic) Pty. Limited	005621465	Director	11/05/2006	19/01/2007
Southern Cross Hangars Pty Ltd	153316208	Director	20/09/2011	Current
		Secretary	20/09/2011	Current
Spotswood Lessee Pty Limited	112151729	Director	5/04/2012	20/03/2013
		Director	1/04/2014	Current
		Secretary	14/02/2017	Current
Sst (No. 2) Pty Ltd	101497054	Director	26/07/2002	31/07/2002
		Secretary	26/07/2002	31/07/2002
St. George Crescent Pty. Ltd.	061147251	Director	29/07/1993	4/05/2003
		Secretary	29/07/1993	4/05/2003
Strang Patrick Holdings Pty. Limited	003893847	Director	11/05/2006	11/02/2011
Sumena Holdings Pty Limited	074014341	Director	11/05/2006	19/01/2007
Sunshine Refuellers Pty Ltd	600542514	Director	4/07/2014	Current
		Secretary	6/09/2016	Current
Supertara Pty. Limited	006859178	Director	30/10/1987	Current
		Secretary	30/10/1987	Current
Td Holdings Pty. Ltd.	007202306	Director	11/05/2006	19/01/2007
Terminals Australia Pty Limited	105300767	Director	1/07/2008	11/02/2011
Texas T Holdings Pty Ltd	114996119	Director	21/11/2014	Current
Toll (Cowra) Pty Limited	083828826	Director	2/03/2001	15/06/2007
Toll (Fgct) Pty Limited	005670351	Director	2/03/2001	15/06/2007
Toll (Fhl) Pty Ltd	004272860	Director	2/03/2001	15/06/2007
Toll (Fm) Pty Limited	008562749	Director	2/03/2001	9/06/2002
Toll (Fs) Pty Limited	001412684	Director	2/03/2001	9/06/2002
Toll (Fuel) Pty Limited	000745353	Director	2/03/2001	30/09/2002
Toll (Prk) Finance Pty Ltd	060638502	Director	11/05/2006	15/06/2007
Toll (Prk) Tasmania Pty Ltd	009475914	Director	11/05/2006	15/06/2007
Toll Aircraft Maintenance Pty Ltd	102573571	Director	11/05/2006	15/06/2007
Toll Aviation Engineering Pty Ltd	010378006	Director	11/05/2006	15/06/2007
Toll Energy And Marine Logistics Pty Ltd	009129060	Director	1/12/1997	15/06/2007
Toll Equipment (Ffm) Pty Ltd	002004373	Director	2/03/2001	15/06/2007
Toll Finance Pty Ltd	100405089	Director	1/05/2002	15/06/2007

