SECOND REPORT TO CREDITORS

STEVENS CONSTRUCTION (NSW) PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 121 684 348
ABN 65 121 684 348 ("COMPANY")

25 June 2024

ANDREW CUMMINS
JONATHON KEENAN
PETER KREJCI
Joint and Several Administrators

Phone: (02) 8044 0531
Email: stevensconstruction@brifnsw.com.au
Website: www.briferrier.com.au
Postal: GPO Box 7079, Sydney NSW 2001
Address: Level 26, 25 Bligh Street,
Sydney NSW 2000

TABLE OF CONTENTS

1.	Basis of Report	9
2.	Disclaimer	9
3.	Declaration of Independence, Relevant Relationships and Indemnities	10
4.	Corporate Information	10
5.	Company History and Events Leading up to Administration	11
6.	Reasons for Failure	12
7.	Conduct of the Administration	13
8.	Sale of Business Campaign	14
9.	Historical Financial Information	14
10.	Current Financial Position	16
11.	Preliminary Investigations	21
12.	Voidable Transactions	30
13.	Breach of Duty Claims	32
14.	Summary of Potential Offences	32
15.	Recommendation of Administrators	33
16.	Receipts and Payments	34
17.	Remuneration of Administrators / Deed Administrators / Liquidators	34
18.	Second Meeting of Creditors	35
19.	Queries	36

TABLE OF ANNEXURES

1. Notice of Second Meeting of Creditors
2. Formal Proof of Debt or Claim Form
3. Appointment of Proxy Form
4. Comparative Balance Sheets
5. Comparative Profit and Loss statements
6. Company PPSR Registrations
7. Remuneration Approval Report
8. Advice to Creditors About Remuneration
9. ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders
10. ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading
11. Link Market Services – Creditor Guide
12. Summary Receipts and Payments

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administrators	Andrew Cummins, Peter Krejci and Jonathon Keenan
ARITA	Australian Restructuring Insolvency and Turnaround Association
ANZ	Australia and New Zealand Banking Group
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
COI	Committee of Inspection
Company	Stevens Construction (NSW) Pty Limited (Administrators Appointed)
CVL	Creditors Voluntary Liquidation
DOCA	Deed of Company Arrangement
Directors	Steve Mailey and Jason Lewis
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee scheme
Firm	BRI Ferrier NSW
GST	Goods and Services Tax
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
LSL	Long Service Leave
NAB	National Australia Bank
O'Maras	O'Maras Auctioneers
PILN	Payment in Lieu of Notice
POD	Proof of Debt
PPE	Property, Plant and Equipment
PPSR	Personal Properties Securities Register
RBP	Relation Back Period
SGC	Superannuation Guarantee Charge
VA	Voluntary Administration
Westpac	Westpac Banking Corporation
WIP	Work In Progress

INTRODUCTION

We refer to our First Report to Creditors dated 29 May 2024 in which our appointment as Joint and Several Administrators of the Company was advised along with an explanation of the Voluntary Administration process.

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an 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 business, property, affairs and financial circumstances of the Company and form an opinion about each of the following matters:

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

This report should be read in conjunction with the First Report. If you have any questions relating to the administration in general, or specific questions relating to your position, please do not hesitate to contact this office.

COMPANY DETAILS

Name	Stevens Construction (NSW) Pty Limited (Administrators Appointed)
Incorporated	11 September 2006
ACN	121 684 348
ABN	65 121 684 348
Registered Office	Trood Pratt & Co Level 21 68 Pitt Street Sydney NSW 2000
Trading Address	Suite 4 168-170 Central Coast Highway Erina NSW 2250

ADMINISTRATORS

Name	Andrew Cummins Jonathon Keenan Peter Krejci
Date Appointed	27 May 2024

ADMINISTRATION CONTACT

Name	Joshua Coorey
Email	jcoorey@brifnsw.com.au
Phone	02 8263 2333

KEY QUESTIONS	ANSWERS
Nature of the business?	Commercial builder operating in NSW.
Is the business still trading?	No, trading ceased as at the date of our appointment.
When is the Second Meeting of Creditors?	The Second Meeting of Creditors will be held on **Tuesday, 2 July 2024 at 11:00AM AEST**. Held in person, with virtual facilities also available
What assets are available?	The Companies assets are primarily its office PPE, fit-outs, cash at bank, construction debtors and potential recoveries from retentions held by Principals.
What are the total liabilities?	Up to circa $24M in total creditor claims, incl. $1.1M employees, $23M trade creditors, which includes Principal claims at this time totalling $7M.
What was the date of insolvency?	Preliminary investigations indicate if the Company had of continued to trade it would have been able to meet its debts as and when they fell due in the short term.
Are there any claims against the Directors in a Liquidation scenario?	None have been identified at this time. Further investigations will be undertaken should the Company be placed into Liquidation at the forthcoming meeting.
Is a Deed of Company Arrangement proposed?	No, neither the Directors nor external parties have proposed a DOCA.
Will the creditors get paid?	Yes, Liquidation will provide a 100-cent return for Priority Creditors and a return greater than 10 cents to unsecured creditors. This will be dependent on the amounts Principals claim for in the Liquidation if commercial settlements are not achieved with them.
What is the Administrators' recommendation that creditors vote for at the Second Meeting of Creditors?	**We recommend that creditors should vote in favour of Liquidation.**

EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins, Jonathon Keenan and Peter Krejci, were appointed Joint and Several Administrators of the Company on 27 May 2024 pursuant to Section 436A of the Act.

Pursuant to Section 439A of the Act, we have convened the Second Meeting of Creditors to be held on **Tuesday, 2 July 2024 at 11:00AM AEST**. Please find attached as **Annexure "1"** the Notice of Second Meeting of Creditors for your information. The meeting will be held at Gosford RSL Club Ltd, 26 Central Coast Hwy West Gosford NSW 2250 with virtual meeting technology also made available should creditors wish to attend the meeting virtually. Further details on the meeting are disclosed in Section 18 of this report.

We summarise below our observations of the Company's affairs, our preliminary investigations and the potential outcomes for creditors from this Administration process, including scenarios of a Liquidation or a DOCA as proposed.

In almost all respects the administration of the Company is not typical of what we have come to expect from property and construction failures. The Company and its director proactively sought to understand its future trading prospects upon receipt of advice that certain future projects would not be proceeding. That led them to the view that the Company would be insolvent at a future point in time and that it was appropriate to cease trading immediately rather than the Company, its subcontractors and suppliers incurring future losses. We are currently of the view that the Company was solvent immediately prior to our appointment. Subcontractor, supplier and other unsecured debts were largely paid within normal trading terms. All statutory lodgements and payments were made on time. All employee payments including superannuation were paid on time.

The Company was incorporated on 11 September 2006, operating as a Tier 2 commercial construction business for almost 20 years, providing design and quality construction services across retail, commercial, leisure and residential markets. It appears that the Company encountered various adverse market conditions and onerous contractual obligations that began with the onset of the Covid-19 pandemic, which resulted in losses on certain significant construction contracts and ultimately led to cashflow and solvency issues. We were subsequently appointed Administrators of the Company on 27 May 2024. As at the date of our appointment, the Company had been engaged on ten (10) construction contracts ("the Contracts") located around NSW in Greenwich, Blacktown, Soldiers Point, Mt White, Forster, Newcastle, Erina and Boorooma. All those construction works were suspended upon the Company entering into Administration.

The Company's primary assets are cash at bank totalling $4.2M, plus retentions held by Principals on the remaining incomplete projects totalling $2.07M. We have made enquiries as to the recovery of the retentions; however, the outcome of same will not be known until either commercial agreements are made with individual Principals or the projects reach practical completion and the defect liability period expires (twelve (12) months later). Further work will be required moving forward in regarding to settling Principal claims or adjudicating on Principals claims for damages after the Company is placed into Liquidation at the forthcoming meeting of creditors. The Company also holds some minor PPE and motor vehicles, which we are in the process of selling via a public auction.

Five claims have been settled where cash of $287,524 has been received. Furthermore, a bank guarantee with a value of $368,774 has been returned to ANZ with a corresponding release of cash in

the same amount. Further settlements are expected over the next weeks which the Administrators expect will materially improve the returns to creditors. The commercial terms of the settlements will remain confidential whilst negotiations with the remaining principals remain ongoing.

It is expected that employee entitlements will be paid in full withing two (2) months of the appointment of Liquidators. Whilst it is too early to determine a return to unsecured creditors it is expected that there will be sufficient funds for a meaningful dividend to be paid. The expected return to unsecured creditors is largely dependent on the damages claims (if any) ultimately lodged by principals.

Summary of Return to Creditors	DOCA High ($)	DOCA Low ($)	Liquidation High ($)	Liquidation Low ($)
Priority Creditors	100	100	100	100

As there is no DOCA proposal, Liquidation is the only option as the Directors in making the appointment had indicated they did not want the Company returned to their control.

1. BASIS OF REPORT

This report has been prepared primarily from information received from the Company's Directors and external advisors to the business/Directors.

In order to complete this report and in conducting our investigations, we have also utilised information from:

- ASIC;
- The books and records of the Company;
- Discussions with the Directors and advisors;
- The ROCAP and questionnaire forms completed by the Director;
- Extracts from public information databases; and
- Correspondence with creditors.

2. DISCLAIMER

This Report and the statements made herein are based upon available books and records, information provided by the Company's Directors, advisors, and from our own enquiries. Whilst we have no reason to doubt the accuracy or veracity of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendations, we have necessarily made forecasts and estimates of asset realisations and the ultimate quantum of Creditors' claims against the Company where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators' best assessment in the circumstances, Creditors should note that the Company's 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 Company's affairs which they consider may impact on our investigation or Reports, please forward the details to our office as soon as possible.

3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A DIRRI pursuant to Section 436DA of the Act was enclosed in the First Report. The DIRRI records that we undertook a proper assessment of the risks to our independence prior to accepting the appointment. There is no update required to the DIRRI.

4. CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of our appointment:

4.1 COMPANY DETAILS

Company Name	Stevens Construction (NSW) Pty Limited
ABN	65 121 684 348
ACN	121 684 348
Incorporation Date	11 September 2006
Registered Address	Trood Pratt & Co Level 21 68 Pitt Street Sydney NSW 2000
Principal Place of Business	Suite 4 168-170 Central Coast Highway Erina NSW 2250

4.2 OFFICEHOLDERS

Name	Position(s)	Start Date	Cease Date
Steven Brian Mailey	Director	11/09/2006	Current
Jason Robert Lewis	Director	25/10/2006	Current

Name	Position(s)	Start Date	Cease Date
Steven Brian Mailey	Secretary	11/09/2006	Current

4.3 SHARE STRUCTURE AND SHAREHOLDERS

Shareholders	Class	No of Shares	Beneficially Owned	Share	Status
Steven Brian Mailey	"C" Share	1	Yes	50%	Current
Jason Robert Lewis	"C" Share	1	Yes	50%	Current
SC NSW Investments Pty Ltd	"B" Share	1	Yes	100%	Current
Jason R Lewis Pty Ltd	Ordinary	1	No	50%	Current
Steven Mailey NSW Pty Ltd	Ordinary	1	No	50%	Current

4.4 CURRENT REGISTERED SECURITY INTERESTS

A search of the Personal Property Securities Register indicates that thirty-eight (38) parties have registered sixty-two (62) security interests against the Company. Please refer to **Annexure "6"** for a list of PPSR interests registered against the Company and status of the same.

4.5 LEGAL PROCEEDINGS AGAINST THE COMPANY

Pursuant to Section 440D of the Act, upon our appointment as Administrators, all proceedings against the Company are automatically stayed. Creditors cannot commence or continue proceedings against the Company without our written consent or without leave of the Court.

We are not aware that of any legal proceedings on foot as at our appointment.

4.6 RELATED ENTITIES

Directorship searches have been undertaken for the Directors of the Company. Our searches indicate that the Directors held the following current and former Officer roles:

4.6.1 Steven Brian Mailey

Name	A.C.N	Position	App Date	Cease Date
B.G.S.'S FABRICS PTY LTD	065 337 680	Director	24/06/1994	01/08/1997
STEVENS CONSTRUCTION (NSW) PTY LIMITED	121 684 348	Director	11/09/2006	Current
STEVENS CONSTRUCTION (NSW) PTY LIMITED	121 684 348	Secretary	11/09/2006	Current
STEVEN MAILEY NSW PTY LTD	131 661 759	Director	17/06/2008	Current
SC NSW INVESTMENTS PTY LTD	122 946 178	Director	01/10/2010	Current
PSD DEVELOPMENT PTY LIMITED	154 687 233	Director	08/12/2011	18/02/2021
J & S AND S & S INVESTMENTS PTY LIMITED	616 108 260	Director	24/11/2016	Current
BLAKES CROSSING CHILD CARE PTY LTD	629 331 488	Director	11/10/2018	10/02/2022

4.6.2 Jason Robert Lewis

Name	A.C.N	Position	App Date	Cease Date
STEVENS CONSTRUCTION (NSW) PTY LIMITED	121 684 348	Director	25/10/2006	Current
JASON R LEWIS PTY LTD	130 462 690	Director	03/04/2008	Current
SC NSW INVESTMENTS PTY LTD	122 946 178	Director	01/10/2010	Current
J & S AND S & S INVESTMENTS PTY LIMITED	616 108 260	Director	24/11/2016	Current
J & S AND S & S INVESTMENTS PTY LIMITED	616 108 260	Secretary	24/11/2016	Current
BLAKES CROSSING CHILD CARE PTY LTD	629 331 488	Director	11/10/2018	10/02/2022

5. COMPANY HISTORY AND EVENTS LEADING UP TO ADMINISTRATION

The following information was obtained from the Company's books and records, enquiries with the Directors, advisors and Company records provided to us and our own enquiries:

- The Company was incorporated on 11 September 2006 and was founded by its two directors, Mr Steven Mailey and Mr Jason Lewis, in a management buy-out from the previous owner.

- The Company operated as a Tier 2 commercial construction business for almost 20 years, providing design and quality construction services across commercial, retail, industrial, aged care and multi-unit residential developments.
- The Company typically undertook 10 to 15 projects per year since inception and prided itself on the fact that it maintained trustworthy relationships with repeat clients over many years.
- The Company started operations with ten (10) employees and had grown to a steady thirty-five (35) to forty (40) headcount since 2018.
- The Company is a multi award-winning builder having been awarded the MBA National excellence award 2018; MBA NSW commercial builder of the year 2019; MBA NSW award winner for the Woodglen apartment Building; MBA NSW award winner for the Ravello apartment building; MBA NSW award winner for the ING Commercial Building Wyong; MBA NSW award winner for the Bonython Tower apartment and MBA NSW award winner for the Glengara aged care building.
- The Company conducted works via the engagement of consultants, professionals and subcontractors. Both Directors have extensive experience in the construction industry and oversaw the management of the majority of the contracts as well as the administrative and bookkeeping aspects of the business.
- As per the Directors' notes on the ROCAP, the Company encountered various adverse market conditions and onerous contractual obligations that began with the onset of the Covid-19 pandemic, which resulted in losses on certain significant construction contracts that ultimately led to cashflow and solvency issues.
- It appears that the Company was up to date with its tax obligations and was largely able to maintain creditor claims and discharge current balances up until our appointment. However, on or around 15 May 2024, it became evident that five out of ten future projects the Company expected to win had been placed on hold, delayed or cancelled by developers which had an adverse effect on cashflow forecasts and ability to maintain existing projects to supplement payment of overheads.
- The Directors sought to rectify the Company's forecast adverse cashflows by approaching existing clients and seeking additional funding outside of contract terms to provide the liquidity needed to continue with the Company's current projects. Unfortunately, that did not come to pass, and the Directors sought professional advice regarding the Company's affairs, its cashflow position and the available options for the Company, including Voluntary Administration or a Creditors Voluntary Liquidation.
- On 24 May 2024, the Directors resolved to place the Company into Voluntary Administration and we were appointed Administrators of the Company shortly thereafter, on 27 May 2024.

6. REASONS FOR FAILURE

The Directors have advised, in their view, the following to be the reasons behind the failure of the Company:

- The construction industry faced significant challenges since the onset of the COVID-19 pandemic. Unprecedented disruptions have led to skyrocketing building costs, reduced productivity, and critical shortages of materials and skilled labour. These factors collectively placed immense pressure on the Company, making continued operations unsustainable.
- The Company had five projects that were either cancelled, put on hold or delayed in 2024. This adversely affected overheads and ability to maintain a positive cash flow from January 2025 onwards.
- The projects undertaken by the Company were long range projects that generally started with cost planning, early contractor involvement, design, and then construction. Generally, this process spans four (4) years. The projects currently coming to an end were priced in 2020. These were mainly lump sum contracts. These projects faced severe cost escalation between 2020 and 2024 and became inherently unprofitable.
- Over the past few years and continuing to date, each of the projects faced numerous instances of subcontractors abandoning sites, walking away, or going into liquidation. In each instance Company suffered additional costs in both time and money to find another subcontractor. None of this is recoverable from the Principal.
- Poor economic conditions and escalation of building costs that could not have been predicted.
- All major banks changed their conditions over the past two years for bank guarantee facilities. This resulted in the need to provide 1:1 funding for any bank guarantee facilities. That is, the Company had to provide funds totalling the value of a Bank guarantee which impacted the Company's cash flow by having large amounts of cash locked up.

