

30 August 2018

Ocnef Pty Ltd (In Liquidation)  
ACN 107 726 456 (“the Company”)  
(Formerly Fenco Noise Barriers Pty Ltd)

Pursuant to Section 1603 (Section 508(1)(b)(ii) [Repealed])  
of the *Corporations Act 2001 (Cth)*

---

ANNUAL REPORT BY LIQUIDATORS

EXPERTS WITH IMPACT™

**Contents**

- 1. Introduction ..... 3
- 2. Glossary ..... 4
- 3. Update on the Progress of the Liquidation ..... 4
- 4. Investigations and Recovery Actions..... 5
- 5. Likelihood of Dividend..... 11
- 6. Meeting of Creditors ..... 13
- 7. Remuneration of Liquidators ..... 14
- 8. Further Information ..... 14

# 1. Introduction

I, Joanne Dunn, refer to the appointment of John Park and myself as Liquidators of the Company on 16 June 2017 and to my previous reports to creditors dated 26 June 2017 and 18 September 2017. This report should be read in conjunction with those reports.

The purpose of this report is to:

- Provide you with an update on the progress of the liquidation;
- Provide you with an update on progress of investigations and proposed recovery actions;
- Convene an annual general meeting of creditors of the Company; and
- Provide a Statement of Acts and Dealings of the Liquidators for the period 16 June 2017 to 15 June 2018 (**\*attached as Appendix A**).

In accordance with Section 1592 (Section 539(5) [Repealed]) of the *Corporations Act 2001 (Cth)* ("the Act"), I give notice that six monthly statements of receipts and payments have been lodged with the Australian Securities and Investments Commission ("ASIC").

Contact details for general enquiries regarding this liquidation are set out below:

**Table 1: FTI Consulting Contact Details**

Item	Details
Liquidators	Joanne Dunn and John Park
Point of Contact	Neil Dempster
Contact Phone Number:	(07) 3225 4953
Contact Email:	Neil.Dempster@fticonsulting.com
Street Address:	FTI Consulting Central Plaza One Level 20, 345 Queen Street Brisbane QLD 4000
Postal Address:	FTI Consulting GPO Box 3127 Brisbane QLD 4001

## 2. Glossary

Please refer to the below glossary of terms which are relevant to the reader's interpretation of this report.

Glossary of Terms	
Item	Definition
Ocnef Pty Ltd (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation)	"the Company"
Fenco Industries Pty Ltd	"Fenco Industries"
Consolidated Barriers Pty Ltd	"Consolidated Barriers"
Golding Contractors Pty Ltd	"Golding"
Cashflow Finance Pty Ltd	"Cashflow"
Klaas Coatings Pty Ltd	"Klaas Coatings"
MCE Holdings Pty Ltd	"MCE"
McIlwain Civil Engineering Pty Ltd	"McIlwain"
Osbourne Consulting Pty Ltd	"Osbourne Consulting"
<i>Corporations Act (2001) Cth</i>	"the Act"
All Present and After Acquired Property Security Interest	"All PAAP"

## 3. Update on the Progress of the Liquidation

### 3.1 Debtors and Retentions

#### 3.1.1 Golding

As discussed in my 18 September 2017 report, the Company was party to a sub-contract with Golding for the completion of works on the Helensvale Rail Duplication project. Golding owed the Company \$190,961 (for the April 2017 progress claim), Cashflow held security as result of providing debtor factoring services for \$174,703 (which was paid out by Vincent Wregg and he subrogated into Cashflow's position) and a creditor, Klaas Coatings lodged a sub-contractor's charge on Golding for monies owed by the Company to it for \$61,058. I determined the Golding debt was not commercial to pursue as there was no benefit to Company.

Separate to the April 2017 progress claim, there were \$145,186 in retentions owing to the Company by Golding, which were not secured by the factoring facility. A Deed of Novation of the Golding sub-contract was executed between the Company, Golding and Fenco Industries on 3 May 2017, which gave Fenco Industries rights to complete the project and receive any monies owed by Golding, including retentions. It is my view adequate consideration was not paid by Fenco Industries to the Company for the rights granted under the novation to the Golding sub-contract. Please refer to section 4.5.4 of this report for the Liquidator's commentary on the matter.

#### 3.1.2 CPB Contractors Pty Ltd

\$137,500 in retentions for the Leighton Project was received on 8 December 2017.

A further \$65,386.52 was due to be released on 16 March 2018 for the Moreton Bay Rail Link project. Delays were experienced in CPB Contractors Pty Ltd releasing these funds, and after numerous follow up communications (to the extent of foreshadowing legal action) these funds were released to the Company on 2 July 2018.