Company	A.C.N.	Position	Appointment Date	Cessation Date
Toll Global Forwarding Pty Limited	082292233	Director	3/07/2004	15/06/2007
Toll Helicopters (Nsw) Pty Ltd	123180441	Director	18/12/2006	15/06/2007
Toll Holdings Limited	006592089	Director	1/09/1988	15/06/2007
		Secretary	20/07/1990	22/03/1994
Toll Ipec Pty Ltd	084157666	Director	22/09/1998	15/06/2007
Toll Logistics Australia Pty Ltd	074888716	Director	3/12/1997	15/06/2007
Toll Mermaid Logistics Broome Pty Ltd	122461027	Director	31/10/2006	15/06/2007
Toll North Pty Ltd	009683452	Director	1/12/1997	15/06/2007
Toll Personnel Pty Limited	110880503	Director	8/09/2004	15/06/2007
Toll Properties Pty Ltd	056863604	Director	2/03/2001	15/06/2007
Toll Property Fund Holdings Pty Ltd	114907738	Director	30/06/2005	15/06/2017
Toll Provident Fund Pty. Ltd.	066860651	Director	19/10/1994	30/06/2005
Toll Pty Limited	000697861	Director	2/03/2001	15/06/2007
Toll Rail Investments Pty Ltd	098055522	Director	11/05/2006	15/06/2007
Toll Relocations Pty Ltd	095183805	Director	23/11/2000	15/06/2007
Toll Remote Logistics Pty Ltd	004210093	Director	11/05/2006	15/06/2007
Toll Technologies Investments Pty Limited	094928702	Director	31/10/2000	15/06/2007
Toll Technologies Pty Ltd	091836145	Director	2/03/2000	15/06/2007
		Secretary	20/07/1990	28/06/1994
Toll Transport Pty. Limited	006604191	Director	1/09/1988	15/06/2007
		Secretary	20/07/1990	28/06/1994
Toll-Tismor Distribution Pty Limited	086953906	Alternate Director	30/06/2006	15/06/2007
Train Crewing Services Pty Ltd	114746253	Director	11/05/2006	11/02/2011
Transdev Pty. Ltd.	008567404	Director	11/05/2006	19/01/2007
Transinc Pty. Limited	008612379	Director	11/05/2006	19/01/2007
Tranz Rail Holdings Pty Limited	087485701	Director	6/07/2005	15/06/2007
Tranz Rail Pty Limited	087486164	Director	6/07/2005	15/06/2007
Union Corporate Services Pty Limited	081075621	Director	11/05/2006	15/06/2007
Union Pacific Corporation Pty. Limited	079847288	Director	26/08/1997	11/12/1998
Vales Cold Stores Pty. Limited	005433965	Director	11/05/2006	19/01/2007
Vestalba Pty. Limited	006614553	Director	11/08/1986	7/10/1997
		Secretary	11/08/1986	7/10/1997
Vicrail (Rolling Stock) Pty Limited	084974498	Director	25/02/2004	27/09/2004
Vicrail (Services) Pty Limited	084974461	Director	25/02/2004	27/09/2004
Virgin Australia Holdings Limited	100686226	Director	11/05/2006	13/06/2007
Visy Cdl Services Pty Ltd	004052260	Director	21/09/1992	18/04/2001
W. & M. Meat Transport Pty. Ltd.	009717846	Director	1/12/1997	15/06/2007
Wa Grain Stevedores Pty Ltd	090850847	Director	11/05/2006	11/02/2011
Wadham Nominees Pty. Ltd.	004987124	Director	15/03/1989	22/12/2011
		Director	18/03/2014	Current
		Secretary	15/03/1989	22/12/2011
Wadham Park (Vic) Property Pty Ltd	110370208	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wadham Park (Vic) Pty Ltd	110185763	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wadham Park Australia Pty Ltd	115730204	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wadham Park Bloodstock Pty Ltd	111703489	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wadham Park Stud Pty. Ltd.	118346240	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wadham Park Thoroughbreds Pty Ltd	104296380	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Waff Spv Pty Ltd	130012887	Director	28/04/2017	Current
		Secretary	14/02/2017	Current
Walter Wright Cranes Pty Ltd	135952162	Director	14/04/2015	Current
Waratah Beef Pty Limited	055371607	Director	11/05/2006	19/01/2007
Western Packing Pty. Ltd.	062053721	Director	11/05/2006	15/06/2007
Wilgroup Nominees Pty. Limited	000079354	Director	11/05/2006	15/06/2007
Wilgroup Pty. Limited	000009996	Director	11/05/2006	15/06/2007
Woden Investments Pty Limited	057944895	Director	11/05/2006	15/06/2007
Woodside Park Racing Pty Ltd	614573803	Director	1/09/2016	Current

Company	A.C.N.	Position	Appointment Date	Cessation Date
		Secretary	1/09/2016	Current
Woodside Park Stud Australia Pty Ltd	112201626	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Woodside Park Stud Pty. Ltd.	119325245	Director	28/04/2017	Current
		Secretary	28/04/2017	Current
Wozbriz Pty Limited	010936366	Director	11/05/2006	19/01/2007
York Investments Pty. Ltd.	063501593	Director	11/05/2006	19/01/2007