We agree with the above reasons for failure.

7. CONDUCT OF THE ADMINISTRATION

In summary, during our appointment we have attended to the following major tasks:

- Liaised with clients of the ten (10) projects in relation to notification of our appointment, and status of projects. Negotiated with clients regarding site handover, security, transfer of equipment hire agreements, assistance with documentation handover, access to relevant Company staff, collection of existing progress claims and return of bank guarantees;
- Facilitated limited continued trading and retention of existing Company staff to assist Principals with the handover of each construction site. Managed a gradual reduction in Company staff in line with operational requirements.
- Liaised with the Directors to assist Principals in relation to assembly of essential contract documentation, costs to complete assessments and potential alternate builders for completion of projects;
- Investigated existing insurance covers for the business and took steps to maintain existing policies, including contract works and Professional Indemnity insurance;
- Communicated with employees, creditors and suppliers in relation to the Administration;

- Inspected and secured the Company's physical assets, and arranged for an independent valuation;
- Secured funds held in the Company's pre-appointment bank account;
- Obtained copies of the Company's financial accounts and extracts of financial information from management accounts;
- Conducted preliminary investigations in respect of the historical financial records, including cashflow requirements, security over equipment and retentions over time;
- Reported to creditors and held the first meeting;
- Engaged with the Directors and their lawyers to formulate a DOCA proposal, including various queries and requests for information;
- Conducted investigations of the affairs of the Company, in particular potential voidable transactions and other potential recoveries that may be available to a Liquidator;
- Liaised with the Directors regarding various queries on the Company's financial accounts, and requested further information as needed for our investigations;
- Prepared this Report and convened the second meeting of creditors; and
- Attended to various administrative matters.

8. SALE OF BUSINESS CAMPAIGN

Creditors will recall that in order to preserve the value in the underlying assets we explored options to sell and/or restructure the Companies' affairs. This included retaining the Erina office, maintaining leases and employing staff.

We engaged O'Maras Valuers to prepare an independent valuation of the physical assets at the 10 project sites. We note the forced sale (Liquidation) valuation provides a very limited return, which is not unexpected. Achieving going concern values for the Company's PPE and fit-outs is unlikely in the current distressed sale circumstances, noting that employee entitlements and lease liabilities would need to be adopted by a purchaser of the business.

In terms of the sale process, we publicly advertised the business for sale in the Australian Financial Review. We sought expressions of interest by 12 June 2024, and binding offers by 19 June 2024. We had two (2) parties register interest in the business, complete a Confidentiality Agreement and pay a deposit. We sourced substantial information about the Companies' affairs and set up a Data Room for the parties to conduct due diligence. After substantial engagement with the parties, we obtained no written offers.

9. HISTORICAL FINANCIAL INFORMATION

We have reviewed the Company's externally prepared audited financial statements for FY2020 to FY2023 and available management accounts for the period from FY2024 to the part-period ended 22 May 2024. The management accounts for FY24 are based on reports extracted from the Company's

Zavanti accounting system and have not been reviewed by the Company's external accountant. We have prepared our financial analysis based on the available information, which is discussed below.

9.1 BALANCE SHEETS

Attached as **Annexure "4"** is a comparative analysis of the Balance Sheets for the abovementioned periods.

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

- The Company's assets are largely represented by cash at bank, trade receivables due from clients and retention withheld by clients and WIP. This has remained constant year on year but for the 2022 year.
- The Non-Current Loans and Advances relates to a year-on-year journal entry that was posted to shareholder's loan. We have reviewed this loan account and discussed same with the Directors and the External accountant. The loans origin is an insurance policy taken out for the benefit of the Company should one of the Directors become deceased. In that circumstance, the policy would make a payment to the widow of the deceased shareholder, leaving the surviving Director to remain in control of the Company. It is our view the journals should not have been posted in this manner on the basis that the Insurance premiums paid were to the benefit of the Company. Accordingly, we are of the view this amount is unrecoverable.
- The Tax refund received in the 2023 year and potential receipt in 2024 is a result of the Company making monthly payments to the DCOT for income tax based on previous years profits. We have been advised that the Company may have continued these payments until September 2023 whereupon an amended Tax return was lodged to claim the refund given the Company's significantly reduced profits. We have engaged the external accountant to complete all outstanding lodgements with a view to making a potential further tax refund recovery.
- The Company has always maintained a positive equity position for the past 4 full financial years and had it continued to trade would have maintained this to financial year end 2024, baring a major incident.

9.2 PROFIT AND LOSS STATEMENTS

Attached as **Annexure "5"** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

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

- The Company's revenue has remained relatively constant from 2022 to our appointment. The lower Sales in FY2020 is a direct result of the impact of Covid on the business, together with the effects of "la Nina" years where a record-breaking number of lost days on sites for inclement weather.

- Further a change in account standard AASB 15: Revenue from Contracts with Customers resulted in a significant increase in Revenue in FY2022 along with a increase in Sales brought forward as a result the delays experienced in previous financial years discussed above.
- The Cost of Sales has remined constant from 2022, we note that a 1% decrease in these costs would have had a dramatic effect on the profit achieved year on year from 2022 to appointment. This change, if achieved, would have resulted in a materially higher gross margin and all but removed the losses posted for 2023 and 2024.
- The only other major expense outside of the Costs of Sales are the salaries, which have remained constant as a percentage of revenue from 2021.

10. CURRENT FINANCIAL POSITION

Contained in this section is our analysis of the current financial position of the Company, with regard to the Directors' ROCAP, available financial records and our enquiries to date.

We have included below the assets and liabilities of the Company as reported in the Directors' ROCAP and our projections as to likely current position.

Stevens Construction (NSW) Pty Limited (Administrators Appointed)
ACN 121 684 348
Summary of Director's Report on Company Activities and Property

	Report Reference	Director's ERV (per ROCAP) ($)	Administrators' ERV ($)
Assets			
Cash and Cash Equivalents	10.1.1	9,483,500	11,581,454
Trade Debtors	10.1.2	13,697,439	287,524
Retentions & Bank Guarantees	10.1.2	2,068,033	787,476
Plant and Equipment	10.1.3	26,357	26,075
Security Bond (Council)	10.1.4	56,000	56,000
Tax Refund	10.1.5	TBC	TBC
Other Assets	10.1.6	TBC	TBC
Total Assets		**25,331,329**	**12,738,529**
Liabilities			
Priority Creditors	10.2.1	840,198	1,177,669
Secured Creditors	10.2.2	Nil	5,184,827
Unsecured Creditors:	10.2.3	10,424,270	22,521,334
Total Liabilities		**11,264,468**	**28,908,176**
Estimated Net Asset / (Deficiency)		**14,066,861**	**(16,169,647)**

10.1 ASSETS

10.1.1 Cash and Cash Equivalents

We have made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. These enquiries revealed that the Company maintained accounts with ANZ and St George as at the date of my appointment. With ANZ, the Company held two operating accounts with a credit balance of $5.9M, two term deposits with a credit balance of $3.5M, two credit cards with a debit balance of $13K, and six Trust accounts with $2.07M. With St George, the Company held two credit cards with a debit balance of $680.

As at the date of this Report, we have cancelled the credit cards with ANZ and St George. ANZ continues to hold the Term Deposits and, a portion of the Operating Account funds against their security position and exposure in relation to Bank Guarantees held by Principals. All designated Trust Accounts are frozen, whilst our review of the various contracts is continued.

To date we have received $4.5M in cash recoveries. Furthermore, a sum of $750K was transferred from the Company's pre-appointment bank account to our trust account, immediately prior to our appointment.

Our enquiries have not located any other active bank accounts held by the Company.

10.1.2 Trade Debtors, Retentions and Bank Guarantees

Shortly prior to our appointment the Company issued progress payment claims in respect of the various construction projects being undertaken. The current value of debtors is largely made up of such claims. There are various other smaller claims which the Company asserts are owed on other older projects. In all cases the Administrators, together with the Company's Directors and staff, have been attempting to negotiate payment of the amounts claimed. Five claims have been settled where cash of $287,524 has been received. Furthermore, a bank guarantee with a value of $368,774 has been returned to ANZ with a corresponding release of cash in the same amount. Further settlements are expected over the next weeks which the Administrators expect will materially improve the returns to creditors. The commercial terms of the settlements will remain confidential whilst negotiations with the remaining principals remain ongoing. We will report further on the terms of settlements once all negotiations have concluded. Any claims not settled will be (and in some cases have already been) referred to our legal advisors for recovery action.

Stevens also maintained a trust account with ANZ and deposited to it various subcontractor retentions as required by relevant legislation. The administrators have not realised this bank account and the funds remain available to subcontractors once they become contractually entitled to them. We have been negotiating with the various Principals for the subcontractor retentions to be handed over to them to be paid to subcontractors in due course. Subcontractor consent will be required for such transfers to occur.

10.1.3 PPE and Stock on Hand

The Company held a small amount of PPE, office furniture and equipment at each project site. On our appointment we engaged O'Maras to attend the premises and prepare an independent valuation of

the physical assets. That valuation indicated that there was some limited value in the assets, which could be realised for creditors' benefit.

Accordingly, we negotiated for the Company to continue to occupy the premises, whilst a public auction could be run in the coming 2-3 weeks. The Company held little or no stock, where we understand that stock would be acquired as needed for projects and installed directly at sites.

The gross recovery from these physical assets may be in the order of $20K, less realisation costs (such as handling, commissions and other auction costs).

10.1.4 Security Deposit

Prior to commencement of the Greenwich project the Company was required to lodge a $56,000 security deposit with Lane Cove Municipal Council. With that project having reached practical completion it is expected that the security deposit will be released in due course.

10.1.5 Tax Refund

The management accounts indicate that the Company has a tax refund of $900K owed to it. Our review of underlying ledgers indicates that the historical accounting for tax transactions has not been recorded accurately in the management accounts.

Our enquiries indicate that the DCOT is not a creditor of the Company at this time and once all lodgements are complete, we will know if the DCOT is a net debtor or creditor of the Company.

10.1.6 Other Assets

The Company's management accounts reported a prepayment in the amount of $41K, which relates to prepaid IT expenses. As we are in the middle of negotiations with the principals and are continuing to employ staff, this pre-payment is required, and is otherwise not realisable.

Additionally, there a number of other claims against consultants and others wherein the Company claims to have suffered loss as a result of the consultant's advice or actions. We are compiling details and documentation in respect of such claims and will seek legal advice as to whether they are worth pursuing.

10.2 LIABILITIES

10.2.1 Priority Creditors

The Company employed thirty-nine (39) staff members as at the date of appointment. The Director disclosed in his ROCAP that eighteen (18) full-time employees are owed approximately $429K in respect of outstanding annual leave entitlements. This does not include any entitlements that may be crystallised if there were to be terminations of staff, i.e. PILN or redundancy. To date, nineteen (19) employees were provided notice of termination of their employment by way of formal redundancy.

All residual claims of terminated employees would be paid through as priority creditor claims, estimated to be as follows:

Entitlements	Administrators' ERV $
Annual Leave	281,594.65
Long Service Leave	198,029.60
Payment in Lieu of Notice	222,390.77
Redundancy	475,653.74
Total	**1,177,668.76**

Fair Entitlements Guarantee

In a Liquidation scenario, employees may be eligible to apply to the Federal Government, which has established a safety net scheme known as FEG, for payment of their outstanding entitlements (there than superannuation). FEG is administered by the Department of Employment and Workplace Relations for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements. The FEG scheme is not available in a DOCA scenario.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- The employee must be an Australian citizen or permanent resident (contact FEG for further details); and
- The end of their employment must be due to the insolvency of the employer; or have occurred less than six (6) months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- Up to thirteen (13) weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- Unpaid annual leave and long service leave;
- Up to a maximum of five (5) weeks unpaid payment in lieu of notice;
- Up to a maximum of four (4) weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- Outstanding superannuation entitlements;
- Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement or written contract of employment provides they are payable upon termination of employment; and
- Employee entitlements of the Directors and related party Creditors.

Please note that FEG will only assess claims if the Company is placed into Liquidation.

As the Company has sufficient funds to meet the claims of employee creditors it is expected that employees will not be required to utilise the FEG Scheme.

Should you wish to obtain further information, FEG may be contacted reached on 1300 135 040. Alternatively, you may visit their website at: https://www.dewr.gov.au/fair-entitlements-guarantee.

10.2.2 Secured Creditors

As mentioned previously, fourteen (14) parties have registered security interests against the Company on the PPSR. **Annexure "6"** provides a summary of these registered security interests.

We note that unsecured claims detailed in the Annexure are included in the Trade Creditors portion of the Unsecured Creditors balance, discussed below.

10.2.3 Unsecured Creditors

The Directors have advised, in their view, the Company owes its creditors approximately $10M as at appointment, however upon our request, have undertaken a review of the progress claims and retentions owed to suppliers and have provided a revised figure as at the beginning of June 2024.

Below is summary of the unsecured claims provided by Directors' and the claims received by us via creditor POD lodgements:

Directors ROCAP (as at 27 May 2024)	Amount $
Subcontractor	5,784,246
Supplier	4,640,024
Total	**10,424,270**

Directors ERV (as at June 2024)	Amount $
Subcontractor	14,396,517
Supplier	674,283
Total	**15,070,800**

Claims lodged in the Administration	Amount $
Subcontractor	12,888,963
Supplier	565,335
Principals	9,067,036
Total	**22,521,334**

Incorporating the PODs received to date, the estimated claims from trade creditors in relation to goods supplied, services provided, and retention amounts total approximately $2M, from various subcontractors, suppliers, professionals and consultants incurred in the ordinary trade of the business. As the Company had three (3) projects at practical completion and was unable to complete the remaining seven (7) projects at the time of our appointment, the Directors have provided an estimate of the costs to complete the remaining work on each project, which indicates there may be a recovery from retentions held by Principals in the form of bank guarantees supported by cash at bank. However, those estimates do not include the costs that may be incurred replacing the builders, delays on the contract or potential defect costs. The net creditor claim from clients or recovery on the retentions will not be known until the projects are completed and the defect liability period expires.

11. PRELIMINARY INVESTIGATIONS

11.1 OVERVIEW

During the course of the Administration, we have conducted investigations into the affairs of the Company 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.

11.2 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 Company's affairs are preliminary at this stage. The interim findings discussed below are based on the available records reviewed and under time constraints. A Liquidator would conduct more detailed investigations, provided that necessary funding is available.

11.3 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).

The books and records received to date comprise of the following:

- Constitution / Memorandum of Articles of Association;
- Purchases Journal and Supplier Invoices;

- Sales Journal and Sales Invoices;
- Bank Guarantees, Insurances, Petty Cash payments, Retention Reports;
- Employee records, weekly payroll reports, Payroll Journals & Superannuation payments;
- Extracts of the Company's management accounts maintained via Zavanti;
- Electronic financial records and reports, including transaction listings.
- Debtors/Creditors Ledger balanced and reconciled with General Ledger;
- Plant or asset registers, stock records, depreciation schedules.
- Income Tax Returns and Business Activity Statements;
- Audited financial statements and working papers;
- Client project documents;
- OH&S Reports; and
- Reconciled Bank statements.

The management accounts appear to be reasonably complete and reliable in respect of the business transaction activity, including debtors and creditors.

Accordingly, our preliminary view is that the Company has maintained sufficient books and records to meet the requirements of Section 286 of the Act.

11.4 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).

11.5 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 Company should be placed into Liquidation, and so may be relevant to the decisions Creditors take at the forthcoming Second Meeting of Creditors.

11.5.1 What Is Insolvent Trading?

Insolvent Trading is the incurrence of a debt or liability at a time when the Company is insolvent and when the Director(s) have reasonable grounds to suspect, or a person in their position would have suspected, that the Company was insolvent.

If such a debt or liability is incurred, a Court may require the Director(s) to pay an amount of compensation to a Liquidator of the Company 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 Company's 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 against a company in liquidation must:

- demonstrate Insolvency
- show that the Director(s) suspected, or should have suspected, insolvency;
- show that a debt or liability was incurred at a time that the company was insolvent; and
- 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 a competent and 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; and/or
- the Director may assert a defence that they have relief from insolvent trading by way of using the Safe Harbour regime contained in the Corporations Act; and/or
- the government provided legislative relief from insolvent trading from March to December 2020 in response to the COVID-19 pandemic.

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 Director(s). 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 Director(s) 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 Defendants' 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 Director(s) 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.

11.5.2 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 "cashflow" test: it is focused 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 cashflow 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 Company 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.

11.5.3 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 Director(s) first learnt of circumstances that could indicate insolvency. That review is typically through 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.

11.5.4 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.

11.5.5 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 cost 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 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. Many factors will impact the decision of funding from prospective litigation funders. Some litigation funders may require further information about recoveries from claims against directors and/or the strength of any defence by directors. Accordingly, litigation funders could provide funding conditional on a public examination first being conducted on persons of interest in the affairs of the Company. A public examination is a formal process conducted by a Liquidator in an open court in which the liquidator can make enquires about and obtain information about a company's affairs, history and management. If the Liquidator decides to conduct a public examination, the Liquidator will likely seek legal assistance which can also impact the total sum available to creditors if recoveries are made.