## 3.2 Receipts and Payments

\*Attached at Appendix B are details of the receipts and payments of the Liquidation for the period 16 June 2017 to 19 August 2018.

## 4. Investigations and Recovery Actions

As Liquidators, we have undertaken extensive investigations into the affairs of the Company, and of its related entities. We have reviewed the books and records of the Company and other externally available information with a view to identifying transactions which may be voidable under Part 5.7B of the *Corporations Act 2001 (Cth)* ("the Act"). A summary of these transactions is below.

Ocnef Pty Ltd (Formerly Fenco Noise Barriers Pty Ltd) (in Liquidation) Voidable Transactions & Potential Recoveries Investigated					
Entity	Uncommercial Transactions	Preferences	Insolvent Trading	Loans	Report Section Reference(s)
Consolidated Barriers	✓	-	-	-	4.5.3, 4.6
Vincent Wregg	-	-	✓	-	4.1, 4.7
McIlwain Civil Engineering	-	✓	-	-	4.4.1, 4.6
Leon Wregg	✓	-	-	✓	4.2.2
Jeffrey Wregg	✓	✓	-	-	4.2.1, 4.4.2, 4.5.1
Linda Ryan	✓	-	-	-	4.5.2
Fenco Industries	✓	-	-	-	4.3, 4.4.1, 4.5.4, 4.6

A Liquidator may assess transactions between related parties up to four years prior to the relation back date (i.e. four years prior to 16 June 2017) being 16 June 2013. Transactions may be voided if they were made whilst the Company was insolvent, or the Company became insolvent as a result of the transaction. I have identified the Company was insolvent from at least 30 September 2013.

### 4.1 Vincent Wregg Loan

Vincent Wregg holds an ALL PAAP security interest over the property of the Company for an amount of \$825,000 he advanced to the Company, enforceable under a Deed of Charge ("the Deed") granted in favour of the Company on 4 August 2006. I have sought independent legal advice on the validity of this security, and the advice confirmed the security is valid.

The Deed provides that the principal and interest of the loan is repayable on demand of the security holder, Vincent Wregg.

Records of the Company indicate that Vincent Wregg was contributing to and withdrawing funds from the Company in respect to the loan over the period for which records are available. The records indicate the balance of Vincent Wregg's loan reduces from \$1,558,982.66 at 31 December 2016 to \$919,001.00 at 16 June 2017.

As the security was properly registered, Vincent Wregg is a secured creditor of the Company and payments made to a secured creditor cannot be considered preferential under Part 5.7B of the Act. Accordingly, there will be no recoveries made from Vincent Wregg for repayments made against this loan.

## 4.2 Loans

The Company's balance sheet identified a number of related party loans outstanding at the time of my appointment. Further details are provided below regarding the status of these investigations.

### 4.2.1 Jeffrey Wregg Loan

My previous report to creditors identified a \$2,000 loan recorded in the balance sheet as owed by Jeffrey Wregg.

Further electronic records of the Company have since been obtained and I have determined the loan transaction is more appropriately identified as an uncommercial transaction. Please refer to section 4.4 below for further information.

### 4.2.2 Leon Wregg Loan

My previous report to creditors identified a loan recorded in the balance sheet owed by Leon Wregg in the amount of \$22,030 based on information available at that time.

Further electronic records of the Company have since been obtained which indicate the recoverable loan transaction is actually \$79,937.

In response to a request for payment of the loan or for Leon Wregg to provide evidence to show why no loan was recoverable, documentation was received asserting Leon Wregg loaned the Company \$25,000 in March 2010 to assist the Company in paying outstanding GST and PAYG. This transaction was not recorded in the Company's records. A further explanation of the transaction was received, advising Leon Wregg lent funds directly to Vincent Wregg, who then on lent the funds to the Company under his secured mortgage.

No explanation has been provided as to why the funds were paid to Vincent Wregg first and not to the Company. Also, no substantiating evidence has been provided at this stage to show why the loan was not payable.

Based on the size of the potential claim against Leon Wregg and the costs to pursue this action further, estimated to be \$20,000 to \$40,000, this may be an action we pursue.

It is likely I will publicly examine Leon Wregg to obtain information regarding these transactions, to ascertain his personal financial position, and any other matter which may be relevant in determining whether it is commercial to continue pursuing Leon Wregg.

## 4.3 Asset Sale Agreement

On 28 February 2017, an asset sale agreement ("the Sale Agreement") was entered into between the Company and Fenco Industries, an unrelated third party and completed on 15 March 2017. The consideration to be paid under this Sale Agreement was dictated by an interdependent contract ("the Interdependent Contract") between a related entity, Consolidated Barriers, and MCE. MCE is a related entity to Fenco Industries. The Company received \$550 for the sale of small value assets listed in the Sale Agreement.