RMS East Group (Receivers and Managers Appointed) (Administrators Appointed)							
Summary of Director's Report As To Affairs							
Report Ref.	Book Value as at 30/06/2017 (\$)	Rivet NSW RATA Amount (\$)	Rivet QLD RATA Amount (\$)	Rivet East Holdco RATA Amount (\$)	Rivet Quarries RATA Amount (\$)	Total RATA Amount (\$)	Administrator's ERV as at 17/07/2017 (\$)
<b>Assets</b>							
6.1.1	240,703	44,740	130,066	-	-	174,806	174,806
6.1.2	5,046,335	373,197	2,636,197	100	10,000	3,019,494	3,019,494
6.1.3	14,796,740	3,330,252	11,353,156	-	-	14,683,408	14,683,408
6.1.4	379,859	41,016	399,445	130,240	-	570,701	-
<b>Total Assets</b>	<b>20,463,637</b>	<b>3,789,205</b>	<b>14,518,864</b>	<b>130,340</b>	<b>10,000</b>	<b>18,448,409</b>	<b>17,877,708</b>
<b>Liabilities</b>							
6.2.1	934,562	-	-	-	-	-	-
6.2.2	-	146,210,795	135,481,136	149,869,660	149,990,000	581,551,591	131,551,591
<b>Unsecured Creditors:</b>							
6.2.3.1	498,639	79,821	415,015	-	-	494,836	630,911
6.2.3.2	148,234	12,566	135,668	-	-	148,234	641,768
6.2.3.3	18,188,464	321,237	2,506,820	102	-	2,828,159	2,828,159
<b>Total Liabilities</b>	<b>19,769,900</b>	<b>146,624,419</b>	<b>138,538,639</b>	<b>149,869,762</b>	<b>149,990,000</b>	<b>585,022,820</b>	<b>135,652,429</b>
<b>Net Asset Deficiency</b>							
	<b>693,737</b>	<b>(142,835,214)</b>	<b>(124,019,775)</b>	<b>(149,739,422)</b>	<b>(149,980,000)</b>	<b>(566,574,411)</b>	<b>(117,774,721)</b>

# Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading



### Offences

A summary of offences under the *Corporations Act 2001* that may be identified by an administrator or liquidator.

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties
181	Failure to act in good faith
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage
183	Making improper use of information acquired by virtue of his position
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment
206A	Contravening an order against taking part in management of a corporation
206A, B	Taking part in management of corporation while being an insolvent under an administration
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies
254T	Paying dividends out of net assets, which are fair and reasonable to members as a whole and not materially prejudicial to creditors
286	Failure to keep proper accounting records
312	Obstruction of auditor
314-7	Failure to comply with requirements for financial statement preparation
437C	Performing or exercising a function or power as officer while a company is under administration
437D(5)	Unauthorised dealing with company's property during administration
438B(4)	Failure by directors to assist administrator, deliver records and provide information
438C(5)	Failure to deliver up books and records to administrator
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors

### Voidable transactions

#### Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the *Corporations Act 2001*.

#### Uncommercial transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company
- the respective benefits to other parties, and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

#### ***Unfair loan***

A loan is unfair if and only if the interest or charges were extortionate when the loan was made or have since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

#### ***Arrangements to avoid employee entitlements***

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

#### ***Unreasonable payments to directors***

Liquidators have the power to reclaim 'unreasonable payments' made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

#### ***Voidable charges***

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance
- Unregistered charges, and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

#### ***Insolvent trading***

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed, and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect
- they did not take part in management for illness or some other good reason, or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances

# Remuneration Request Approval Report

**Rivet Mining Services (NSW) Pty Ltd**  
(Receivers and Managers Appointed)  
(Administrators Appointed)  
ACN 616 024 929

11 August 2017

Andrew Cummins  
Peter Krejci  
John Carrello  
Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848  
Level 30, Australia Square, 264 George Street, Sydney NSW 2000  
GPO Box 7079, Sydney NSW 2001  
Phone (02) 8263 2300  
Facsimile (02) 8263 2399  
Email: [rivet@brifnsw.com.au](mailto:rivet@brifnsw.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)

## TABLE OF CONTENTS

1	DECLARATION .....	3
2	EXECUTIVE SUMMARY .....	3
3	DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED IN VOLUNTARY ADMINISTRATION .....	4
4	LIQUIDATOR'S REMUNERATION FOR THE PERIOD 21 AUGUST 2017 TO CONCLUSION.....	11
5	STATEMENT OF REMUNERATION CLAIM .....	15
6	DISBURSEMENTS .....	15
7	QUERIES .....	16