11.5.6 Legal controversy

There are two (2) controversial areas of insolvency law that bear 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.

11.6 ASSESSMENT OF INSOLVENCY

Our assessment has been based on the information available to us from the Company's records, from information provided by the Directors and their advisors, and Creditors and on the basis of separate investigations of the Company's affairs. As noted above, this assessment has been undertaken on a preliminary basis. If the Company is placed into Liquidation and litigation were contemplated, we would need to undertake a more thorough and rigorous assessment. We would also need to obtain legal advice and gather substantial further evidence, including potentially holding public examinations of the relevant parties.

Our assessment of the Company's solvency is detailed below.

11.6.1 Working Capital Analysis

A working capital analysis is generally based on a review of the Company's financial records and management accounts to determine whether there were sufficient current assets to meet current liabilities, including any adjustments to the reported current assets and current liabilities.

The current ratio compares current assets to current liabilities. A current ratio over 1 indicates that there are sufficient current assets to meet current liabilities.

The working capital analysis has been prepared based on the Company's available financial statements and management accounts.

Working Capital Analysis	Year Ended 30-Jun-20 ($)	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 26-May-24 ($)
Current Assets	61,539,508	71,747,126	47,662,764	67,064,744	67,375,422
Current Liabilities	60,234,661	68,573,567	44,430,601	64,112,962	60,096,615
Net Working Capital	**1,304,847**	**3,173,559**	**3,232,163**	**2,951,782**	**7,278,807**
Current Asset Ratio	**1.02**	**1.05**	**1.07**	**1.05**	**1.12**

Based on the above, the Company appears to have maintained a healthy current asset ratio above one (1) for all years from 2020 to 2024. The Directors have advised that their cash flow forecast showed the Company becoming insolvent within the next six (6) months.

11.6.2 Balance Sheet Analysis

A summary of the net asset position is provided in the table below:

Net Asset Analysis	Year Ended 30-Jun-20 ($)	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 26-May-24 ($)
Total Assets	66,173,130	75,210,684	52,452,207	71,165,333	70,437,230
Total Liabilities	(62,541,664)	(69,855,918)	(46,888,130)	(66,385,230)	(65,983,304)
Net Asset Position	**3,631,466**	**5,354,766**	**5,564,077**	**4,780,103**	**4,453,926**

The Company reported a healthy net asset since 2020 until the date of our appointment. We note in the financial year 2020, the Company experienced significant financial challenges during Covid19 lockdowns when building works were significantly interrupted delaying the Completion of several

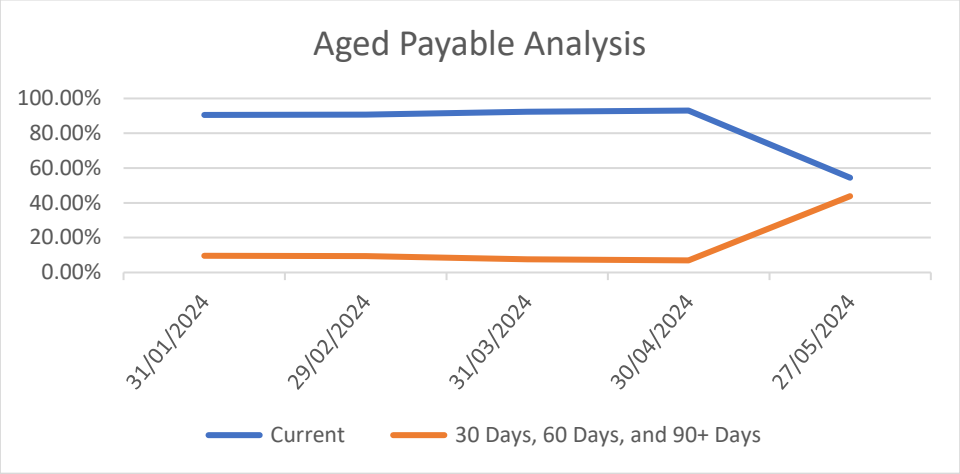
projects the costs of which under fixed priced contracts were unrecoverable in negotiations with the respective contract Principal. This eventually resulted in a decrease in working capital in the years leading up to 2024.

11.6.3 Aged Payables Analysis

A review of the Aged Payable reports extracted from the management accounts indicate that creditors remain largely current up to April 2024. The fall in ageing of creditor claims denoted in May 2024 is because the Company generally paid its creditors at the end of each month. Below is a summary of the Aged Payable reports and our analysis of the ageing.

Our review has not identified any project and or subcontractor or supplier being paid outside trading terms, or a particular project being favoured. We understand there were instances where the Company had become aware that a particular subcontractor had not paid its contractors and in that case the Company paid those sub-contractors contractors directly.

Date	Current	30 Days, 60 Days, and 90 Days+
31/01/2024	90.46%	9.54%
29/02/2024	90.65%	9.35%
31/03/2024	92.39%	7.61%
30/04/2024	93.05%	6.95%
27/05/2024	54.45%	43.85%



11.6.4 Indicators of Insolvency

In addition, we have observed the following facts relevant to the solvency of the Company:

- The Company has posted a loss in FY2023 and based on the management accounts for 2024, would also post a loss for inFY2024. However, we note the Company has more than enough retained earnings to cover these losses assuming continued operations.
- The Company has maintained a liquidity ratio above one (1), which demonstrates it had sufficient current assets to cover its current liabilities.
- There are no overdue Government taxes that we are aware of currently. The Directors have advised that all lodgements were up to date.
- The Company maintained a good relationship with its bank.
- The Directors advised that they didn't want to contribute any capital or loans into the business, thus bringing on the appointment of the Administrators.
- The Directors cashflow forecasts detail the Company becoming insolvent within 6 months.
- The aged payables as at the date of appointment details those creditors total $5,321,602 and the Company holding cash of $5,070,127.

In summary in the period immediately before the Administrators' appointment the Company displayed none of the usual indicators of insolvency.

11.6.5 Potential Amount of Claim

Determining the value of an insolvent trading or breach of duty claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Company was insolvent.

If we take the aged payables away from the cash available to pay same, the potential claim is $251,475 however this does not take into account any Receivables. It should be noted we have not reviewed any of the invoices for aged payables to confirm that all of the $5,321,602 was due and payable and none were disputed by the Company as at the date of our appointment.

If the Company is placed into Liquidation, a Liquidator may conduct further enquiries on the solvency and claims.

11.6.6 Defences Available

In respect of pursuing insolvent trading claims, we note that a defence may be available under the Act where a 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;
- They took all reasonable steps to prevent the company incurring the debt; or
- If the Director availed himself of the protections under the Safe Harbour regime.

Given we believe there is no insolvent trading claim that can be brought against the directors, whether any of the above defences are available to them is currently moot. However, a Liquidator would conduct further investigations and consider potential defences, before pursuing any recovery action.

12. 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 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 "10"**.

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

12.1 VOIDABLE TRANSACTION PROVISIONS

12.1.1 Unfair Preferences

An unfair preference results when the Company and a Creditor are parties to a transaction(s) and the Creditor receives more than it would receive if the transaction(s) are 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 our appointment, if the Company is insolvent at that time, known as the RBP.

We refer to our previous discussion in relation to our preliminary investigations on the Company's solvency position. It is our preliminary view that the Company was solvent on or around 27 May 2024.

Notwithstanding, from review of the Company's bank statements in conjunction with the books and records, we have not identified any payments that would be considered preferential in nature. Our investigations to date suggest creditors who received payment during the month of May, were paid under ordinary trading terms.

Further investigations would be undertaken by a Liquidator if appointed.

12.1.2 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 our appointment.

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

12.1.3 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.

Our preliminary investigations have not identified any unfair loans.

12.1.4 Uncommercial Transactions

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.

Our preliminary investigations have not identified any uncommercial transactions.

12.1.5 Discharge of Related Party Debts (S588FH)

A transaction is considered to have discharged a related party's debt if funds from the Company are used to pay that Creditor which has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise) of a related entity the Company.

We have not identified any other claim for discharge of related party debts.

12.1.6 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.

We have not identified any securities registered within six (6) months before the relation-back day.

13. BREACH OF DUTY CLAIMS

We have considered whether there are any potential breach of duty claims to be pursued against the Directors or other parties. We have not identified any such claims.

14. SUMMARY OF POTENTIAL OFFENCES

We have not identified any potential contraventions of Act to consider in a Liquidation scenario.

14.1 REPORT TO ASIC

As we have not identified any potential offences by the Directors, we do not intend to lodge a confidential report to ASIC pursuant to Section 438D of the Act or Section 533 of the Act if the Company is wound up and we are appointed Liquidators. Estimated Return to Creditors

The likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- the size and complexity of the administration.
- the statutory priority of certain claims and costs;
- the value of various classes of claims including secured, priority and unsecured creditor claims;
- The damages claim lodged by principals to contracts; and
- the volume of enquiries by creditors and other stakeholders.

Summary of Return to Creditors	DOCA High ($)	DOCA Low ($)	Liquidation High ($)	Liquidation Low ($)
Priority Creditors	100	100	100	100

We anticipate that all Priority Creditor claims will be paid 100 cents in the dollar on their claims against the Company. Should the Company be placed into DOCA or Liquidation at the upcoming Creditors meeting, we hope to pay this distribution within two (2) months of the Company entering liquidation.

We have purposely not attempted to project the potential dividend to Unsecured Creditors currently for the following reasons:

- Only 65% of creditors have lodged a proof of debt.

- Several Creditors have lodged a proof of debt that includes retentions that are currently not due to them.
- The potential for a principal to lodge material damages claims in the Liquidation as evidence by the claims received on the day of the last meeting of $3.4M and $4M from Principals.

We encourage any creditors who have not already done so, to lodge a Formal Proof of Debt ("POD") together with relevant supporting documentation. A copy of the POD is attached as **Annexure "2"** in this regard.

15. RECOMMENDATION OF ADMINISTRATORS

Pursuant to Rule 75-225(3) of the IPR, 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 Company to execute a DOCA;
- Whether it would be in the Creditors' interests for the administration to end;
- Whether it would be in the Creditors' interests for the Company to be wound up.

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

15.1 DEED OF COMPANY ARRANGEMENT

Creditors may resolve that the Company should execute a DOCA, however no party has proposed a DOCA, and we do not believe it is in the interest of Creditors.

Based on the above factors, we do not recommend that the creditors resolve in favour of a DOCA.

15.2 ADMINISTRATION TO END

Creditors may resolve that the Administration of the Company should end, and that control of the Company should be handed back to its Directors.

The directors have no desire for the Company to continue in operation

We do not recommend that creditors resolve the Administration end.

15.3 LIQUIDATION

Should creditors decide to wind up the Company, the Administration would convert to a Creditors Voluntary Liquidation, and we would become the Liquidators.

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 identified.

The return to unsecured creditors is dependent on the quantum of damages claims received from principals. The Liquidators will continue negotiations with principals to limit the damages claims and seek payment of outstanding progress claims and return of bank guarantees.

Whilst as Liquidators we will continue with our investigations into the Company's affairs our preliminary view is that it is unlikely any meaningful return will be gained from them.

We recommend that creditors resolve to wind up the Company.

16. RECEIPTS AND PAYMENTS

The receipts and payments up to date of this report are attached as "**Annexure 12"**.

17. REMUNERATION OF ADMINISTRATORS / DEED ADMINISTRATORS / LIQUIDATORS

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure "7"** which details the major tasks that have been and will be conducted in this administration. 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 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.

For Creditors' information, ASIC information sheets **(Annexure "9")** that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- http://www.asic.gov.au/insolvencyinfosheets
- http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet

17.1 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 Report, attached as **Annexure "7"** for further details.

17.2 DEED OF COMPANY ARRANGEMENT PERIOD

In the unlikely event that a DOCA proposal is received between now and the date of the second meet and if creditors approve the DOCA Proposal, the Deed Proponent has fifteen (15) business days to execute the DOCA. If executed, we, Andrew Cummins, Jonathon Keenan and Peter Krejci, will be appointed Deed Administrators. In those circumstances, at the forthcoming meeting, we will also seek approval for our estimated remuneration to conduct the DOCA. The attached remuneration report

details an estimate of the costs likely to be incurred in the DOCA. It is an estimate only and may change depending on matters which occur during the course of the DOCA.

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

17.3 LIQUIDATION PERIOD

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

If we are to be appointed Liquidators, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the initial costs likely to be incurred in a liquidation scenario. It is an interim estimate only and actual costs may be quite different, depending on the work required and/or if litigation is pursued, which may be significant. Therefore, the estimate may change depending on matters which occur during the course of the liquidation.

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

18. SECOND MEETING OF CREDITORS

The Second Meeting of Creditors will be held on Tuesday, 2 July 2024 at 11:00AM AEST. The formal Notice of Meeting is attached as **Annexure "1"** for your reference. Virtual meeting facilities will be available.

The purpose of the Second Meeting of Creditors is to enable Creditors to consider the Administrators' Report pursuant to Rule 75-225 of the IPR and to determine the Company's future.

To participate as a Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor. To submit a POD, please login into the Creditor Portal: https://exad.com.au/bri/stevensconstruction using your Creditor ID and Passcode and proceed with the 'Register your debt' option on the Creditor Dashboard. If you have previously provided a proof of debt and wish to supplement it, 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. To submit a POD, please login into the Creditor Portal: https://exad.com.au/bri/stevensconstruction using your Creditor ID and Passcode and proceed with the 'Exercise your vote'' option on the Creditor Dashboard. Persons attending on behalf of a corporate entity are required to submit a proxy on behalf of that entity. **Proxies from the First Meeting cannot be used at the Second Meeting and it is necessary for Creditors attending to submit new proxies for the Second Meeting of Creditors.**

- A specific proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging specific 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.

19. QUERIES

The BRI Ferrier staff member responsible for this matter is as follows:

- BRI Contact: Joshua Coorey
- Phone: (02) 8263 2333
- Email: jcoorey@brifnsw.com.au (preferred)
- Mailing: GPO Box 7079, Sydney NSW 2001

Yours faithfully,
STEVENS CONSTRUCTION (NSW) PTY LIMITED (ADMINISTRATORS APPOINTED)

PETER KREJCI
Joint and Several Administrator

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "1"
Notice of Second Meeting of Creditors

CORPORATIONS ACT 2001
Section 436E

Section 436E
Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20, 75-35

NOTICE OF SECOND MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION

STEVENS CONSTRUCTION (NSW) PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 121 684 348
ABN 65 121 684 348

("THE COMPANY")

NOTICE is given that a Meeting of Creditors will be held on **Tuesday, 2 July 2024 at 11:00 AM AEST**. This meeting will be held at the Gosford RSL Club, 26 Central Coast Hwy, West Gosford, NSW 2250.

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

https://us06web.zoom.us/meeting/register/tZEpc--hqDwoGNHKbHKVOcwZ8IM6yTDMaEqr

A G E N D A

1. To receive the Report of the Administrators and receive questions from creditors.
2. To determine the current remuneration of the Administrators.
3. To determine the future remuneration of the Administrators.
4. To consider the internal disbursements of the Administrators
5. For Creditors to resolve:
    a. That the Company execute a Deed of Company Arrangement; or
    b. That the administration should end; or
    c. That the Company be wound up.
6. If Creditors resolve to enter into a Deed of Company Arrangement;
    a. To consider approving the remuneration of the Deed Administrator(s); and
    b. To consider approving the internal disbursements of the Deed Administrator(s).
7. If Creditors resolve to wind up the Company:
    a. To consider approving the remuneration of the Liquidator(s);
    b. To consider approving the internal disbursements of the Liquidator(s); and
    c. To consider the early destruction of the Company books and records.
8. To consider any other business that may be lawfully brought forward.

Notes:

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

Proxy forms must be given to the Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Special Instructions for Meeting

Attendees who wish the attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrators.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 25th day of June 2024.

PETER KREJCI, ANDREW CUMMINS & JONATHON KEENAN
JOINT AND SEVERAL ADMINISTRATORS

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

Telephone: (02) 8044 0531

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

(1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

(2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

(3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
- (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
  - (i) those particulars; or
  - (ii) if required—a formal proof of the debt or claim.

(4) A creditor must not vote in respect of:

- (a) an unliquidated debt; or
- (b) a contingent debt; or
- (c) an unliquidated or a contingent claim; or
- (d) a debt the value of which is not established;

unless a just estimate of its value has been made.

(5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:

- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
- (b) estimate its value;
- (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

(6) A person is covered by this subsection if:

- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
- (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
- (c) the person is not an insolvent under administration or a person against whom a winding up order is in force

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "2"
Formal Proof of Debt or Claim Form

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of Stevens Construction (NSW) Pty Limited (Administrators Appointed) ACN 121 684 348

1. This is to state that the company was, on 27 May 2024 (1) and still is, justly and truly indebted to(2) (full name):

.....
('Creditor')

.....
of (full address)

for $ ..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration(3) state how the debt arose	Amount $	GST included $	Remarks(4) include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following: .....

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 $ c	Due Date

☐ I am **not** a related creditor of the Company (5)

☐ I am a related creditor of the Company (5)
relationship:_____

3A.(6)* 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.