Our review of the assets held by the Company at the time of the Sale Agreement were minimal and therefore there is no further avenue to recover funds from assets sold under this transaction.

The Golding sub-contract (discussed in section 3.1), was excluded from the Sale Agreement. On 30 April 2018, subsequent to the Sale Agreement, the Golding sub-contract was novated to Fenco Industries. The novation and potential recovery avenues for the Liquidators are discussed in section 4.5.4 below.

## 4.4 Preference Payments

Payments made to creditors whilst the Company was insolvent may be recoverable by the Liquidators pursuant to Section 588FA of the Act. For a preference payment to be recoverable, it must be a transaction made when the Company was insolvent, and the creditor in question must have received a greater benefit as a result of the transaction than if the payment was set aside and they were required to prove as an unsecured creditor in the winding up of the Company.

My investigations to date have identified two potential preference payment recovery options. Further details are provided below.

### 4.4.1 Repayment by the Company to Mcllwain

In the four months prior to my appointment, the Company entered into a sale agreement with Fenco Industries. The Directors of Fenco Industries at the time were Tim, Keith, and Neal Mcllwain ("The Mcllwains"). The Sale Agreement provided that Fenco Industries would take over employment of the majority of the Company's employees.

Mcllwain, an entity related to Fenco Industries, received \$232,844 from the Company in the relation back period (6 months prior to my appointment). I wrote to Mcllwain requesting information to support why they received these monies. The response referred to the loan agreement between MCE and Consolidated Barriers, whereby MCE would advance monies to Consolidated Barriers who would then forward these monies to the Company to pay wages. Vincent Wregg was a guarantor under the loan agreement. A copy of the loan agreement was provided in support.

\$220,391 was paid by MCE directly to employees of the Company and a further \$12,453 to a trade creditor. The Company, instead of repaying these funds to MCE, instead paid \$232,844 to Mcllwain who was not a party to the agreement.

My views are these transactions are voidable and correspondence was issued between the parties which resulted in a without prejudice meeting with the Liquidators on 23 July 2018. Further details concerning the settlement of this claim against Mcllwain Civil Engineering appear at Section 4.6 of this report.

### 4.4.2 Payments to Jeffrey Wregg

Further to Section 4.2.1 of this report, the Company's electronic records identified a collectable loan owed by Jeffrey Wregg in the amount of \$2,000.

Further electronic records of the Company have since been obtained and I have determined the transactions creating the loan is more appropriately identified as a series of preferential payments (reduction of loan) to Jeffrey Wregg whilst the Company was insolvent. The further obtained records resulted in the claim increasing from \$2,000 to \$29,025.

Jeffrey Wregg has advised, through a representative, he lent funds for the Company via Vincent Wregg, who then on lent the funds to the Company under his secured mortgage.

No explanation has been provided as to why the funds were paid to Vincent Wregg first and not to the Company. Also, no substantiating evidence has been provided by Jeffrey Wregg to validate his defence.

This claim on its own would not be commercial to pursue due to the legal costs outweighing the recovery itself, however it may be worthwhile to continue action when coupled with the claim of \$54,454 as discussed in section 4.5.1 below.

## 4.5 Uncommercial Transactions

An uncommercial transaction may be voidable by a Liquidator pursuant to Section 588FB of the Act. When determining whether a transaction is uncommercial, a Liquidator must consider the purposes for which the transaction was entered into, and the detriment experienced by the Company as a result of entering into the transaction.

I am seeking further information in relation to the following transactions:

#### **4.5.1 Jeffrey Wregg**

Jeffrey Wregg received a total of \$54,454 in payments, which were not consistent with payments for wages. He was requested to confirm why he received these funds and to provide supporting documentation for same.

I was advised payments made to Jeffrey Wregg were reimbursements for materials purchased by him on behalf of the Company. No documentation has yet been provided in support of this claim. Accordingly, I have issued a demand to Jeffrey Wregg requesting repayment of this amount.

Investigations have identified Jeffrey Wregg is a joint owner of real property, however the amount of mortgage debt on this property is presently unknown.

It is likely I will publicly examine Jeffrey Wregg to obtain information regarding these transactions (the preference and uncommercial transaction), to ascertain his personal financial position, and any other matter which may be relevant in determining whether it is commercial to continue pursuing Jeffrey Wregg.

#### **4.5.2 Linda Ryan**

Linda Ryan is recorded as an unsecured creditor on the balance sheet of the Company for \$15,000 loaned to the Company on 5 December 2016. Linda Ryan is the partner of Vincent Wregg.

As discussed earlier in this report I am able to investigate related party transactions within four years of my appointment. The records of the Company identify Linda Ryan received payments for loan interest totalling \$80,975 for the period 30 September 2013 to 16 June 2017. Linda Ryan was requested to provide further information in relation to these transactions.