## 1 DECLARATION

We, Andrew Cummins and Peter Krejci of BRI Ferrier (NSW) Pty Ltd, and John Carrello of BRI Ferrier (WA), have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Voluntary Administrators of Rivet Mining Services (NSW) Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed), in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

## 2 EXECUTIVE SUMMARY

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

Period	Report Reference	Amount (\$, ex GST)
<b>Resolution [2]:</b> <i>Administrators' remuneration for the period 17 July 2017 to 9 August 2017</i>	[3.1]	\$14,643.50
<b>Resolution [3]:</b> <i>Administrators' remuneration for the period 10 August 2017 to 21 August 2017</i>	[3.2]	\$10,356.50
<b>Sub-Total</b>		<b>\$25,000.00</b>
<u>If the Creditors resolve to wind up the Company:</u> <b>Resolution [6]:</b> <i>Liquidators' remuneration for the period 21 August 2017 to the conclusion of the Liquidation</i>	[4]	\$20,000.00
<b>Sub-Total</b>		<b>\$20,000.00</b>

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

This is consistent with the estimate of costs provided in the Initial Advice to Creditors dated 19 July 2017, which estimated a cost to complete the Voluntary Administration of \$50,000 to \$100,000 excluding GST.

### 3 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED IN VOLUNTARY ADMINISTRATION

The tables below provide a summary of the work completed/to be completed by me and my staff in the Administration.

Company	Rivet Mining Services (NSW) Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed)	Period From	17 July 2017	To	9 August 2017
Practitioner	Andrew Cummins, Peter Krejci and John Carrello	Firm	BRI Ferrier (NSW) Pty Ltd		
Administration Type	Voluntary Administration				

#### 3.1 REMUNERATION FOR THE PERIOD 17 JULY 2017 TO 9 AUGUST 2017

Task Area	General Description	Includes
<b>Assets</b> 0.5 hours \$250.00 (excl. GST)	Assets Subject to Specific Charges	Reviewing lease documents Tasks associated with disclaiming lease
<b>Creditors</b> 12.6 hours \$4,746.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Secured creditor reporting	Notifying Secured Creditors of appointment Meeting with Secured Creditors regarding status of administration Liaising with Secured Creditors regarding lease documents Responding to secured creditor's queries
	Retention of title claims	Search for security interests in PPSR register Notifying PMSI creditors identified from PPSR register of appointment

Task Area	General Description	Includes
	Creditor reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors
	Dealing with proofs of debt	Receipting and filing Proofs of Debt when not related to a dividend
	First meeting of creditors	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting Attendance and holding meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Second meeting of creditors	Preparation of meeting notices, proxies and advertisements
<b>Employees</b> <b>0.2 hours</b> <b>\$100.00</b> <b>(excl. GST)</b>	Employees enquiry	Reviewing and preparing correspondence to employees by email and post Liaising with McGrathNicol to obtain employee records
	Calculation of entitlements	Liaising with McGrathNicol regarding calculation of employee entitlements
<b>Investigation</b> <b>10.9 hours</b> <b>\$5,298.50</b> <b>(excl. GST)</b>	Conducting investigation	Collection of Company books and records Reviewing Company's books and records Discussions with Directors and management staff regarding the financial position of the Company Liaising with the Directors and their legal advisors for provision of further Company records Review and preparation of narrative of business nature and history Liaising with McGrathNicol and Mallesons regarding collection of company books and records Perusal of Section 439A Report prepared by former Administrators, McGrathNicol Conducting and summarising statutory searches



Task Area	General Description	Includes
		Liaising with Directors and key personnel regarding financial position of the company Perusal of forecast and actual month financial statements Preparation of comparative monthly financial statements Summarising aged creditors and aged debtors listing Preparation of deficiency statement Preparation of working capital analysis Review of general ledger for specific transactions and liaising with management staff regarding certain transactions Preliminary investigations on potential voidable transactions Preliminary investigations on potential insolvent trading claim and calculation of same
<b>Administration</b> 10.3 hours \$4,249.00 (excl. GST)	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding initial and ongoing insurance requirements
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 5011, etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration
<b>Total hours: 34.5</b> <b>Total: \$14,643.50 (excl. GST)</b>		