3B.(6)* I am the creditor's agent authorised 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.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents. Please provide your email address below:

Contact Name: _____

Email Address: _____

DATED this……..day of……2024

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

OFFICE USE ONLY

POD No:		ADMIT (**Voting / Dividend**) - Ordinary	$
Date Received:	/ /	ADMIT (**Voting / Dividend**) – Preferential	$
Entered into CORE IPS:		Reject (**Voting / Dividend**)	$
Amount per CRA/RATA	$	Object or H/Over for Consideration	$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		**TOTAL PROOF**	$
DATE AUTHORISED / /			

Proof of Debt Form 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) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.

(6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

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.

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "3"
Appointment of Proxy Form

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-25 & 75-150

APPOINTMENT OF PROXY

STEVENS CONSTRUCTION (NSW) PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 121 684 348
("THE COMPANY")

*I/*We[1]……of……

a creditor of **Stevens Construction (NSW) Pty Limited (Administrators Appointed)**, appoint[2] …… 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 Tuesday, 2 July 2024 at 11:00 AM AEST, or at any adjournment of that meeting.

Please mark any boxes with an **X**

Proxy Type: ☐ General ☐ Special

	For	Against	Abstain
Resolution 1: *"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 27 May 2024 to 21 June 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024, be fixed and approved at $399,882.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."*	☐	☐	☐
Resolution 2: *"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 22 June 2024 to conclusion of the VA be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024 and approved to an interim cap of $150,118.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."*	☐	☐	☐
Resolution 3: *"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 27 May 2024 to the conclusion of the Voluntary Administration at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 25 June 2024, up to an amount of $2,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."*	☐	☐	☐

Resolution 4[3]**:** *"That the Company execute a Deed of Company Arrangement."*	☐	☐	☐
Resolution 5[3]**:** *"That the Voluntary Administration should end."*	☐	☐	☐
Resolution 6[3]**:** *"That the Company be wound up."*	☐	☐	☐
If creditors resolve that the Company execute a Deed of Company Arrangement:			
Resolution 7: *"That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024, and approved to an interim cap of $100,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."*	☐	☐	☐
Resolution 8: *"That the Joint and Several Deed Administrators be allowed internal disbursements from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 22 January 2024, up to an amount of $2,000.00 (plus GST) and that the Deed Administrators be authorised to draw that amount as accrued."*	☐	☐	☐
If creditors resolve that the Company be wound up:			
Resolution 9: *"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 2 July 2024 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 25 June 2024, and approved to an interim cap of $200,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."*	☐	☐	☐

Resolution 10: *"That the Joint and Several Liquidators be allowed internal disbursements for the period 2 July 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 25 June 2024, up to an amount of $2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."*	☐	☐	☐
Resolution 11: *"That subject to the consent of the Australian Securities & Investments Commission, the Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."*	☐	☐	☐

INSTRUCTIONS FOR COMPLETING:

* Strike out if inapplicable.
(1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.
(3) You may only vote in "favour" for one of these 2 resolutions relating to the future of the Company. You must vote "against" the other 1 resolution.

DATED this .....day of …… 2024

_____
Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by: Email: smandira@brifnsw.com.au, or Fax: (02) 8263 2333, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the 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 …….. 2024

Signature of Witness: .....

Description: .....

Place of Residence: .....

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "4"
Comparative Balance Sheets

Stevens Construction (NSW) Pty Limited (Administrators Appointed)
ACN 121 684 348
Comparative Balance Sheets
For the Financial Years Ended 30 Jun 2020 to 30 Jun 2023 and Part-Year Ended 22 May 2024

	Year Ended 30-Jun-20 ($)	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 22-May-24 ($)
ASSETS					
Current Assets					
Cash and cash equivalents	10,081,268	13,111,179	12,841,110	8,312,930	10,614,062
Trade and other receivables	51,312,135	58,452,063	34,593,821	56,411,722	55,819,209
Loans and advances	6,533	8,730	-	17,199	-
Current tax receivable	-	-	-	2,116,464	900,738
Other assets	139,572	175,154	227,833	206,429	41,414
Total Current Assets	**61,539,508**	**71,747,126**	**47,662,764**	**67,064,744**	**67,375,422**
Non-Current Assets					
Loans and advances	1,138,522	1,090,551	1,043,567	979,026	17,917
Property, plant and equipment	1,706,318	1,514,457	1,380,805	1,241,805	1,164,131
Deferred tax assets	1,615,969	685,737	2,192,258	1,741,508	1,741,508
Intangible assets	172,813	172,813	172,813	138,250	138,251
Total Non-Current Assets	**4,633,622**	**3,463,558**	**4,789,443**	**4,100,589**	**3,061,808**
TOTAL ASSETS	**66,173,130**	**75,210,684**	**52,452,207**	**71,165,333**	**70,437,230**
LIABILITIES					
Current Liabilities					
Trade and other payables	10,837,613	10,345,908	11,567,993	12,832,177	7,701,816
Contract liabilities	49,227,820	58,060,397	32,688,069	51,101,233	52,349,073
Lease liabilities	169,228	167,262	174,539	179,552	45,726
Total Current Liabilities	**60,234,661**	**68,573,567**	**44,430,601**	**64,112,962**	**60,096,615**
Non-Current Liabilities					
Deferred tax liabilities	974,754	97,739	1,371,783	1,303,113	1,303,113
Deferred income retention	-	-	-	-	3,614,421
Lease liabilities	1,332,249	1,184,612	1,085,746	969,155	969,155
Income tax expense	-	-	-	-	437,553
Total Non-Current Liabilities	**2,307,003**	**1,282,351**	**2,457,529**	**2,272,268**	**6,324,242**
TOTAL LIABILITIES	**62,541,664**	**69,855,918**	**46,888,130**	**66,385,230**	**66,420,857**
NET ASSETS	**3,631,466**	**5,354,766**	**5,564,077**	**4,780,103**	**4,016,373**
EQUITY					
Issued capital	5	5	5	5	5
Retained Earnings	7,058,599	3,631,461	5,354,761	5,564,072	4,016,368
Current Earnings	(3,227,138)	2,073,300	467,311	(473,974)	-
Dividends Paid	(200,000)	(350,000)	(258,000)	(310,000)	-
TOTAL EQUITY	**3,631,466**	**5,354,766**	**5,564,077**	**4,780,103**	**4,016,373**

Net Asset Analysis

Stevens Construction (NSW) Pty Limited (Administrators Appointed) Year Ended	30-Jun-20	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 26-May-24 ($)
Total Assets	66,173,130	75,210,684	52,452,207	71,165,333	70,437,230
Total Liabilities	(62,541,664)	(69,855,918)	(46,888,130)	(66,385,230)	(66,420,857)
Net Asset Position	**3,631,466**	**5,354,766**	**5,564,077**	**4,780,103**	**4,016,373**

Working Capital Analysis

Stevens Construction (NSW) Pty Limited (Administrators Appointed) Year Ended	30-Jun-20	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 26-May-24 ($)
Current Assets	61,539,508	71,747,126	47,662,764	67,064,744	67,375,422
Current Liabilities	60,234,661	68,573,567	44,430,601	64,112,962	60,096,615
Net Working Capital	**1,304,847**	**3,173,559**	**3,232,163**	**2,951,782**	**7,278,807**
Current Asset Ratio	**1.02**	**1.05**	**1.07**	**1.05**	**1.12**

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "5"
Comparative Profit and Loss Statements

Stevens Construction (NSW) Pty Limited (Administrators Appointed)
ACN 121 684 348
Comparative Profit and Loss Statements
For the Financial Years Ended 30 Jun 2020 to 30 Jun 2023 and Part-Year Ended 22 May 2024

	Year Ended 30-Jun-20 ($)	Year Ended 30-Jun-21 ($)	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Period Ended 22-May-24 ($)
Income					
Interest income	101,365	73,394	70,690	371,552	173,348
Construction revenue	4,200,940	28,213,522	63,716,214	54,211,053	53,841,783
Total Income	**4,302,305**	**28,286,916**	**63,786,904**	**54,582,605**	**54,015,131**
Other Income					
Other Income	257,838	736,688	335,187	43,988	30,205
Total Other Income	**257,838**	**736,688**	**335,187**	**43,988**	**30,205**
Total Operating Income	**4,560,143**	**29,023,604**	**64,122,091**	**54,626,593**	**54,045,336**
Cost of Sales	5,782,979	23,210,623	59,347,841	50,685,489	51,175,986
Gross Profit	**(1,222,836)**	**5,812,981**	**4,774,250**	**3,941,104**	**2,869,350**
Expenses					
Accounting fees	44,179	50,861	59,790	58,975	49,145
Administration and management fees	254	6,721	4,369	38	180
Advertising	57,080	34,232	31,351	43,354	23,254
Amortisation	-	-	-	34,563	-
Auditors remuneration - parent entity	18,394	25,499	26,000	25,973	27,278
Bad debts	50,000	(50,000)	-	52,911	-
Bank charges	53,359	71,461	124,197	111,599	104,056
Cleaning	35,211	33,251	33,047	37,457	30,502
Computer expenses	44,331	43,560	41,838	88,317	84,606
Conference/Seminar costs	2,002	1,965	2,478	2,840	1,482
Consulting and professional fees	-	1,600	6,559	7,309	-
Depreciation	165,298	245,853	264,346	245,888	133,826
Donations	-	73	1,800	106	100
Electricity and water	6,508	8,317	8,933	7,828	9,393
Entertainment	-	9,223	-	-	-
Fines	-	-	-	-	79
Fringe benefits tax	4,271	3,246	2,835	2,915	-
Interest paid	1,026	798	19	829	22,730
Insurance	357,072	332,105	418,265	587,167	994,519
Lease rentals on operating lease	241,655	23,951	60,470	8,601	51,132
Leave pay	21,044	48,835	24,980	41,417	-
Long service leave	(4,905)	73,939	(48,444)	35,638	-
Market research	-	-	-	294	-
Motor vehicle expenses	29,086	27,129	39,248	36,131	43,222
Operating expenses	27,150	(7,917)	(6,327)	-	-
Other employee costs	114,134	148,394	221,389	428,802	570,373
Printing and stationery	23,180	20,639	31,306	31,148	26,564
Registration fees	11,726	10,023	12,450	12,374	600
Repairs and maintenance	4,022	2,695	5,292	4,384	4,558
Salaries	1,513,034	1,399,162	2,138,690	2,161,950	3,949,519
Wages Recouped	-	-	-	-	(3,580,014)
Staff training	2,393	4,144	5,265	8,133	164
Staff amenities	19,653	9,307	23,512	23,820	29,251
Subscriptions	26,036	43,699	106,163	133,917	152,494
Superannuation contributions	348,737	328,669	447,969	586,046	447,595
Telephone and fax	31,422	26,853	35,725	31,907	18,919
Total Expenses	**3,247,352**	**2,978,287**	**4,123,515**	**4,852,631**	**3,195,527**
Profit / (Loss) Before Income Tax	(4,470,188)	2,834,694	650,735	(911,527)	(326,177)
Income Tax Expense	1,243,052	(761,394)	(183,424)	437,553	-
Profit / (Loss) After Income Tax	**(3,227,136)**	**2,073,300**	**467,311**	**(473,974)**	**(326,177)**
Dividend Paid	(200,000)	(350,000)	(258,000)	(310,000)	-
Net Profit / (Loss) After Dividends Paid	**(3,427,136)**	**1,723,300**	**209,311**	**(783,974)**	**(326,177)**
Retained Profits (Accum Losses) - Opening Balance	7,058,599	3,631,463	5,354,763	5,564,074	4,780,100
Retained Profits (Accum Losses) - Closing Balance	3,631,463	5,354,763	5,564,074	4,780,100	4,453,923

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "6"
Company PPSR Registrations

Registration Number	Secured Party	Start Date	Collateral	Particulars	Status	Unsecured Claim ($)	Secured Claim amount ($)
202404160012309	Active Crane Hire Pty Ltd	16/04/2024	Other Goods	Hydraulic Loading Deck BAB HLD2200 SN_A2202CF0064 installed at 6 Tarragal Glen Ave, Erina Fair	Documents Received	87,869.10	-
202404180014325	Active Crane Hire Pty Ltd	18/04/2024	Other Goods	Hydraulic Loading Deck - BAB HLD2200 SN_A2212CF0148 installed at 118A Soldiers Point, Soldiers Point	Documents Received		
202309010016272	Active Crane Hire Pty Ltd	1/09/2023	Other Goods	Potain Crane MCT325 SN_615219 installed at 653 Hunter Street, Newcastle	Documents Received		
202311130014228	Active Crane Hire Pty Ltd	13/11/2023	Other Goods	Potain Crane MCH125A SN_612020 installed at 5-9 Reserve Road, Forster, NSW	Documents Received		
202311140013383	Active Crane Hire Pty Ltd	14/11/2023	Other Goods	Potain Crane MC58 SN_408613 installed at 6 Tarragal Glen Ave, Erina	Documents Received		
201910180000579	AFS Systems Pty Ltd	18/10/2019	Other Goods	All goods supplied by the Secured Party to the Grantor.	Documents Received	141,844.63	-
201202020158040	Ausco Modular Pty Limited	2/02/2012	Other Goods	All goods sold, leased, rented, bailed or otherwise made available to the grantor by the secured party including but not limited to portable buildings and associated ancilliaries whether fixtures or chattels.	Documents Received	21,932.56	-
201203090014534	Ausco Modular Pty Limited	9/03/2012	Other Goods	All goods sold, leased, rented, bailed or otherwise made available to the grantor by the secured party including but not limited to portable buildings and associated ancilliaries whether fixtures or chattels.	Documents Received		
201112160194484	Australia And New Zealand Banking Group Limited	30/01/2012	All PAP		Documents Received	-	5,172,262.73
201408140046097	Australia And New Zealand Banking Group Limited	14/08/2014	All PAP		Documents Received		
201407280064023	Australia And New Zealand Banking Group Limited	28/07/2014	All PAP		Documents Received		
201408140046826	Australia And New Zealand Banking Group Limited	14/08/2014	Account	Term Deposit	Documents Received		
201407290075293	Australia And New Zealand Banking Group Limited	29/07/2014	Account	Term Deposit	Documents Received		
202312180059284	Benmax Pty. Limited	18/12/2023	Other Goods	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement including retention of title or otherwise made available by the secured party to the grantor.	Documents Received	664,466.91	-
201401270079691	Coates Hire Operations Pty Limited	27/01/2014	Motor Vehicle	All Vehicles and their associated parts, accessories and equipment, hired to the Grantor by the Secured Party, or any party for which the Secured Party is nominated to act, including without limitation: cars, utilities, trucks and trailers and including the following vehicle types: access; air compressors; compaction; earthmoving; generators; lighting towers; materials handling; pumps; traffic management & sign boards.	Documents Received	-	-
201401270080060	Coates Hire Operations Pty Limited	27/01/2014	Other Goods	All equipment & other goods, including parts & accessories, hired to the Grantor by the Secured Party, or any party for which the Secured Party is nominated to act, including without limitation: air/air compression; compaction; earthmoving; generators & power; ground & shoring; scaffolding; propping; lighting; materials handling; pumps; safety; portable buildings & toilets; tools & similar goods; traffic management including road barriers; trucks, vehicles & trailers; welding.	Documents Received		
202012170084763	Coates Hire Operations Pty Limited	17/12/2020	Other Goods	All equipment & other goods, including parts & accessories, hired to the Grantor by the Secured Party, or any party for which the Secured Party is nominated to act, including without limitation: air/air compression; compaction; earthmoving; generators & power; ground & shoring; scaffolding; propping; lighting; materials handling; pumps; safety; portable buildings & toilets; tools & similar goods; traffic management including road barriers; trucks, vehicles & trailers; welding.	Documents Received		

202012170084467	Coates Hire Operations Pty Limited	17/12/2020	Motor Vehicle	All Vehicles and their associated parts, accessories and equipment, hired to the Grantor by the Secured Party, or any party for which the Secured Party is nominated to act, including without limitation: cars, utilities, trucks and trailers and including the following vehicle types: access; air compressors; compaction; earthmoving; generators; lighting towers; materials handling; pumps; traffic management & sign boards.	Documents Received		
202208170009935	Hilti (Aust.) Pty. Ltd.	17/08/2022	Other Goods	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement including retention of title or otherwise made available by the secured party to the grantor.	Documents Received	6,063.75	-
202211180060750	Mesh & Bar Pty. Limited	18/11/2022	Other Goods	All goods sold, leased, rented, bailed, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor.	Documents Received	238,996.37	-
201601250010166	Online Concrete Cutting Services Pty. Ltd.	25/01/2016	All PAP		Documents Received	-	12,563.88
202207010065362	Online Concrete Cutting Services Pty. Ltd.	1/07/2022	All PAP		Documents Received		
201604050046697	The Australian Steel Company (Operations) Pty Ltd	5/04/2016	Other Goods	All goods, products or materials sold or supplied by one or more entities comprising the Secured Party to the Grantor from time to time	Documents Received	-	-
202205230045694	Global Modular Buildings Pty Limited	23/05/2022	Other Goods	All modular buildings, containers, tanks and associated fixtures, appliances, furniture & equipment hired by the Grantor from Independent Portable Buildings Pty Ltd (ACN 064198072), as listed in (but not limited to) all current hire contracts and invoices.	Documents Received	-	-
201609230045139	Allcott Hire Pty Ltd	23/09/2016	Other Goods	Goods hired or supplied to the grantor by the secured party(or any other person for whom the secured party is authorised to act) including traffic management equipment, air dryers, road barriers and plates, generators, compressors, fencing, portable or demountable accommodation and amenities, tools, lighting and lifting equipment.	No response	-	-
201905140034349	Arcadia Global Pty Ltd	14/05/2019	Other Goods	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor.	No response	227,549.30	-
201301140009883	Atco Structures & Logistics Pty Ltd	14/01/2013	Other Goods	All goods sold, leased, rented, bailed or otherwise made available to the grantor by the secured party including but not limited to portable buildings and their contents.	No response	-	-
201201060033773	ATF Services Pty Ltd	30/01/2012	Other Goods	All goods supplied by the secured party to the grantor including but not limited to temporary fencing, height safety equipment and related goods.	No response	-	-
201202030039135	ATF Services Pty Ltd	3/02/2012	Other Goods	All goods supplied by the secured party to the grantor including but not limited to temporary fencing, height safety equipment and related goods.	No response		
201309250067444	Ausreo Pty Limited	25/09/2013	Other Goods		No response	-	-
201408210067638	Ausreo Pty Limited	21/08/2014	Other Goods		No response		