A bank statement was provided evidencing payments advanced to the Company from a line of credit. I believe the line of credit belongs to Vincent Wregg and the purported loan advances are made to Vincent Wregg first, before being on-loaned to the Company.

No loan agreements have been provided to evidence the transactions between Linda Ryan, Vincent Wregg or the Company, nor are there any PPSR registrations to support security is held for the amounts owed.

A letter of demand was issued to Linda Ryan on 22 March 2018 for repayment of uncommercial transactions totalling \$80,975 on the basis no loan was recorded prior to 5 December 2016 and Linda Ryan ought not to have received interest payments as result.

Linda Ryan has advised, through a representative, she lent funds directly to Vincent Wregg, who then on lent the funds to the Company under his secured mortgage.

No explanation has been provided as to why the funds were paid to Vincent Wregg first and not to the Company.

My investigations have not yet identified any property held by Linda Ryan. In this respect I intend to conduct a public examination of Linda Ryan to obtain further information on the transactions and to ascertain her financial capacity to satisfy any successful claim. Further details concerning the public examination appear in Section 4.7.2 of this report.

#### **4.5.3 Consolidated Barriers**

My investigations into the transactions between the Company and Consolidated Barriers revealed a potential overpayment by the Company of premises and plant and equipment rental. Prior to 21 March 2017 the directors and shareholders of Consolidated Barriers were Vincent Wregg & Robert Heagerty. They resigned their directorship and sold their shares on 21 March 2017 to The McIlwains & MCE respectively.

The former and current directors of Consolidated Barriers were requested to provide rental agreements to support the amounts paid. From discussions held and correspondence issued, there were no formal agreements in place between the parties to support the amounts paid.

In the absence of any agreements, I engaged a valuer to determine the historical market rental for the premises, and a second valuer to consider the possible lease costs of the plant and equipment supposedly on lent by Consolidated Barriers to the Company.

I also located a number of payments to Consolidated Barriers recorded in the Company records. These payments appeared to be made with respect to Consolidated Barriers vehicle registration costs and the Company did not own the vehicles. As noted above there is no formal agreement in place for the rent or payment of operating costs for assets.

Whilst there are no formal agreements in place, the Company did use the assets and occupy the premises in performing its' work, and therefore should have paid market rates for the use and occupation. Considerable correspondence was exchanged between parties which resulted in a without prejudice meeting held on 23 July 2018 between the Liquidators and Consolidated Barriers, together with their legal representatives. Further details concerning the settlement of this claim against Consolidated Barriers appear at Section 4.6 of this report.

#### **4.5.4 Novation of the Golding Sub-contract to Fenco Industries**

The Company was a sub-contractor of Golding required to perform works on the Coomera to Helensvale Rail Duplication project.

The Sale Agreement specifically excluded the Golding sub-contract. Subsequent to the Sale Agreement, on 30 April 2017, the Company arranged for the Golding sub-contract to be novated to Fenco Industries. No consideration appears to have been paid to the Company for the novation of retentions and debtor amounts.

Matters concerning retentions and debtors are detailed below and my determination concerning the voidability of the novation is summarised thereafter.

##### *Retentions Recoveries*

Retentions of \$145,186 (excl. GST) referred to above represent 5% of the total Golding sub-contract value. The total retention balance was withheld prior to the novation of the Golding sub-contract.

I contacted Golding to obtain details concerning the retentions. Golding provided the following information:

1. \$72,593 (excl. GST) of retentions had previously been released to Fenco Industries.
2. The remaining retention of \$72,593 (excl. GST) is due to be released on 24 May 2018. This retention was also released to Fenco Industries in full.

##### *Voidability of Novation Deed*

A transaction may be declared void by a Liquidator if a person in the Company's circumstances would not have entered into the agreement, having regard to the benefits and detriments to the Company.

My position is the novation of the Golding sub-contract caused the Company to suffer a detriment by way of the loss of entitlement to retentions and amounts paid to Fenco Industries for the April 2017 progress claim which was performed by the Company.

This claim against Fenco Industries was subject to a without prejudice meeting with the Liquidators on 23 July 2018. Further details concerning the settlement of this claim against Consolidated Barriers appear at Section 4.6 of this report below.

## **4.6 Settlement of claims against Fenco Industries, Consolidated Barriers and Mcllwain**

Fenco Industries, Consolidated Barriers and Mcllwain (collectively “the Mcllwain Entities”) are all controlled directly or indirectly by Keith, Neal, and Timothy Mcllwain.

Claims against the Mcllwain Entities are detailed in Sections 4.4.1, 4.5.3, 4.5.4 above.