**RIVET MINING SERVICES (NSW) PTY LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**  
**CALCULATION OF REMUNERATION TO DATE**  
**FOR THE PERIOD FROM 17 JULY 2017 TO 9 AUGUST 2017**

Staff Member	Position	Average Rate	Total		Assets		Creditors		Employees		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Cummins	Principal	650.00	8.5	5,525.00			1.0	650.00			3.9	2,535.00	3.6	2,340.00
Peter Krejci	Principal	650.00	0.6	390.00			0.6	390.00						
John Keenan	Director	540.00	0.2	108.00									0.2	108.00
Pauline Yeow	Manager	500.00	5.0	2,500.00	0.5	250.00	2.3	1,150.00	0.2	100.00	0.8	400.00	1.2	600.00
Katherine La	Supervisor	400.00	8.1	3,240.00			2.4	960.00			5.4	2,160.00	0.3	120.00
Anthony Locascio	Senior Accountant	275.00	5.1	1,402.50			4.2	1,155.00			0.5	137.50	0.4	110.00
Liam Milligan	Intermediate Accountant	225.00	0.2	45.00									0.2	45.00
Xiaoyan Lin	Intermediate Accountant	225.00	0.8	180.00							0.2	45.00	0.6	135.00
Jessica Mula	Senior Administration	210.00	5.1	1,071.00			2.0	420.00			0.1	21.00	3.0	630.00
Sonia Steimach	Senior Administration	210.00	0.8	168.00			0.1	21.00					0.7	147.00
Carmelle Mabaihin	Junior Administration	140.00	0.1	14.00									0.1	14.00
<b>TOTAL (EXCLUDING GST)</b>			<b>34.5</b>	<b>14,643.50</b>	<b>0.5</b>	<b>250.00</b>	<b>12.6</b>	<b>4,746.00</b>	<b>0.2</b>	<b>100.00</b>	<b>10.9</b>	<b>5,298.50</b>	<b>10.3</b>	<b>4,249.00</b>
<b>Add : GST</b>				<b>1,464.35</b>										
<b>TOTAL (INCLUDING GST)</b>				<b>16,107.85</b>										
<i>Average hourly rate (excl GST)</i>				<i>424.45</i>		<i>500.00</i>		<i>376.67</i>		<i>500.00</i>		<i>486.10</i>		<i>412.52</i>

### 3.2 REMUNERATION FOR THE PERIOD 10 AUGUST 2017 TO 21 AUGUST 2017

Company	Rivet Mining Services (QLD) Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed)	Period From	10 August 2017	To	21 August 2017
Practitioner	Andrew Cummins, Peter Krejci and John Carrello	Firm	BRI Ferrier (NSW) Pty Ltd and BRI Ferrier (WA)		
Administration Type	Voluntary Administration				

Task Area	General Description	Includes
<b>Creditors</b> 6.5 hours \$2,612.50 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post.
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend
	Creditor reports	Finalising Second Report to Creditors detailing investigations and convening Second Meeting of Creditors
	Second Meeting of Creditors	Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting Responding to stakeholder queries and questions immediately following meeting
<b>Employees</b> 6.5 hours \$2,525.00 (excl. GST)	Employees enquiry	Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Other employee issues	Correspondence regarding employees not previously mentioned above

Task Area	General Description	Includes
Investigation 6.2 hours \$2,487.50 (excl. GST)	Conducting investigation	Collection of Company books and records Reviewing Company's books and records Discussions with Directors and management staff regarding the financial position of the Company Liaising with the Directors and their legal advisors for provision of further Company records Review and preparation of narrative of business nature and history Liaising with McGrathNicol and Mallesons regarding collection of company books and records Perusal of Section 439A Report prepared by former Administrators, McGrathNicol Conducting and summarising statutory searches Liaising with Directors and key personnel regarding financial position of the company Perusal of forecast and actual month financial statements Preparation of comparative monthly financial statements Summarising aged creditors and aged debtors listing Preparation of deficiency statement Preparation of working capital analysis Review of general ledger for specific transactions and liaising with management staff regarding certain transactions Preparation of investigation file Investigating other potential voidable transactions Investigating potential insolvent trading claim and calculation of same
Administration 8.8 hours \$2,731.50 (excl. GST)	Correspondence	All other correspondence not discussed above
	Insurance	Correspondence with previous brokers Reviewing insurance policies Liaising with insurance broker regarding insurance policies
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Planning / Review	Discussions regarding status of administration
Total hours: 28.0 Total: \$10,356.50 (excl. GST)		