201806070009533	Boral Limited; Allen Taylor & Company Ltd; Allen'S Asphalt Pty Ltd; Alsafe Premix Concrete Pty Ltd; Barnu Pty. Ltd.; Bayview Pty Limited; Bayview Quarries Proprietary Limited; Bitumax Pty. Limited; Bitumen Importers Australia Pty Ltd; Bitupave Ltd; Boral Bricks Pty Ltd; Boral Bricks Western Australia Pty Ltd; Boral Building Materials Pty Limited; Boral Building Products Limited; Boral Cement Limited; Boral Concrete Contracting Pty Limited; Boral Construction Materials Group Ltd; Boral Construction Materials Limited; Boral Construction Related Businesses Pty Ltd; Boral Contracting Pty Ltd; Boral Corporate Services Pty Limited; Boral Finance Pty Limited; Boral Hollostone Masonry (South Aust.) Pty. Limited; Boral Insurance Pty Limited; Boral International Pty Limited; Boral Investments Pty Limited; Boral Ip Holdings (Australia) Pty Limited; Boral Masonry Ltd; Boral Montoro Pty Limited; Boral Plaster Fixing Pty. Limited; Boral Precast Holdings Pty Ltd; Boral Recycling Pty Limited; Boral Resources (Country) Pty. Limited; Boral Resources (NSW) Pty Ltd; Boral Resources (QLD) Pty. Limited; Boral Resources (SA) Limited; Boral Resources (VIC.) Pty. Limited; Boral Resources (W.A.) Ltd; Boral Shared Business Services Pty Ltd; Boral Timber Fibre Exports Pty Ltd; Boral Transport Limited; Concrite Pty Ltd; Dandenong Quarries Pty. Limited; De Martin & Gasparini Concrete Placers Pty Limited; De Martin & Gasparini Contractors Pty Limited; De Martin & Gasparini Pty Limited; De Martin & Gasparini Pumping Pty Limited; Duncan'S Holdings Ltd; Dunmore Sand & Soil Pty. Limited; Flyash Australia Pty Limited; Gypsum Resources Australia Pty. Limited; Highland Pine Products Pty Limited; Lympike Pty Ltd; Oberon Softwood Holdings Pty. Limited; Penrith Lakes Development Corporation Ltd; Q-Crete Premix Pty Ltd; Road Surfaces Group Pty. Ltd.; Rondo Building Services Pty Ltd; South East Asphalt Pty Ltd; Sunstate Cement Ltd.; USG Boral Building Products Pty Limited; USG Interiors Australia Pty. Ltd.; Ventia Boral Amey NSW Pty Limited; Ventia Boral Amey QLD Pty Limited	7/06/2018	Other Goods	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property), sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor.	No response	-	-
202305030059313	Bristile Guardians Pty Ltd; Bristile Roofing (East Coast) Pty Ltd; Brickworks Building Products (NZ) Pty Ltd; Clifton Brick Manufacturers Pty. Ltd.; J. Hallett & Son Pty. Ltd.; Austral Precast (QLD) Pty Ltd; Nubrik Pty Ltd; Austral Precast (WA) Pty Ltd; Nubrik Concrete Masonry Pty. Ltd.; Austral Precast (Vic) Pty Ltd; Austral Bricks (SA) Pty Ltd; Austral Bricks (Tasmania) Pty Ltd; Austral Bricks (QLD) Pty Ltd; The Austral Brick Co Pty Ltd; Austral Precast (NSW) Pty Ltd; Austral Bricks (VIC) Pty Ltd; Austral Masonry (VIC) Pty Ltd; Austral Bricks (NSW) Pty Ltd; Brickworks Building Products Pty Ltd; Brickworks Ltd; Austral Masonry (QLD) Pty Ltd; Capital Battens Pty Ltd; Austral Masonry (NSW) Pty Ltd; Austral Bricks (WA) Pty Ltd; AP Installations (NSW) Pty Ltd; Brickworks Specialised Building Systems Pty Ltd; Daniel Robertson Australia Pty Ltd; AP Installations (QLD) Pty Ltd	3/05/2023	Other Goods	All goods supplied by the secured party to the grantor including but not limited to clay, concrete and timber products and related goods.	No response	-	-
201807230017937	Corinthian Industries (Australia) Pty Limited; Stegbar Pty. Limited; Aneeta Window Systems (VIC) Pty. Ltd.; Regency (Showerscreens & Wardrobes) Pty Limited; Ventora Group Pty Limited; Ventora Glass Australia Pty Limited; Airlite Windows Pty Limited; Trend Windows & Doors Pty Limited; Fenestra Hardware Specialists Pty Limited; Aneeta Window Systems (Sales) Pty Ltd; Aneeta Window Systems (N.S.W.) Pty Ltd; Aneeta Window Systems (W.A.) Pty Ltd; Aneeta Window Systems (QLD) Pty Ltd; Breezway Australia Pty Ltd; Kolder Pty. Limited; A & L Windows Pty. Ltd.; A & L Windows (QLD) Pty. Ltd.	23/07/2018	Other Goods	All goods sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement including retention of title or otherwise made available by the secured party to the grantor.	No response	-	-
201607060047690	Druin Pty Ltd; The Trustee For Druin No 3 Trust; Blae Commercial Pty Limited; The Trustee For Blae Commercial No 2 Trust	6/07/2016	Other Goods		No response	-	-
202005140037659	Firemex Pty. Ltd.	14/05/2020	Other Goods		No response	-	-
202211020003434	Fti Group Pty Ltd	2/11/2022	Other Goods		No response	10,736.00	-
202305120063213	Holcim (Australia) Pty Ltd; Excel Concrete Pty Ltd; Broadway & Frame Premix Concrete Pty Ltd	12/05/2023	Other Goods	All goods and equipment sold, leased, rented, bailed, consigned or otherwise made available to the grantor by the secured party.	No response	-	-
202307140019329	Holcim (Australia) Pty Ltd; Excel Concrete Pty Ltd; Broadway & Frame Premix Concrete Pty Ltd	14/07/2023	All PAP		No response		
201406190068407	Jands Pty Ltd	19/06/2014	Other Goods	Audio and Lighting goods purchased in Normal Trade	No response	-	-
201803190025909	Louvreclad Pty Ltd	19/03/2018	Other Goods	Collateral supplied by the Secured Party	No response	-	-

202104280007500	Onsite Rental Group Operations Pty Ltd	28/04/2021	Other Goods	All goods sold, leased, rented, bailed, consigned or otherwise made available from time to time (whether present or future) by the secured party to the grantor.	No response	-	-
201807130037406	Quadient Finance Australia Pty Ltd	13/07/2018	Other Goods	Collateral supplied by the Secured Party	No response	-	-
202309070058793	Quadient Finance Australia Pty Ltd	7/09/2023	Other Goods	Collateral supplied by the Secured Party	No response		
202208250038183	Skyreach (VIC) Pty Limited; Skyreach (NSW) Pty Limited; Skyreach Group Holdings Pty Ltd; Skyreach Pty Ltd	25/08/2022	Motor Vehicle	All motor vehicles sold, leased, rented, bailed, consigned or otherwise made available to the grantor by the secured party.	No response	-	-
202208250038196	Skyreach (VIC) Pty Limited; Skyreach (NSW) Pty Limited; Skyreach Group Holdings Pty Ltd; Skyreach Pty Ltd	25/08/2022	Other Goods	All goods and equipment sold, leased, rented, bailed, consigned or otherwise made available to the grantor by the secured party.	No response		
202001170004198	Specialty Group Pty Ltd	17/01/2020	Other Goods	All of the present and after acquired goods supplied by Specialty Group Pty Ltd to the Grantor, any goods into which they are commingled by the Grantor and any Proceeds of the sale of those goods and all present and future rights in relation to any of those goods supplied by Specialty Group Pty Ltd	No response	-	-
202107090073061	SRG Global Infrastructure Pty Ltd; SRG Global (Australia) Ltd; SRG Global Facades Pty Ltd; SRG Global Facades (Western) Pty Ltd; SRG Global Services (Australia) Pty Ltd; SRG Global Casc Pty Ltd; SRG Global Facades (VIC) Pty Ltd; SRG Global Facades (QLD) Pty Ltd; SRG Global Facades (NSW) Pty Ltd; SRG Global Civil Pty Ltd; SRG Global Building (Northern) Pty Ltd; SRG Global Building (Southern) Pty Ltd; SRG Global Building (Western) Pty Ltd; SRG Global Products Pty Ltd; SRG Global Facades (WA) Pty Ltd; SRG Global Integrated Services Pty Ltd; SRG Global Structures (WA) Pty Ltd; SRG Global Assets Pty Ltd; SRG Global Investments Pty Ltd; SRG Global Limited; SRG Global Services (Western) Pty Ltd; SRG Global Asset Care Pty Ltd	9/07/2021	Motor Vehicle	All motor vehicles (as defined in the Personal Property Securities Act and Regulations) and their associated parts, accessories and equipment - rented, leased, hired, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title), or otherwise made available to the grantor by the secured party	No response	-	-
202107090073074	SRG Global Infrastructure Pty Ltd; SRG Global (Australia) Ltd; SRG Global Facades Pty Ltd; SRG Global Facades (Western) Pty Ltd; SRG Global Services (Australia) Pty Ltd; SRG Global Casc Pty Ltd; SRG Global Facades (VIC) Pty Ltd; SRG Global Facades (QLD) Pty Ltd; SRG Global Facades (NSW) Pty Ltd; SRG Global Civil Pty Ltd; SRG Global Building (Northern) Pty Ltd; SRG Global Building (Southern) Pty Ltd; SRG Global Building (Western) Pty Ltd; SRG Global Products Pty Ltd; SRG Global Facades (WA) Pty Ltd; SRG Global Integrated Services Pty Ltd; SRG Global Structures (WA) Pty Ltd; SRG Global Assets Pty Ltd; SRG Global Investments Pty Ltd; SRG Global Limited; SRG Global Services (Western) Pty Ltd; SRG Global Asset Care Pty Ltd	9/07/2021	Other Goods	All goods, equipment and/or other tangible property (including any accessions to those goods, equipment and/or property) sold, leased, hired, rented, bailed, supplied on consignment, sold subject to a conditional sale agreement (including retention of title) or otherwise made available by the secured party to the grantor.	No response		
202202210004333	United Rentals Australia Pty Ltd	21/02/2022	Other Goods	All goods supplied by the secured party to the grantor including but not limited to containers, ancillary equipment and related goods.	No response	-	-
201910100021508	Anderson's Scaffolding Pty Ltd	10/10/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to: Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the Secured Party to the Grantor pursuant to an agreement dated 22/07/2019 and any additional agreements entered into between the Secured Party and the Grantor	Discharged	-	-
201910100022170	Anderson's Scaffolding Pty Ltd	10/10/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to: Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the Secured Party to the Grantor pursuant to an agreement dated 20/02/2017 and any additional agreements entered into between the Secured Party and the Grantor	Discharged		
201910100023271	Anderson's Scaffolding Pty Ltd	10/10/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to: Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the Secured Party to the Grantor pursuant to an agreement dated 20/02/2017 and any additional agreements entered into between the Secured Party and the Grantor	Discharged		

201904160047583	Anderson's Scaffolding Pty Ltd	16/04/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to; Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the secured party to the Grantor pursuant to an agreement between the parties	Discharged		
201906240055509	Anderson's Scaffolding Pty Ltd	24/06/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to; Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the secured party to the Grantor pursuant to an agreement between the parties	Discharged		
201910090041751	Anderson's Scaffolding Pty Ltd	9/10/2019	Other Goods	Modular quickstage scaffolding and related scaffolding products and components including, but not limited to; Mesh, Rubbish Chutes, Spandecks, Tubes and Mobile Towers supplied by the Secured Party to the Grantor pursuant to an agreement dated 22/07/2019 and any additional agreements entered into between the Secured Party and the Grantor.	Discharged		
201710190072306	ASI JD Macdonald Pty. Ltd.	19/10/2017	Other Goods	All goods, now and in the future, supplied by the secured party to the grantor including but not limited to washroom accessories and fittings, and chutes and compactors, and all ancillary products for these goods.	Discharged	-	-
202206080033404	Dincel Construction System Pty Limited	8/06/2022	Other Goods	Extruded Permanent Polymer Formwork for insitu wall construction	Discharged	-	-
201301160043731	Metecno Pty Ltd	16/01/2013	Other Goods	All goods supplied by the secured party to the grantor.	Discharged	-	-
201910170020230	The Good Guys Discount Warehouses (Australia) Pty Ltd	17/10/2019	Other Goods	All goods and equipment (whether or not inventory of the grantor) including, without limitation, white & brown goods, electronics, accessories, software, communications, IT, home appliances and gift cards, supplied by or on behalf of The Good Guys Discount Warehouses (Australia) Pty Ltd ("TGG") to the grantor under the Terms and Conditions of Sale set out in TGG's Credit Application and all other trade agreements entered into between one or more of the secured parties and the grantor.	Discharged	-	-
201504290017844	Waco Kwikform Limited	29/04/2015	Other Goods	All goods supplied by the secured party to the grantor including but not limited to scaffolding and related equipment.	Discharged	-	-
201906270097717	Wideline Pty Ltd	27/06/2019	Other Goods	All Products supplied to the Grantor by the Secured Party including but not limited to Windows, Doors, Screens and Accessories.	Discharged	-	-

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "7"
Remuneration Approval Report

Remuneration Approval Report

Stevens Construction (NSW) Pty Limited (Administrators Appointed) ACN 121 684 348

25 June 2024

Peter Krejci, Andrew Cummins and Jonathon Keenan
Joint and Several Administrators

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2333
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY 3

2. DECLARATION 3

3. REMUNERATION APPROVAL SOUGHT 3

4. DISBURSEMENTS SOUGHT 4

5. LIKELY IMPACT ON DIVIDENDS 5

6. QUERIES & INFORMATION SHEET 5

7. ATTACHMENTS 5

SCHEDULE A – DETAILS OF WORK FROM 27 MAY 2024 TO CONCLUSION OF THE VA 6

SCHEDULE B – DETAILS OF WORK FROM THE SECOND MEETING OF CREDITORS TO THE CONCLUSION OF THE EXTERNAL ADMINISTRATION 13

SCHEDULE C – TIME SPENT BY STAFF ON MAJOR TASKS – 27 MAY 2024 TO 21 JUNE 2024 18

SCHEDULE D – RESOLUTIONS 19

SCHEDULE E – DISBURSEMENTS 20

1. EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements:

	Remuneration $(excl GST)	Disbursements $ (excl GST)
Voluntary Administration	550,000.00	2,000.00
If a DOCA is proposed and accepted	100,000.00	2,000.00
If Company is liquidated	200,000.00	2,000.00

Details of remuneration can be found in section 3 of this report.

We estimate the total cost of this Voluntary Administration will be approximately $550K.

2. DECLARATION

We, Jonathon Keenan, Andrew Cummins and Peter Krejci of BRI Ferrier, have undertaken an assessment of this remuneration claim in accordance with the law and applicable professional standards. We are satisified that the remuneration and disbursement claimed is necessary and proper.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3. REMUNERATION APPROVAL SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount ($, excl. GST)	Rates to apply	When it will be drawn
Work we have already done	27 May 2024 to 21 June 2024	399,882.00	Provided in our Second Report to Creditors dated 25 June 2024	It will be drawn when approved by Creditors and funds are available
Future work	22 June 2024 to Conclusion of the VA	150,118.00	Provided in our Second Report to Creditors dated 25 June 2024	It will be drawn when approved by Creditors and funds are available and incurred
VA total		**550,000.00**		
Future work – Liquidation	2 July 2024 to Finalisation of Liquidation	200,000.00	Provided in our Second Report to Creditors dated 25 June 2024	It will be drawn when approved by Creditors and funds are available and incurred
Liquidation Total		**200,000.00**		

We note that remuneration incurred for the period from 27 May 2024 to 21 June 2024 totalled $399,882.00.