On 23 July 2018, I and my legal representatives met with Keith and Timothy Mcllwain, and their legal representatives, to discuss all claims against the Mcllwain Entities on a without prejudice basis.

At the meeting the Mcllwain Entities proposed to settle **all** claims by the Company for a sum of money (which at this stage cannot be communicated as negotiations are ongoing), and for the Mcllwain Entities to agree not to submit a claim in the Liquidation.

It is my view a commercial settlement of these claims, which are numerous as documented above, would be of greater benefit to creditors rather than incurring further time and legal costs (which may be significant) in continuing to pursue these matters further.

## **4.7 Insolvent Trading & Public Examination**

A review of the debts incurred whilst the Company was insolvent from 30 September 2013, and which remain unpaid at 16 June 2017, indicate a potential insolvent trading claim for \$971,799, which may be recoverable from the director, Vincent Wregg.

### **4.7.1 Insolvent Trading Estimated Recoveries**

Liquidators must assess the likelihood of a successful insolvent trading claim action being commenced, in addition to the commercial benefit to creditors in doing so. Insolvent trading claim actions can be costly and at this stage the Liquidators are without significant funding to run such an action.

Funding for an insolvent trading action may be obtained through other recoveries under Part 5.7B of the Act, being voidable transactions discussed above, through the recovery of the Company’s debtors, or through litigation funding. I have obtained a cost estimate from my solicitors to run the insolvent trading claim against Vincent Wregg, anticipated to range between \$100,000 and \$185,000.

### **4.7.2 Public Examination**

I intend to conduct public examinations of Vincent Wregg, Linda Ryan, Jeffrey Wregg, and Leon Wregg to obtain further information in relation the transactions between themselves and the Company, the operations of the Company and to ascertain their financial capacity to satisfy a successful claim against them. We estimate the costs of these public examinations to be in the vicinity of \$25,000 to \$50,000.

Following the public examinations and the information obtained as a result, we will then approach litigation funders to progress claims with commercial merit.

The reason for approaching litigation funders is to avoid the depletion of assets available to creditors. The litigation funder will bear the risk of funding the actions when commenced, however they will not fund the public examinations.

Creditors will be advised in due course of any public examinations and the details of when and where these are to take place.

## 5. Likelihood of Dividend

Based on the creditor claims received to date, and the potential recovery options available to the Liquidators, I estimate a dividend to priority creditors is likely to be paid and will range from Nil to 100c/\$.

Unsecured creditors may receive a dividend from the Liquidation between Nil and 15.24c/\$.

A distribution of funds to priority creditors may occur by the end of the calendar year, depending on recoveries made by the Liquidators.

Any dividend to unsecured creditors I do not foresee issuing prior to 30 March 2018 due to the recovery processes involved with Part 5.7B of the Act and the potential need for litigation of some matters.

I have prepared an estimated statement of position (“ESOP”) in relation to the Company, which appears **overleaf**. This ESOP does not include any litigation funding and associated costs with the funding arrangement. Should I enter into an arrangement with a Litigation Funder, I will provide creditors with an update at that time.

<b>Ocnef Pty Ltd (Formerly Fenco Noise Barriers Pty Ltd) (in Liquidation)</b>			
<b>Estimated Statement of Position</b>			
	<b>Optimistic</b>	<b>Pessimistic</b>	<b>Notes</b>
<b>Assets</b>			
Cash at Bank	211,747	211,747	(i)
Settlement: McIlwain Entities	Withheld	Withheld	(ii)
Uncommercial Transaction Recoveries	102,322	Nil	(iii)
Related Party Loans	79,937	Nil	(iv)
Insolvent Trading	971,799	Nil	(v)
<b>Total Assets</b>	<b>1,365,804</b>	<b>211,747</b>	
<b>Less: Liquidation Expenses</b>			
Legal Fees	(33,025)	(33,025)	(vi)
Estimated Future Legal Fees	(140,000)	(265,000)	(vii)
Accounting Fees	(10,000)	Nil	(viii)
	<b>(183,025)</b>	<b>(298,025)</b>	
<b>Less: Liquidator's Remuneration &amp; Expenses</b>			
			(ix)
Unbilled External Disbursements at 19.08.2018	(631)	(631)	
Unapproved Internal Disbursements at 19.08.2018	(674)	(674)	
Unapproved Internal Disbursements from 20.08.2018	(500)	(1,000)	
Unapproved Remuneration for the period 23.06.2017 to 19.08.2018 (incl.)	(231,787)	(231,787)	
Unapproved Remuneration for the period 20.08.2018 to Finalisation	(45,000)	(90,000)	
	<b>(278,592)</b>	<b>(324,092)</b>	
<b>Surplus/(deficit) available for priority creditors</b>	<b>904,187</b>	<b>(410,370)</b>	
<b>Priority Creditors (Employees)</b>			
Wages/Superannuation	(299,917)	(584,528)	(x)
Annual & Long Service Leave	(160,216)	(160,216)	(xi)
PILN & Redundancy	(98,643)	(98,643)	(xi)
<b>Total Priority Creditors</b>	<b>(558,776)</b>	<b>(843,387)</b>	
<b>Surplus/(deficit) available for unsecured creditors</b>	<b>345,412</b>	<b>(1,253,757)</b>	
<b>Unsecured Creditors</b>			
Trade Creditors	1,031,718	1,134,890	(xii)
Vincent Wregg Loan (Unsecured Balance)	1,093,704	1,093,704	(xiii)
<b>Total Unsecured Creditors</b>	<b>2,125,423</b>	<b>2,228,594</b>	
<b>Total surplus/(deficit)</b>	<b>(1,780,011)</b>	<b>(3,482,352)</b>	
<b>Potential dividend to unsecured creditors (c/\$)</b>	<b>16.25</b>	<b>Nil</b>	