RIVET MINING SERVICES (NSW) PTY LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)  
 CALCULATION OF REMUNERATION TO DATE  
 FOR THE PERIOD FROM 10 AUGUST 2017 TO 21 AUGUST 2017

Staff Member	Position	Average Rate	Total		Employees		Creditors		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Cummins	Principal	650.00	0.5	325.00			0.5	325.00				
Pauline Yeow	Manager	500.00	10.7	5,350.00	3.0	1,500.00	2.0	1,000.00	3.2	1,600.00	2.5	1,250.00
Katherine La	Supervisor	400.00	2.5	1,000.00	0.5	200.00	1.5	600.00	0.5	200.00		
Anthony Locascio	Senior Accountant	275.00	10.5	2,887.50	3.0	825.00	2.5	687.50	2.5	687.50	2.5	687.50
Jessica Mula	Senior Administration	210.00	2.0	416.00							2.0	416.00
Sonia Stelmach	Senior Administration	210.00	1.8	378.00							1.8	378.00
TOTAL (EXCLUDING GST)			28.0	10,356.50	6.5	2,525.00	6.5	2,612.50	6.2	2,487.50	8.8	2,731.50
Add : GST				1,035.65								
TOTAL (INCLUDING GST)				11,392.15								
Average hourly rate (excl GST)				370.13		388.46		401.92		401.21		311.07

#### 4 LIQUIDATOR'S REMUNERATION FOR THE PERIOD 21 AUGUST 2017 TO CONCLUSION

Company	Rivet Mining Services (NSW) Pty Ltd	Period From	21 August 2017	To	Completion
Practitioner	Andrew Cummins, Peter Krejci and John Carrello	Firm	BRI Ferrier (NSW) Pty Ltd		
Administration Type	Creditors Voluntary Liquidation				

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Andrew Cummins, Peter Krejci and John Carrello as Joint and Several Liquidators of same. The Joint and Several Liquidators will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

Task Area	General Description	Includes
<b>Assets</b> 5.0 hours \$2,200.00 (excl GST)	Assets subject to specific charges	Reviewing lease documents Liaising with McGrathNicol regarding status of asset realisations Tasks associated with disclaiming leases
<b>Creditors</b> 15.0 hours \$6,400.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Secured creditor reporting	Liaising with Secured Creditors regarding status of liquidation
	Creditor reports	Preparing and issuing report to creditors regarding outcome of the second meeting of creditors Preparing Report to Creditors regarding investigations Preparing further reports to creditors (if necessary)
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend Corresponding with OSR and ATO regarding Proofs when not related to a dividend

Task Area	General Description	Includes
	Meetings of Creditors	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation 19.0 hours \$7,745.00 (excl. GST)	Conducting investigation	Reviewing Company's books and records Preparation of updated deficiency statement (if necessary) Investigating matters that may be subject to further scrutiny in a winding up Finalisation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
Administration 14.0 hours \$3,655.00 (excl. GST)	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Bank account administration	Setting up internal bank account Processing receipts and payments Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BASs



Task Area	General Description	Includes
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total hours: 53.0		
Total: \$20,000.00 (excl. GST)		



**For the Period from 21 August 2017 to Conclusion**

Rivet Mining Services (NSW) Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | Liquidator's Remuneration for the period 21 August 2017 to Conclusion

## 5 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

### Resolution 2: Administrators' Remuneration for the period 17 July 2017 to 9 August 2017

*"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 17 July 2017 to 9 August 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017, be fixed and approved at \$14,643.50 (plus GST), and that the Administrators be authorised to draw that amount."*