Details of the work done for the period 27 May 2024 to 21 June 2024 and future work expected for the period 22 June 2024 to 1 July 2024 are included at **Schedule A**.

Details of future work that we intend to do in a Liquidation are included at **Schedule B**.

A breakdown of time spent by staff members on each major task for work completed from 27 May 2024 to 21 July 2024 is included in **Schedule C**.

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

We will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

4. DISBURSEMENTS SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

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

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 29 May 2024.

The internal disbursements we would like creditors to approve is as follows:

For	Period	Amount ($, excl. GST)
Disbursements during the VA period	27 May 2024 to conclusion	2,000.00
If Company is liquidated - Future disbursements	2 July 2024 to conclusion	2,000.00

Details of disbursements incurred, and future disbursements are included at **Schedule E**. Actual resolutions to be put to the meeting are included at **Schedule D** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

5. LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

We confirm that a dividend of 100 cents will be payable to Priority Creditors. Any dividend payable to unsecured creditors will depend on a range of variables, particularly the decision creditors make on the future of the Company, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

6. QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office. You can also access information which may assist you on the following websites:

ARITA at www.arita.com.au/creditors

ASIC at http://www.asic.gov.au (search for INFO 85)

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

7. ATTACHMENTS

Schedule A – Details of work from 27 May 2024 to the second meeting of creditors

Schedule B – Details of work from the second meeting of creditors to the conclusion of the external administration

Schedule C – A breakdown of time spent by staff members on each major task for work completed from 27 May 2024 to 21 June 2024

Schedule D – Resolutions

Schedule E – Disbursements

SCHEDULE A – DETAILS OF WORK FROM 27 MAY 2024 TO CONCLUSION OF THE VA

Company	Stevens Construction (NSW) Pty Limited (Administrators Appointed)	***Period From***	27 May 2024	**To**	Conclusion of the VA
Practitioner	Jonathon Keenan, Andrew Cummins and Peter Krejci	**Firm**	BRI Ferrier		
Administration Type	Administrators Appointed				

		Tasks	
		Work completed (excl. GST)	**Future work (excl. GST)**
Period		27 May 2024 to 21 June 2024	22 June 2024 to the Conclusion of the VA
Amount (excl. GST)		$399,882.00	$150,118.00
Task Area	**General Description**		
Assets		**174.5 Hours $118,710.00**	**$30,023.60**
	Sale of Business as a Going Concern	Advertise sale of business Prepare documents and records for interested parties to undertake due diligence Conducting searches on trademarks, IP, business name and website for interested parties Prepare and distribute confidentiality agreement Receipt of refundable deposits from interested parties Liaising with interested parties regarding various queries	Liaising with Director and management regarding queries from interested parties Maintaining interested party register Meetings with interested parties Reviewing and considering offers from interested parties Internal meetings to discuss sale of business and competing offers Various discussions with interested parties regarding clarifying terms of offers

			Prepare analysis to compare competing offers from interested parties
	Debtors	Liaise with the Directors in relation to collection of debtors during Administration Liaising with our lawyers regarding the collection of debtors	Liaise with the Directors in relation to collection of debtors during Administration Correspondence and phone calls with Debtors Liaising with our lawyers regarding the collection of outstanding debts Issuing demands on debtors. Initiating legal proceedings where necessary
	Plant and Equipment ("PPE") and Motor Vehicles	Instruct O'Maras to prepare an independent valuation of the Company's PPE Liaise with O'Maras in relation to the collection and realisation of the Company's PPE Obtaining an independent valuation on the employee offers to attain office equipment Liaise with insurance broker regarding insurance covers and arrangements	Liaise with auctioneer in relation to finalising the auction of the Company's PPE Liaise with O'Maras in relation to the collection and realisation of the Company's PPE Obtaining an independent valuation on the employee offers to attain office equipment
	Assets subject to specific charges	Review PPSR charge documents Consider validity of registered security interests Liaise with the Directors and PPSR creditors in relation to collection of goods on site or transfer obligation for payment to Principal Liaise with our lawyers regarding advice on PPSR validity.	Consider validity of registered security interests Liaise with the Directors and PPSR creditors in relation to collection of goods on site or transfer obligation for payment to Principal Liaise with our lawyers regarding advice on PPSR validity.
	Retentions	Liaise with the Directors in relation to assessment of each project, including assessment of the cost to complete Liaised with the Directors to obtain all documents in relation to the ten (10) projects Review information and documents provided by the Directors and consider recoverability of retentions withheld by the clients and those held by the	Review information and documents provided by the Directors and consider recoverability of retentions withheld by the clients and those held by the Company for subcontractors where the Company has a claim against the Subcontractor

		Company for subcontractors where the Company has a claim against the Subcontractor	
	Other Asset	Prepare and issue correspondence to ANZ Bank requesting transfer of funds held in the Company's pre-appointment bank account Liaising with the ANZ Bank regarding the handing over of bank guarantees	Liaising with the ANZ Bank regarding the handing over of bank guarantees
Trade On		**141.2 Hours** **$80,086.00**	**$22,517.70**
	Trade on management	Prepared and issued circular to staff Prepared and issued circular to suppliers Liaise with management, staff and suppliers regarding continued trading Discussions regarding payroll obligations Attendance on site to address staff regarding continued trading Implementing management and operational protocols for continued trading Establish insurances for voluntary administration period and liaise with insurance broker for ongoing insurance coverage Negotiations with Principals to come to a commercial outcome on projects for the benefit of Creditors Reconciling weekly payroll reports from accountant Organise payment of weekly payroll and management fees Preparation and lodgement of payroll reporting with ATO Organise payment of suppliers on a weekly basis Requesting account statements from suppliers	Negotiations with Principals to come to a commercial outcome on projects for the benefit of Creditors Reconciling weekly payroll reports from accountant Organise payment of weekly payroll and management fees Preparation and lodgement of payroll reporting with ATO Organise payment of suppliers on a weekly basis Requesting account statements from suppliers Organise periodic sweep of funds deposited in ANZ bank account post appointment Liaising with management and dealing with various operational issues Preparing and issuing termination notices to employees and separation certificates

		Organise periodic sweep of funds deposited in ANZ bank account post appointment Liaising with management and dealing with various operational issues Preparing and issuing termination notices to employees and separation certificates	
Creditors		**258.4 Hours** **$108,421.00**	**$45,035.40**
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email Responding to information requested by creditors
	Creditor Reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparation of necessary annexures for First Report to Creditors Preparing Second Report to Creditors Preparation of necessary annexures for Second Report to Creditors	Preparing and issuing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors Prepare DOCA commentary analysis and projections, and supporting documentation for creditors' consideration Preparation of necessary annexures for Second Report to Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors Liaising with the Directors to obtain supporting documents in relation to the Directors' claims Review documents and information provided by the Directors in relation the Directors' claims	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Secured creditor reporting	Notifying PPSR registered creditors of appointment	N/A

	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, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Preparation and lodgement of minutes of First Meeting of Creditors with ASIC Responding to stakeholder queries and questions immediately following meeting	N/A
	Proposal for Deed of Company Arrangement	Liaising our lawyers regarding DOCA requirements to preserve security of payment applications Consider and analyse potential outcome for DOCA Explore potential tax issues with Deed Proponents	Liaising our lawyers regarding DOCA requirements to preserve security of payment applications
	Second Meeting of Creditors	Preparation of meeting notices, proxies and advertisements	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting
Investigation		**57.9 Hours** **$25,709.00**	**$3,002.36**

	Conducting Investigation	Liaising with the IT service provider in relation to prepare a backup of the Company's electronic records Conducting and summarising statutory searches Reviewing Company's books and records Preparation of comparative financial statements Review the Company's books and records in relation to the Company's historical financial position and financial performance Preparation of deficiency statement Preparation of working capital analysis Preparation of investigation file Review of specific transactions and liaising with Directors regarding certain transactions Review ROCAP completed by Directors Consider recovery actions available in a Liquidation scenario Liaising with Directors to obtain further information and documents to conduct solvency analysis Various correspondence with the Directors in relation to the historical WIP position and process of assessing same during the Company's trading period Liaising with the Directors in relation to investigations regarding recoverability of assets recorded on the Company's balance sheets Review aged payable schedules and prepare analysis Review claims from creditors and amounts disclosed in the ROCAP to calculate potential insolvent trading claimed amount in a Liquidation scenario Review bank statements and general ledgers extracted from the management accounts, consider potential voidable transactions which might be available to pursue in a Liquidation scenario	Finalise investigations & prepare summary for report to creditors Review ROCAP completed by Directors

		Consider commerciality of pursuing the potential recovery actions available in a Liquidation scenario	
Employees		**10.7 Hours $6,667.00**	**$12,009.44**
	Employees enquiries	Review claims from employees Attend to employees' queries	Correspondence with employees Any other tasks associated with employees
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records Liaise with Directors in relation to calculation of employee entitlements	Finalise calculation of employee entitlements Reviewing employee files and Company's books and records Correspondence with the Long Service Corporation in relation to calculation of long service leave entitlements Liaising with the Directors to obtain access to the Long Service Corporation portal
Administration		**129.7 Hours $60,289.00**	**$30,023.60**
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 205, 531, 507 etc Preparing and lodging ASIC PNW Advert	Preparing and lodging ASIC forms including 5011, 530 etc
	Bank account administration	Preparing correspondence opening bank account Bank account reconciliations	Bank account reconciliations
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents
	ATO and other statutory reporting	Notification of appointment	N/A

	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP

SCHEDULE B – DETAILS OF WORK FROM THE SECOND MEETING OF CREDITORS TO THE CONCLUSION OF THE EXTERNAL ADMINISTRATION

Company	Stevens Construction (NSW) Pty Limited (Administrators Appointed)	***Period From***	From the execution of the DOCA or commencement of the liquidation	**To**	Conclusion
Practitioner	Jonathon Keenan, Andrew Cummins and Peter Krejci	**Firm**	BRI Ferrier		
Administration Type	Administrators Appointed				

		Tasks	
		If DOCA approved	**If wound up**
		DOCA work	**Liquidation Work**
Period		From execution of DOCA to finalisation of DOCA	2 July 2024 to conclusion
Amount (excl. GST)		$100,000.00	$200,000.00
Task Area	**General Description**		
Assets		**$20,000.00**	**$30,000.00**

	Retention	Liaising with Directors in relation to recovery of retention Liaising with solicitors in relation to recovery of retention Meeting with Directors, solicitors and clients in relation to recovery of retentions (if required)	Liaising with Directors in relation to recovery of retention Liaising with solicitors in relation to recovery of retention Meeting with Directors, solicitors and clients in relation to recovery of retentions (if required)
	PPE and motor vehicles	Finalising sale of the Company's PPE	Finalising sale of the Company's PPE
Creditors		**$20,000.00**	**$40,000.00**
	Creditor Enquiries	Receive and respond to creditor enquiries Review and prepare correspondence to creditors and their representatives by email Compiling information requested by creditors	Receive and respond to creditor enquiries Review and prepare initial correspondence to creditors and their representatives Considering reasonableness of creditor request Obtaining legal advice on requests Compiling information requested by creditors
	Creditor Reports	Preparing Circular to Creditors regarding notification of execution of DOCA	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors
	Dealing with proofs of debt	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting, processing, and filing Proofs of Debts when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Meeting of Creditors	Convening creditors meeting as necessary	Convening creditors meeting as necessary

		Preparation of Minutes of Meeting (if required)	Preparation of Minutes of Meeting (if required)
Investigation		**$2,000**	**$10,000.00**
	Conducting Investigation	Obtaining and reviewing further Company's books and records Reviewing further Company's books and records	Obtaining and reviewing further Company's books and records Reviewing further Company's books and records Review of specific transactions and liaising with Director regarding certain transactions Conducting further investigations into potential voidable transactions Conducting further investigations into solvency analysis Preparation of updated investigation file Lodgement of investigation with ASIC Preparation and lodgement of supplementary report if required
	ASIC Reporting	N/A	Preparing statutory investigation reports Liaising with ASIC
Employees		**$13,000.00**	**$20,000.00**
	Employees enquiries	Correspondence with employees Receive and follow up employee enquiries via telephone Maintain employee enquiry register	Correspondence with employees Receive and follow up employee enquiries via telephone Maintain employee enquiry register
	FEG	N/A	Correspondence with FEG Preparing initial questionnaire Preparing FEG quotation for services Request further supporting documentation from employees to substantiate their claims

			Preparing verification spreadsheet of employee entitlements Completing FEG questionnaires Correspondence with FEG regarding discrepancies, if any
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records	Calculating employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards
	Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC POD (if required) Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC POD (if required) Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
Dividend		**$10,000.00**	**$50,000.00**
	Dividend Procedures	Advertisement of intention to declare dividend Correspondence to creditors advising of intention to declare dividend Calculation of dividend Adjudicate PODs and supporting documentation Request further and better particulars as necessary Reporting to Creditors regarding dividend quantum and timing Completing outstanding tax lodgements and seeking tax clearance Preparing dividend file	Advertisement of intention to declare dividend Correspondence to creditors advising of intention to declare dividend Calculation of dividend Adjudicate PODs and supporting documentation Request further and better particulars as necessary Reporting to Creditors regarding dividend quantum and timing Completing outstanding tax lodgements and seeking tax clearance Preparing dividend file

	Declaring Dividend	Correspondence with creditors	Correspondence with creditors
Administration		**$20,000.00**	**$40,000.00**
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	Bank account administration	Preparing correspondence opening DOCA contribution bank account Preparing receipts and payment vouchers Bank account reconciliations	Preparing receipt and payment vouchers Bank account reconciliations
	Books and Records/ Storage	Dealing with records in storage Sending job files to archive storage	Dealing with records in storage Sending job files to archive storage
	Correspondence	Correspondence with various parties	Correspondence with various parties
	Document maintenance/file review/checklist	Updating job checklists Filing of documents	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment Preparing BAS	Notification of appointment Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	Notifying ATO of finalisation Completing checklists Finalising WIP	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE C – TIME SPENT BY STAFF ON MAJOR TASKS – 27 MAY 2024 TO 21 JUNE 2024

Stevens Construction (NSW) Pty Limited (Administrators Appointed)
ACN: 121 684 348
For the period 27 May 2024 to 21 June 2024

Staff Classification	Name	Hourly Rate	Administration		Assets		Creditors		Employees		Investigation		Trade On		Total	
		($, ex GST)	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$
Principal	Andrew Cummins	730.00	5.3	3,869.00	87.5	63,875.00	14.2	10,366.00	2.8	2,044.00	2.1	1,533.00	10.1	7,373.00	122.0	89,060.00
Principal	David Cocker	730.00	33.8	24,674.00	6.4	4,672.00	14.8	10,804.00	4.1	2,993.00	5.0	3,650.00	68.8	50,224.00	132.9	97,017.00
Principal	John Keenan	730.00	4.6	3,358.00	17.5	12,775.00	12.6	9,198.00					3.1	2,263.00	37.8	27,594.00
Principal	Peter Krejci	730.00	10.5	7,665.00	41.4	30,222.00	25.4	18,542.00	1.0	730.00	10.6	7,738.00			88.9	64,897.00
Senior Manager	Katherine La	590.00	0.2	118.00			0.2	118.00			0.3	177.00			0.7	413.00
Senior Manager	Pauline Yeow	590.00					0.4	236.00							0.4	236.00
Manager	Savio Monis	550.00					0.5	275.00							0.5	275.00
Senior 2	Joshua Coorey	380.00	9.1	3,458.00	10.8	4,104.00	39.8	15,124.00			7.9	3,002.00	26.4	10,032.00	94.0	35,720.00
Senior 2	Nicole Feng	380.00			0.1	38.00	0.2	76.00							0.3	114.00
Intermediate 1	Sushma Mandira	330.00	5.1	1,683.00			53.8	17,754.00	2.4	792.00	14.1	4,653.00	20.2	6,666.00	95.6	31,548.00
Intermediate 2	Frane Babic	280.00					3.9	1,092.00	0.3	84.00					4.2	1,176.00
Intermediate 2	Hugh Matthews	280.00	1.5	420.00			0.7	196.00							2.2	616.00
Intermediate 2	Zachary George	280.00	18.5	5,180.00	10.8	3,024.00	64.6	18,088.00			16.5	4,620.00	12.6	3,528.00	123.0	34,440.00
Senior Administrator	Andrea Moulikova	240.00	10.0	2,400.00			13.7	3,288.00			1.4	336.00			25.1	6,024.00
Senior Administrator	Ashleigh Hartigan	240.00	14.7	3,528.00			12.9	3,096.00							27.6	6,624.00
Senior Administrator	Sarita Gurung	240.00	14.9	3,576.00			0.7	168.00							15.6	3,744.00
Senior Administrator	Sonia Stelmach	240.00	1.5	360.00					0.1	24					1.6	384.00
Total			**129.7**	**60,289.0**	**174.5**	**118,710.00**	**258.4**	**108,421.00**	**10.7**	**6,667.00**	**57.9**	**25,709.00**	**141.2**	**80,086.00**	**772.4**	**399,882.00**
															GST	**39,988.20**
															Total (incl GST)	**439,870.20**
Average rate per hour				**464.83**		**680.29**		**419.59**		**623.08**		**444.02**		**567.18**		**517.71**

SCHEDULE D – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **sections 3** and **4** and in the attached Schedules.