**Notes:**

- (i) Cash at bank as at 19 August 2018.
- (ii) I have withheld the McIlwain Entities settlement amounts as discussed in 4.6.
- (iii) Claims against Linda Ryan & Jeffery Wregg referred to in section 4.4.2, 4.5.1, 4.5.2.
- (iv) Claim against Leon Wregg referred to in section 4.2.2.
- (v) Insolvent trading claim against Vincent Wregg refer to section 4.7.
- (vi) Legal representatives unbilled WIP at 21 August 2018.
- (vii) Cost estimate for public examination, insolvent trading claim, and estimated legal costs to pursue Vincent Wregg, Linda Ryan, Leon Wregg and Jeffrey Wregg for claims detailed in this report.
- (viii) If a dividend is paid to unsecured creditors, uncompleted tax returns and business activity statements will need to be completed to allow the Deputy Commissioner of Taxation to confirm its position in the Liquidation.
- (ix) Please refer to the remuneration approval report **attached**.
- (x) Estimated range of superannuation based on the Company's records and claims for wages received to date.
- (xi) Priority employee leave and retrenchment entitlements verified by the Liquidators effective 21 August 2018.
- (xii) Optimistic value is the value of proofs of debt received at the date of this report. Pessimistic value assumes 10% upswing.
- (xiii) Vincent Wregg has submitted a proof of debt in the Liquidation for \$919,001. Vincent Wregg also paid \$174,703 to Cashflow with respect to the Golding debt (refer section 3.1.1.) as Cashflow held a personal guarantee in his favour.

## 6. Meeting of Creditors

A Meeting of Creditors will be held at FTI Consulting, Level 20, Central Plaza 1, 345 Queen St Brisbane QLD, on Tuesday 18 September 2018 at 10:00 AM. Formal notice of the meeting accompanies this report at **Appendix D**. Registration for the meeting will commence at 9:55 AM.

A Form 532 – Appointment of Proxy also accompanies this report. If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the Proxy form appointing your representative to FTI Consulting, GPO Box 3127, Brisbane, Queensland, 4001 or by email to [neil.dempster@fticonsulting.com](mailto:neil.dempster@fticonsulting.com) no later than 4:00pm, Monday 17 September 2018.

If you are representing a company, please ensure that your proxy is executed pursuant to Section 127 of the Corporations Act or your representative is appointed pursuant to Section 250D of the Corporations Act, otherwise you will not be entitled to vote at the meeting.

Creditors are required to have lodged proofs of debt no later than 4:00pm on Monday 17 September 2018, failing which they may be excluded from voting at the meeting. A Form 535, Formal Proof of Debt or Claim accompanies this Report as **Appendix B**. Proofs of Debt may be sent to FTI Consulting, GPO Box 3127, Brisbane, Queensland, 4001.

Those creditors who have already lodged a Proof of Debt are not required to lodge a further proof (unless they wish to amend their claim)

Teleconference details are available for this meeting. Please contact this office to obtain dial in details should you wish to attend the meeting via telephone.

## 7. Remuneration of Liquidators

Please refer to the **attached** Remuneration Request Approval Report.

## 8. Further Information

If creditors are aware of any assets that have not been disclosed and may be available for realisation, they should contact this office in writing as soon as possible.

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

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at [www.asic.gov.au](http://www.asic.gov.au) by searching for "insolvency information sheets".

Should you have any queries in relation to this report, please contact Neil Dempster of my office on (07) 3225 4953 or [Neil.Dempster@fticonsulting.com](mailto:Neil.Dempster@fticonsulting.com).