### Resolution 3: Administrators' Remuneration for the period 10 August 2017 to 21 August 2017

*"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 10 August 2017 to 21 August 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017, be fixed and approved at \$10,356.50 (plus GST), and that the Administrators be authorised to draw that amount."*

If the Company is wound up:

### Resolution 6: Liquidators' Remuneration for the period 21 August 2017 to the conclusion of the Liquidation

*"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 21 August 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017 and approved to an interim cap of \$20,000.00 (plus GST), that the Liquidators be authorised to draw that amount as and when incurred, and that they be allowed to seek further remuneration in the future if required."*

At this time, we do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of my investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

## 6 DISBURSEMENTS

Disbursements are divided into three types:

- ✦ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ✦ Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.

- 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.

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

No disbursements have been reimbursed to our firms to date.

We are not obliged to seek creditor approval for disbursements, but must account to creditors. This includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Request Approval Report.

At the date of preparation of this report, we charge for internal disbursements at the rates set out in the schedule below. These rates are subject to change depending on the actual cost incurred in particular disbursements.

Internal disbursements	Rate (excl. GST) (\$)
Advertising	At Cost
Photocopying/Printing	\$0.25 per page
Facsimile	\$0.25 per page
Storage	At Cost
Courier	At Cost
Postage	At Cost
Staff vehicle use	In accordance with ATO mileage allowanes

## 7 QUERIES

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrator's office to seek further information concerning the remuneration claim if they so need.

The Australian, Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled: "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA Website [www.arita.com.au](http://www.arita.com.au) or can be obtained from this office.

## ADVICE TO CREDITORS ABOUT REMUNERATION

### BRI FERRIER

#### REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

▲ Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

▲ Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

▲ Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

▲ Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

#### METHOD CHOSEN

BRI Ferrier normally charges to use a Time Cost basis, because:

- ▲ It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- ▲ The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- ▲ The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- ▲ The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 2018. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, I will seek their approval.

## **EXPLANATION OF HOURLY RATES**

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are comparable to an hourly wage rate.

As we anticipate staff from both our New South Wales ("NSW") and Western Australian ("WA") offices will be engaged in the administration, the hourly rates for both offices are set out on the following page and staff from each office will charge at their applicable hourly rate.

Title	Description	NSW Hourly Rate (ex GST)	WA Hourly Rate (ex GST)
Appointee	An Official Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the	\$650	\$600
Principal	A Registered or Official Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$620	\$550
Director	An accountant with more than 10 years' experience. May be an Official or Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$540	\$500
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$500	\$475
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the	\$480	\$450
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$400	\$400
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA.. Able to complete work on appointments with limited supervision.	\$340	\$320
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under	\$275	\$280
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$250	\$230
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$225	\$180
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$210	\$180
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150	\$150

## ESTIMATION OF COST

We estimate the amount of the remuneration of approximately \$50,000 to \$100,000 (excl. GST, disbursements and legal costs, as necessary) in carrying out this appointment as a voluntary administration.

This estimate is based on the information available to date. Should any of the above circumstances change, we believe that costs will likely increase from our estimate above. However, as mentioned previously, actual remuneration sought to be approved may exceed this estimate and this higher amount must be approved by the Creditors, Committee of Creditors or Court.

We also note that this estimate relates only to the conduct of a Voluntary Administration, and does not relate to any later administration of a Deed of Company Arrangement or Liquidation.

## DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally 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.

We are not required to seek creditor approval for disbursements, but must account to creditors. Information about how internal disbursements are recovered is provided below.

Full details of actual costs will be provided with future Remuneration Approval Request Reports and other Reports to Creditors. The rates of charge are applicable at the date of this Notice, but may be changed to reflect changes in costs.