Resolution: Administrators' Remuneration for the period 27 May 2024 to 21 June 2024

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 27 May 2024 to 21 June 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024, be fixed and approved at $399,882.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount."

Resolution: Administrators' Remuneration for the period 22 June 2024 to Conclusion

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 22 June 2024 to conclusion of the VA be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024 and approved to an interim cap of $150,118.00 (plus GST), and that the Joint and Several Voluntary Administrators be authorised to draw that amount as and when incurred."

If a Deed of Company Arrangement is accepted:

Resolution: Deed Administrators' Remuneration from the execution of DOCA to finalisation of DOCA

"That the remuneration of the Joint and Several Deed Administrators, their partners and staff from the execution of the DOCA to the finalisation of DOCA, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 25 June 2024, and approved to an interim cap of $100,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."

If the Company is wound up:

Resolution: Liquidators' Remuneration for the period 2 July 2024 to Conclusion

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 2 July 2024 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 25 June 2024, and approved to an interim cap of $200,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."

SCHEDULE E – 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 charge 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 advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, 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 Approval Report. We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolution:

Resolution: Administrators' Internal Disbursements for the period 27 May 2024 to Conclusion

"That the Joint and Several Voluntary Administrators be allowed internal disbursements from 27 May 2024 to the conclusion of the Voluntary Administration at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 25 June 2024, up to an amount of $2,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."

Resolution: Deed Administrators' Internal Disbursements from Execution to Conclusion

"That the Joint and Several Deed Administrators be allowed internal disbursements from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 25 June 2024, up to an amount of $2,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."

Resolution: Liquidators' Internal Disbursements for the period 2 July 2024 to Conclusion

"That the Joint and Several Liquidators be allowed internal disbursements for the period 2 July 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 25 June 2024, up to an amount of $2,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

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

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "8"
Advice to Creditors About Remuneration

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

STEVENS CONSTRUCTION (NSW) PTY LIMITED (ADMINISTRATORS APPOINTED)
ACN 121 684 348 / ABN 65 121 684 348
("THE COMPANY")

A 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.

B METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Company assets.
- It ensures creditors are only charged for work that is performed. Our time are recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current. BRI Ferrier may increase the hourly rates charged for work performed and if hourly rates are increased, we will seek approval from creditors.

C EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below 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 not comparable to an hourly wage rate.

Title	Description	Hourly Rates (ex GST)
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	$730
Director	An accountant with more than 10 years' experience. May be a 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.	$640
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.	$590
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 Team Leader.	$550
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.	$480
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.	$420
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 supervision.	$380
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.	$330
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.	$280
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$240
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$220

D 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 paid to third parties but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "9"
ASIC Information Sheet

ASIC
Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

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

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

This is **Information Sheet 39** (**INFO 39**) updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "10"
ARITA Information Sheet

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
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 except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
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 the 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.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, 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.

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 period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before 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 payments made to or on behalf of a director or close associate of a director. 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 over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six 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 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.

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "11"
Link Market Services – Creditor Guide

EXAD

LINKGroup

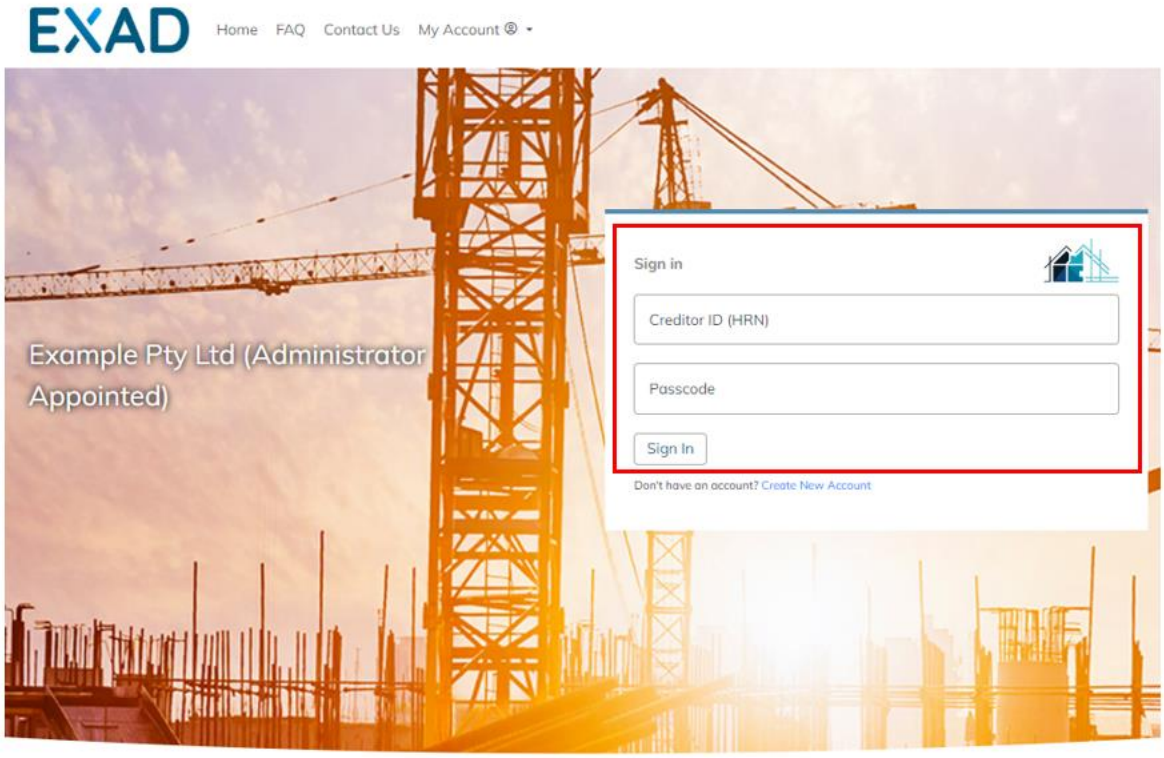
EXAD

Creditors' Portal Guide

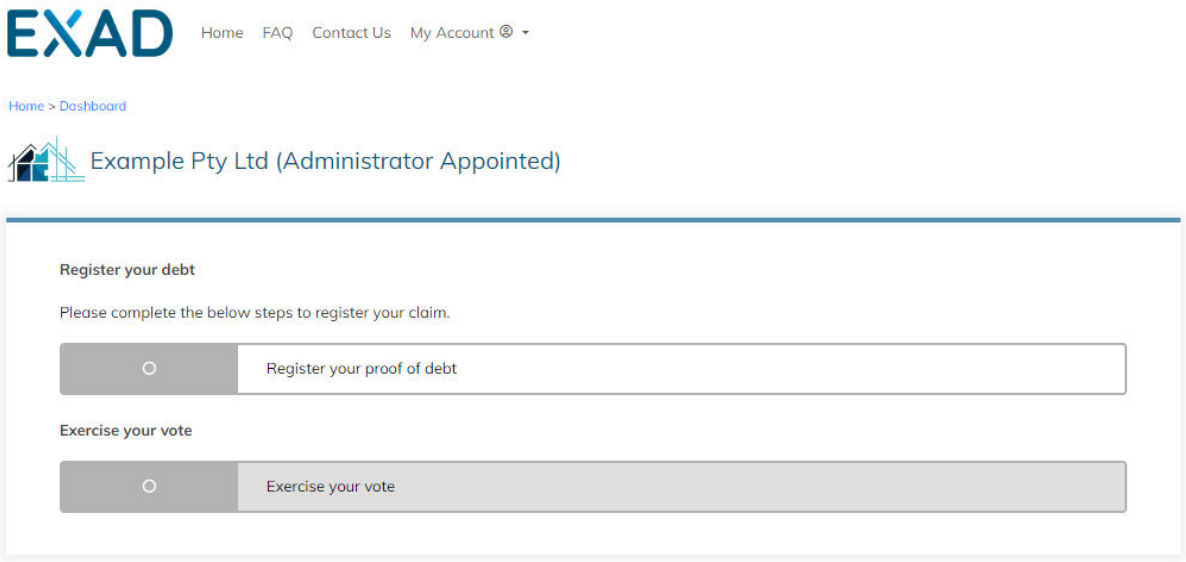
February 2024

1.1 Logging in

Creditors can login to the portal by typing their Creditor ID and Passcode. Every time a creditor logs in, it is recorded and from the staff section you will be able to see the login count for each creditor.

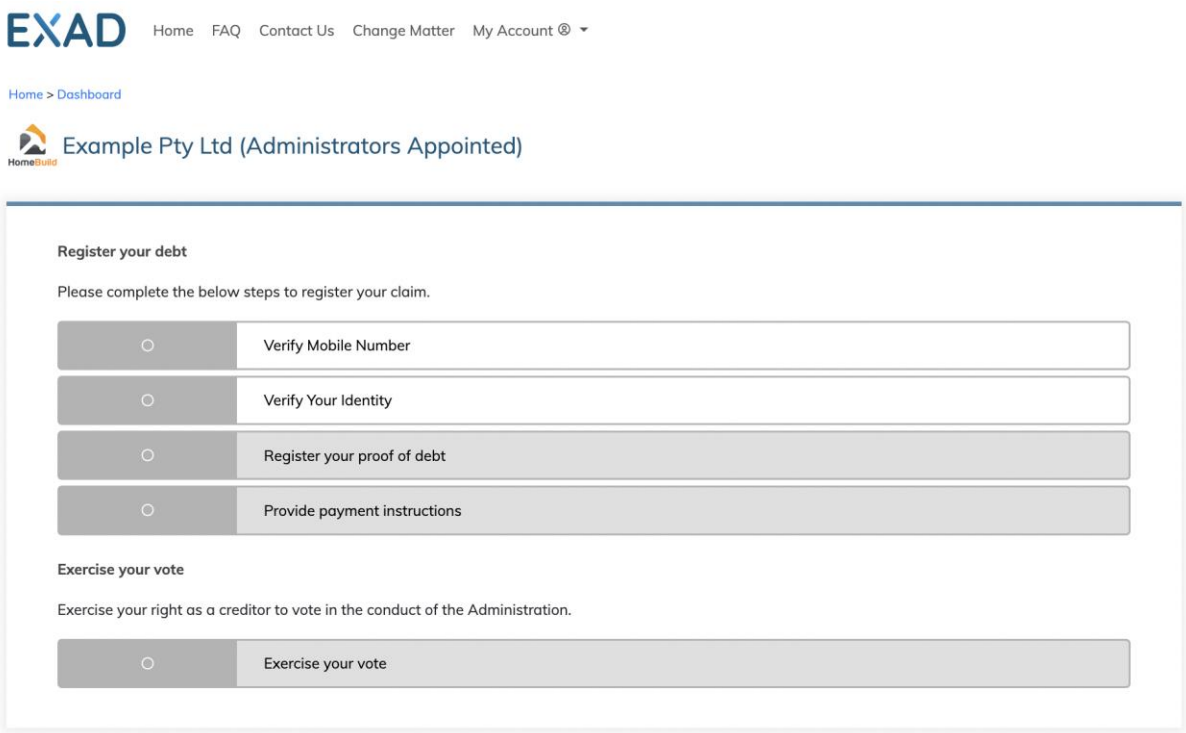


Once creditors have logged in, they will see the creditor dashboard where they can proceed to complete their proof of debt, vote for resolutions, attend meetings, add payment instructions for dividends, download reports etc.


Home
FAQ
Contact Us
My Account
Home > Dashboard
Example Pty Ltd (Administrator Appointed)
Register your debt
Please complete the below steps to register your claim.
Register your proof of debt
Exercise your vote
Exercise your vote

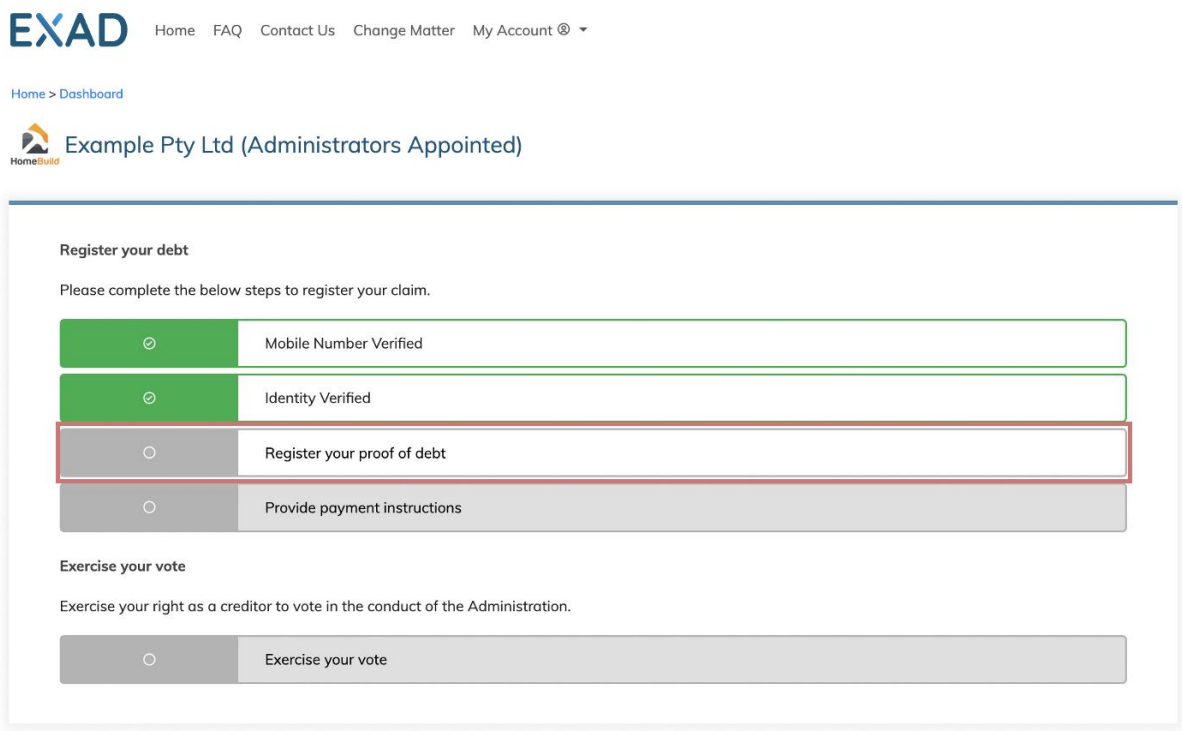
1.2. Verification of Identity and Mobile Number

Once a creditor logs in, if ID verification or mobile verifications are enabled (see section 1.3.4), creditors will be required to verify their mobile number and ID before moving on to proofs of debt and voting.

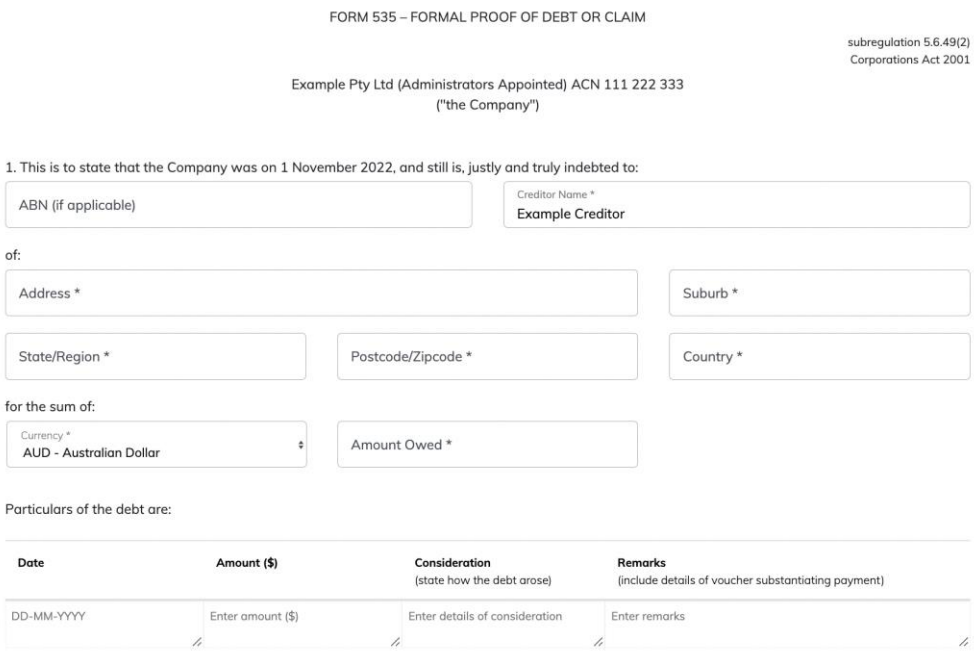


1.3. Proof of Debt

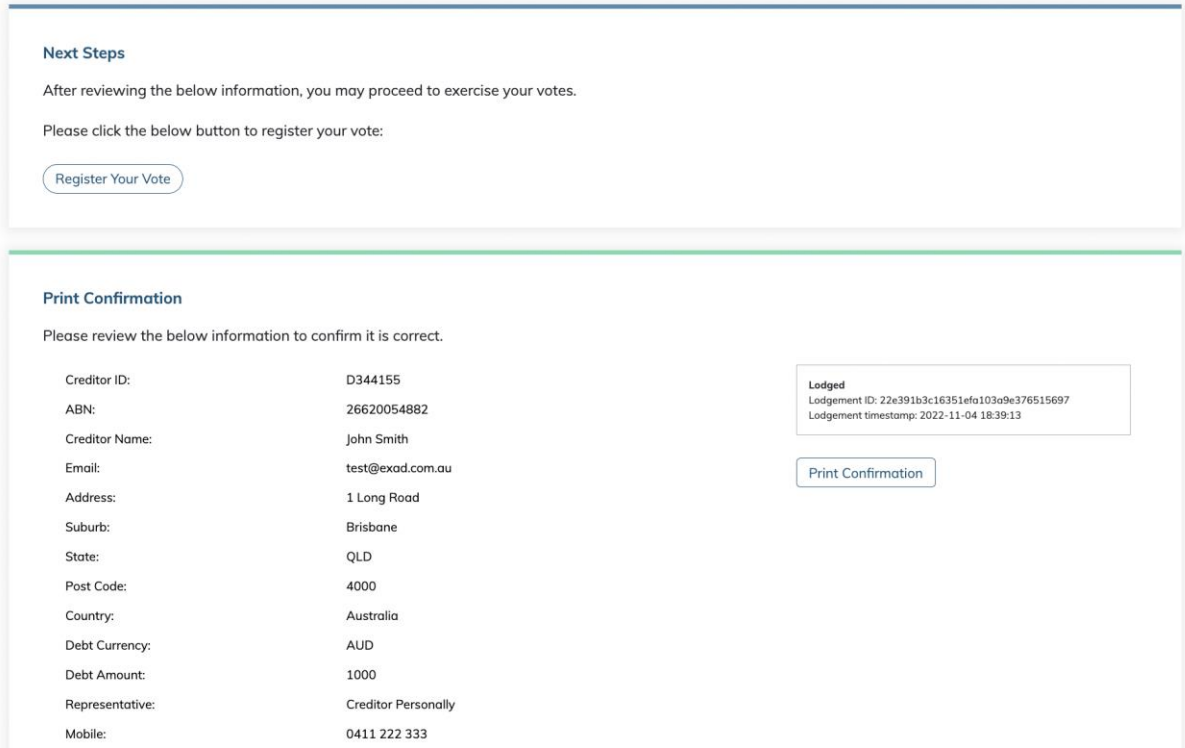
The creditor can complete their proof of debt by navigating to the below section.