Dated 30 August 2018



**Joanne Dunn**  
Liquidator

**\*Attach.**

Our Ref: RCL\_457113r3.doc

### Appendices

Appendix A	Statement of Acts and Dealings
Appendix B	Receipts and Payments for the period 16 June 2017 to 19 August 2018.
Appendix C	Proof of Debt
Appendix D	Notice of Meeting
Appendix E	Appointment of Proxy



Neil Dempster  
(07) 3225 4953  
[Neil.Dempster@fticonsulting.com](mailto:Neil.Dempster@fticonsulting.com)

Renee Lobb  
(07) 3225 4976  
[Renee.Lobb@fticonsulting.com](mailto:Renee.Lobb@fticonsulting.com)

*Liability limited by a scheme approved under Professional Standards Legislation*

EXPERTS WITH IMPACT™

### About FTI Consulting

FTI Consulting, LLP, is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

[www.fticonsulting.com](http://www.fticonsulting.com)

©2013 FTI Consulting, LLP. All rights reserved

## Appendix A

**Ocnef Pty Ltd ACN 107 726 456 (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation)**  
**Liquidator's Statement of Acts and Dealings**  
**In the Winding Up of the Company from 16 June 2017 to 15 June 2018**

John Park and I, Joanne Dunn, were appointed Liquidators of the Company on 16 June 2017. This account, which has been prepared in accordance with the provisions of Pursuant to Section 1603 (Section 508 (1) [Repealed]) of the Act, covers the period from 16 June 2017 to 15 June 2018.

### Receipts and Payments

A statement of receipts and payments for the period 16 June 2017 to 15 June 2018 (inclusive) appears below

Ocnef Pty Limited (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation)		
Receipts and Payments From 16 June 2017 To 15 June 2018		
Type	Account	Total (\$)
<b>Receipts</b>		
	FEG Verification Services	5,148.00
	Accounts Receivable (Pre-Appointment)	161,683.37
	Cash at Bank	15.18
	GST Control: GST Paid (Received)	1,893.00
	Indemnity Funds	10,000.00
		178,739.55
<b>Payments</b>		
	Appointee Disbursements	(1,187.20)
	Bank Charges	(30.00)
	Fees: Appointee Fees	(11,556.05)
	FEG Verification Services	(5,148.00)
	Historical Rental Appraisal Fees	(3,620.89)
	Legal Fees	(9,235.60)
		(30,777.74)
	<b>Net Receipts (Payments)</b>	<b>147,961.81</b>

### Creditors' Claims

The following Proofs of Debts from creditors have been received to date:

Creditor Type	Number of Proofs	Amount (\$)
<b>Secured Creditors</b>	1	919,001
<b>Priority Creditors</b>	26	381,745
<b>Unsecured Creditors</b>	52	1,031,718
<b>Total Creditor Claims</b>	<b>79</b>	<b>2,332,464</b>

### Investigation into the Affairs of the Company

Please refer to the annual report to creditors dated 30 August 2018 which details the Liquidator's investigations into the Company's affairs.

### Liquidator's Remuneration and Disbursements

Please refer to the **\*attached** Remuneration Request Approval Report.

### Outstanding Issues

- Finalise and submit supplementary report to ASIC pursuant to Section 533(2) of the Act concerning the Company;
- Conduct public examinations of Vincent Wregg and Linda Ryan, with creditor approval, to ascertain individual financial positions;
- If appropriate, commence an insolvent trading action against Vincent Wregg;
- If appropriate, commence recovery proceedings against Linda Ryan;
- Confirm balance of unpaid superannuation and applicable superannuation guarantee charge and admin charges, request the submission of a proof of debt from the Deputy Commissioner of Taxation in this respect;
- Pay priority dividend if available;
- Obtain tax clearance from the Deputy Commissioner of Taxation if paying unsecured dividend by completing outstanding taxation lodgements;
- Pay unsecured dividend if available;
- Request ASIC deregister the Company.

The resolution of these matters is estimated to take six months to one year, with the Liquidation anticipated to be finalised by August 2019.

Dated 30 August 2018



Joanne Dunn  
Liquidator

## Appendix B

### Ocnef Pty Limited (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation)

Receipts and Payments From 16 June 2017 To 19 August 2018

Type	Account	Total (\$)
<b>Receipts</b>		
	FEG Verification Services	5,148.00
	Accounts Receivable (Pre-Appointment)	227,008.12
	Equity: Opening Balance	15.18
	GST Control: GST Paid (Received)	1,893.00
	Indemnity	10,000.00
	<b>Total Receipts</b>	<u>244,064.30</u>
<b>Payments</b>		
	Rent Assessment	(1,540.00)
	Appointee Disbursements	(1,187.20)
	Bank Charges	(30.00)
	Fees: Appointee Fees	(11,556.05)
	FEG Verification Services	(5,148.00)
	Historical Rental Appraisal Fees	(3,620.89)
	Legal Fees	(9,235.60)
		<u>(32,317.74)</u>
	<b>Net Receipts (Payments)</b>	<u><u>211,746.56</u></u>