- NSW Office

Internal Disbursements	Rate (Excl. GST) (\$)
Advertising	At cost
Courier	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Travel	At cost
Staff vehicle use	In accordance with ATO mileage allowances

## WA Office

Internal Disbursements	Rate (Excl. GST) (\$)
Advertising	At cost
Photocopying/Printing	\$0.65 per page
Scanning	\$0.10 per page
Facsimile	\$1.00 per page
Storage	At cost
Courier	At cost
Postage	At cost
Travel	At cost
Stationery	\$10.00 per file
Staff vehicle use	As per ATO prescribed rate



FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

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

RIVET MINING SERVICES (NSW) PTY LTD  
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)  
ACN 616 024 929  
("the Company")

To the Administrator of Rivet Mining Services (NSW) Pty Ltd (Administrators Appointed)

1. This is to state that the Company was, on 17 July 2017 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup>  
.....  
.....for  
..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration <sup>(3)</sup>	Amount (\$)	GST included (\$)	Remarks <sup>(4)</sup>
------	------------------------------	-------------	-------------------	------------------------

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(5)</sup>
- 3.<sup>(6)\*</sup> 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, still remains unpaid and unsatisfied.
- 3.<sup>(6)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this                      day of                      2017

Signature of Signatory .....

NAME IN BLOCK LETTERS .....

Occupation.....

Address .....

If you would like to receive future correspondence via email, please complete your details below:

Email Address.....

Telephone Number.....

**See Directions overleaf for the completion of this form****OFFICE USE ONLY**

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per RATA	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		<b>TOTAL PROOF</b>	\$
DATE AUTHORISED / /			

### Directions

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
- (a) have an identifying mark;
  - (b) and be endorsed with the words:
    - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
- (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Form 532  
Corporations Act 2001  
Regulation 5.6.29

**APPOINTMENT OF PROXY**

RIVET MINING SERVICES (NSW) PTY LTD  
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)  
ACN 616 024 929  
("THE COMPANY")

\*I/\*We<sup>(1)</sup>.....of.....  
.....a creditor of Rivet Mining Services (NSW) Pty Ltd,  
appoint<sup>(2)</sup>..... or in his or her absence  
..... as \*my/our general/special proxy to vote at the Second Meeting of  
Creditors of the Company to be held on Monday, 21 August 2017 at 10:30am AEST, or at any adjournment of that  
meeting.<sup>(3)</sup>

To vote as follows: <sup>(3)</sup>

	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	<i>"That the meetings of Rivet Mining Services (QLD) Pty Ltd, Rivet Mining Services (NSW) Pty Ltd, Rivet Mining East Holdco Pty Ltd and Rivet Quarries Pty Ltd be held concurrently."</i>			
2.	<i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 17 July 2017 to 9 August 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017, be fixed and approved at \$14,643.50 (plus GST), and that the Administrators be authorised to draw that amount."</i>			
3.	<i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 10 August 2017 to 21 August 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017, be fixed and approved at \$10,356.50 (plus GST), and that the Administrators be authorised to draw that amount."</i>			
4.	<i>"That the Voluntary Administration should end."</i>			
5.	<i>"That the Company be placed into Liquidation."</i>			

	RESOLUTION	FOR	AGAINST	ABSTAIN
6.	<b>If creditors resolve to wind up the Company:</b> <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 21 August 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 11 August 2017 and approved to an interim cap of \$20,000.00 (plus GST), that the Liquidators be authorised to draw that amount as and when incurred, and that they be allowed to seek further remuneration in the future if required."</i>			
7.	<b>If creditors resolve to wind up the Company:</b> <i>"That subject to the consent of the Australian Securities &amp; Investment Commission, the Joint and Several Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i>			

INSTRUCTIONS FOR COMPLETING:

1. Insert name and address.
2. Insert name of person to be appointed as proxy.
3. To vote in favour of one of the first three options regarding the future of the Company tick (✓) the "for" box next to the desired option and tick (✓) the "against" box for all other options. In relation to remuneration, you may tick (✓) either "for" or "against" or "abstain".
4. Where the proxy does not appoint a person the proxy will be deemed to be in favour of the Chairman.

DATED ..... (4) Signature .....  
(If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00pm one business day prior to the meeting by:

Email: [alocascio@brifnsw.com.au](mailto:alocascio@brifnsw.com.au), or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001

**CERTIFICATE OF WITNESS (5) - (to be completed only where person giving proxy is blind or incapable of writing)**

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 before he attached his signature or mark to the instrument.

DATED this ..... day of ..... 2016

Signature of Witness .....

Description .....

Place of Residence .....