The proof of debt adheres to the standard form 535 format and creditors need to fill out the required fields.

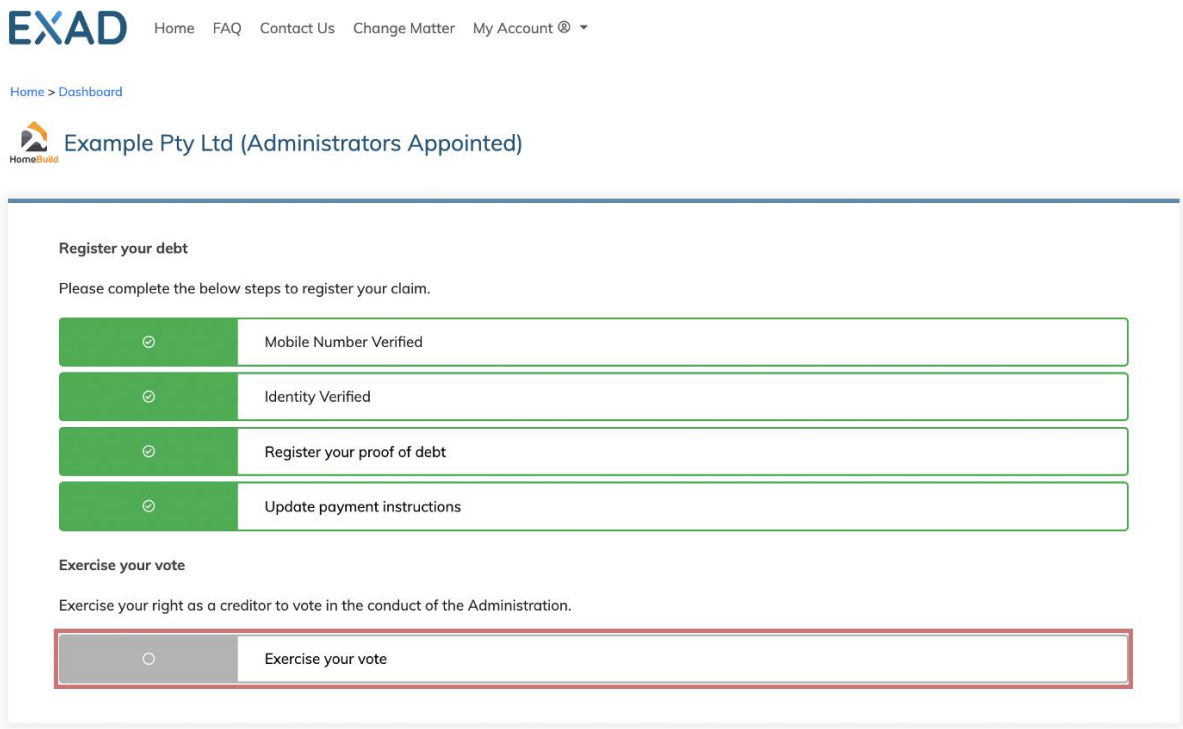


Once the proof of debt is complete, the creditor will be shown a copy of the information to confirm it is correct and print a copy for their own record. From the practitioners perspective, once the creditor has submitted their proof of debt, the 'User Updated' field will be updated to 'Yes'.



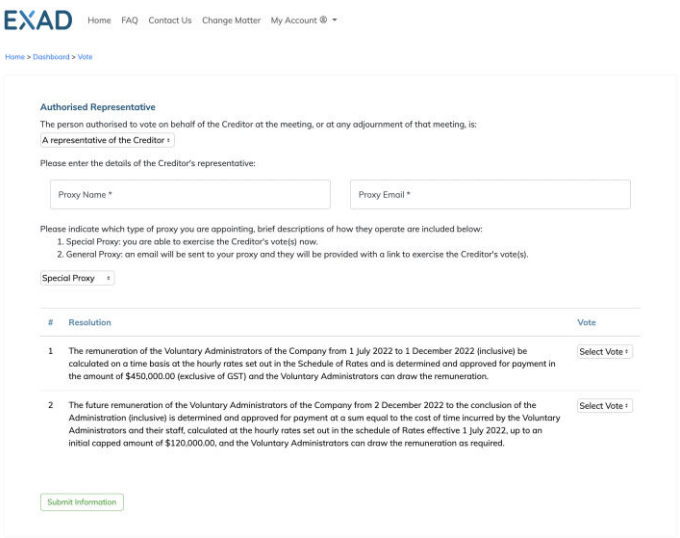
1.4. Voting

To exercise votes, the creditors need to click 'Exercise your vote' on the creditor dashboard.



On the voting screen, they will be given the option to:

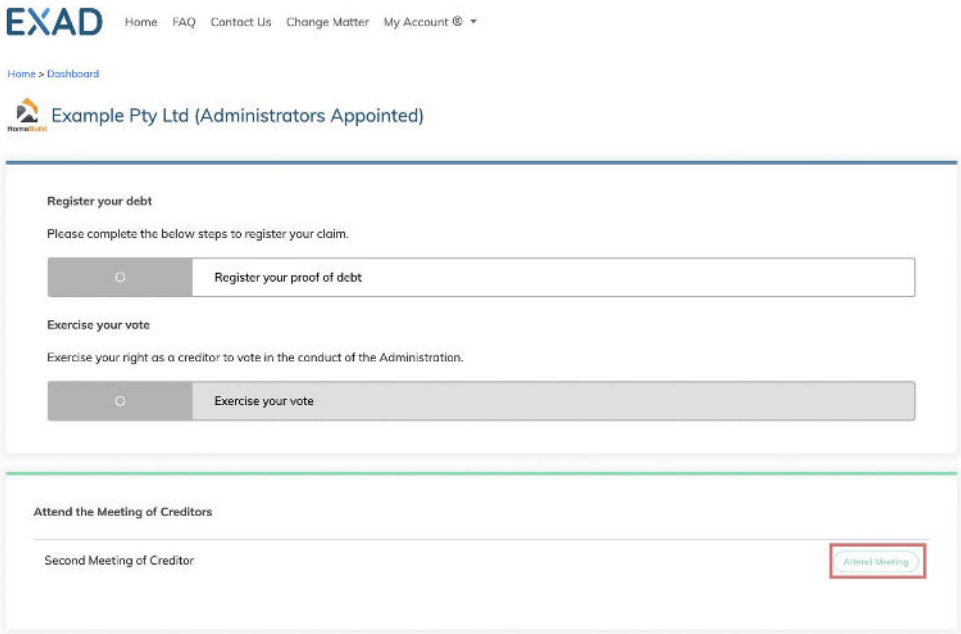
1. Vote in their own capacity (if they are an individual),
2. Nominate a Special Proxy and specify how the proxy is to exercise their votes, or
3. Nominate a General Proxy which will trigger an email to the general proxy with a link to select their votes.



1.5. Attending Meetings

1.5.1. Creditors

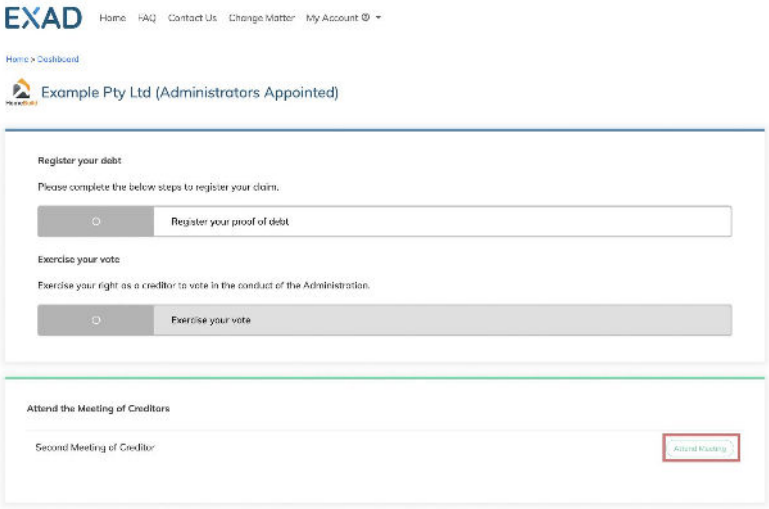
Creditors can access the meeting by using the link on the creditor dashboard.



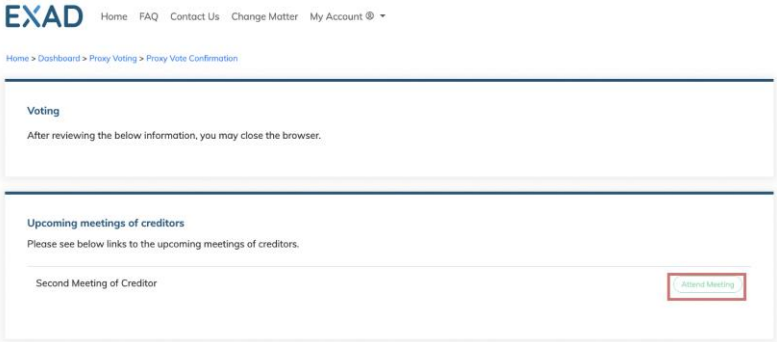
1.5.2. Proxies

There are three ways for proxies to join the meeting:

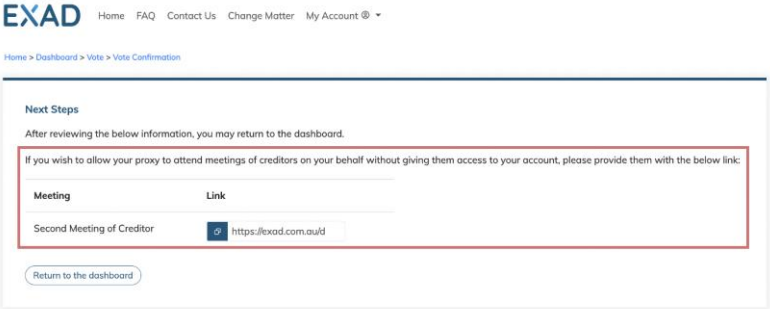
1. **Option 1:** The most common will be logging into the creditor account. For example, when *John Smith* is proxy for *John Smith Building Pty Ltd*, the proxy has access to the creditors account so they can simply login and join the meeting (i.e. see section 2.6.1).



2. **Option 2:** In the event a creditor nominates a general proxy, an email will be sent to the general proxy with a link to nominate how the creditor is to vote. After the general proxy exercises the creditors' votes they will be provided a link to join the meeting.



3. **Option 3:** In the event a creditor nominates a special proxy and does not give the proxy access to their account (e.g., an employee nominating a representative from the union), after the creditor nominates the proxy, they will be provided a link which they can pass on to the proxy.



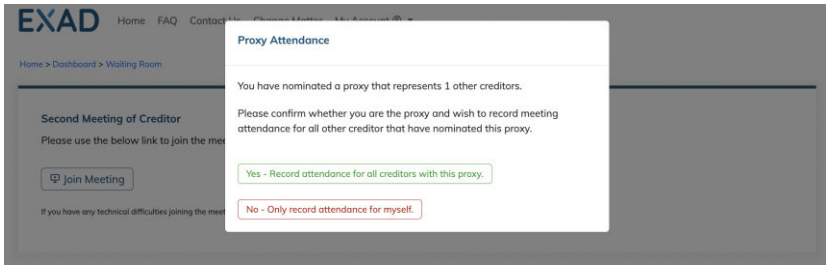
1.5.3. Representing Multiple Creditors

In some circumstances, a person may need to represent multiple creditors at a meeting of creditors. For example, *John Smith* may represent both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*. This becomes particularly important if the practitioner has required attendance at the meeting in order for votes to be counted.

In order to *John Smith's* attendance to count on behalf of both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*, both creditors must nominate *John Smith* as their proxy. Note, proxies are matched based on the email address.

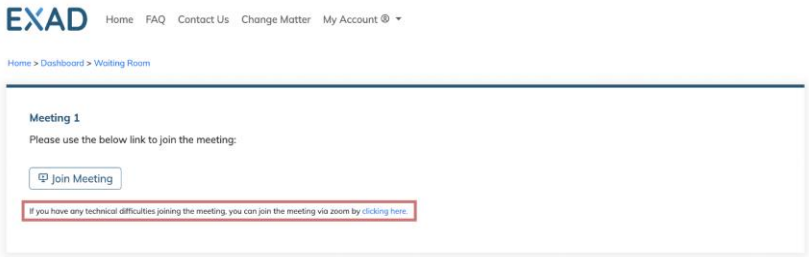
If the link in the Option 2 or Option 3 is used to join the meeting, the proxy's attendance will be recorded which covers all their represented creditors.

Alternatively, if Option 1 is used, the creditor will be asked whether they are the proxy.



1.5.4. Technical Issues

If creditors experience technical difficulty joining the meeting, they are able to click the below link to join the meeting directly via our third-party meeting host.



Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
ACN 121 684 348
ABN 65 121 684 348

Annexure "12"
Summary Receipts and Payments

Summarised Receipts & Payments

Stevens Construction (NSW) Pty Limited
(Administrators Appointed)
Transactions From 27 May 2024 To 25 June 2024

A/C	Account	Net	GST	Gross
72	Sundry Debtors (B)	774.40	0.00	774.40
74	Cash at Bank	5,070,126.97	0.00	5,070,126.97
77	Plant & Equipment	2,754.55	275.45	3,030.00
83	Bank Interest	6,431.56	0.00	6,431.56
88	Contract Claims	287,524.86	0.00	287,524.86
89	Bank Guarantee	368,774.13	0.00	368,774.13
90	Insurance	3,824.96	0.00	3,824.96
Total Receipts (inc GST)		**$5,740,211.43**	**$275.45**	**$5,740,486.88**
36	Insurance	3,535.35	353.54	3,888.89
43	Rent Paid (Commercial)	15,258.18	1,525.82	16,784.00
46	Sundry Expenses	14,560.00	1,456.00	16,016.00
52	Sub-Contractors	74,526.85	7,452.69	81,979.54
57	Insurance - GST Free	67,760.14	0.00	67,760.14
59	Security	228,710.01	22,871.01	251,581.02
60	Wastage Bin	4,690.91	469.09	5,160.00
61	IT Expenses	19,991.37	1,999.14	21,990.51
62	Supplier	2,250.00	225.00	2,475.00
63	Cleaning	1,200.00	0.00	1,200.00
130	Agents/Valuers Fees (1)	2,800.00	280.00	3,080.00
132	Bank Charges	10.00	0.00	10.00
137	Hire of Meeting Room	1,272.73	127.27	1,400.00
Total Payments (inc GST)		**$436,565.54**	**$36,759.56**	**$473,325.10**
Balance in Hand - By Bank Account				
212	**Cheque Account**			**1,267,161.78**
214	**Term Deposit**			**4,000,000.00**
				$5,267,161.78