**OCNEF PTY LTD (IN LIQUIDATION) (FORMERLY FENCO NOISE BARRIERS PTY LTD) ACN 107 726 456 ("THE COMPANY")**

To the Liquidators of Ocnef Pty Ltd Pty Ltd

1. This is to state that the Company was on 16 June 2017, and still is, justly and truly indebted to:

Name of Creditor: \_\_\_\_\_

Address of Creditor: \_\_\_\_\_

Debt Owed: \$ \_\_\_\_\_ and \_\_\_\_\_ cents

Particulars of the debt are:

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

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

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

3. \* I am the creditor personally OR

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

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

\* Omit if inapplicable

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Name of authorised Person

\_\_\_\_\_  
Signature of Authorised person

-----  
Occupation

-----  
Address

-----  
Email

-----  
Telephone

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

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

## Appendix D

*Corporations Act 2001 (Cth)*

### NOTICE OF MEETING

**Ocnef Pty Ltd ACN 107 726 456 (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation)**

**("the Company")**

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the creditors of the Company will be held at FTI Consulting, Level 20, 345 Queen Street, Brisbane, Queensland on Tuesday 18 September 2018 at 10:00AM.

### AGENDA

1. To lay before the meeting an account of the Liquidators' acts and dealings for the period 16 June 2017 to 15 June 2018, and the conduct of the winding up and to hear any explanations thereof.
2. To consider the remuneration of the Liquidators.
3. To consider any other matters which may properly be brought before the meeting.

Creditors wishing to vote at the meeting who will not be attending in person or are a company, must complete and return a Proxy Form to me by no later than 4.00pm on the last business day prior to the meeting. A form of proxy is **\*attached**.

Dated 28 August 2018



Joanne Dunn  
Liquidator

**\*Attach.**

APPOINTMENT OF PROXY

Ocnef Pty Ltd ACN 107 726 456 (Formerly Fenco Noise Barriers Pty Ltd) (In Liquidation) ("the Company")

I/We (name)

.....

of (address)

.....

a creditor of the Company, appoint (add name and address of proxy) .....

.....

or in his/her absence (add alternate proxy) .....

as my/our  general proxy OR  special proxy to vote at the meeting of creditors to be held at 10:00am Tuesday, 18 September 2018 at FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4000 or at any adjournment of that meeting.

Voting instructions - for special proxy only	For	Against	Abstain
<b>Resolution</b>			
1. The remuneration of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 23 June 2017 to 19 August 2018 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017, and is determined and approved for payment in the amount of \$232,890.50 (excl. GST) and the Liquidators can draw the remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The future remuneration of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 20 August 2018 to the finalisation of the liquidation (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017, and is determined and approved for payment in the amount of \$90,000.00 (excl. GST) and the Liquidators can draw the remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The cost of the internal disbursements of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 23 June 2017 to 19 August 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$674.12 (excl. GST) and the Liquidators can draw the cost of those internal disbursements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The cost of the future internal disbursements of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 20 August 2018 to the finalisation of the liquidation (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$1,000.00 (excl. GST) and the Liquidators can draw the cost of those internal disbursements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: .....

.....  
Name and signature of authorised person

.....  
Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given 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: ..... Signature of witness:

..... Description: ..... Place of

residence: .....

30 AUGUST 2018

# REMUNERATION APPROVAL REPORT

---

OCNEF PTY LTD ACN 107 726 456  
(IN LIQUIDATION) ("THE COMPANY")  
(FORMERLY FENCO NOISE BARRIERS PTY LTD)

# Introduction

## Information included in report

This remuneration approval report provides you with the information that the Corporations Act 2001 (“Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of our remuneration and the cost of our internal disbursements for undertaking the liquidation of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456.

This report has the following information included:

Introduction.....	1
Part 1: Declaration.....	2
Part 2: Executive Summary.....	2
Part 3: Remuneration.....	4
Part 4: Disbursements.....	7
Part 5: Summary of Receipts and Payments.....	8
Part 6: Queries.....	9
Schedule 1: Table of major tasks for resolution 1 remuneration approval.....	10
Schedule 2: Table of major tasks for resolution 2 remuneration approval.....	14
Schedule 3: FTI Consulting Schedule of Rates.....	16

## Part 1: Declaration

I, Joanne Dunn, of FTI Consulting have undertaken a proper assessment of the claims for remuneration and payment of our internal disbursements for the appointment as Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements claimed are necessary and proper.

## Part 2: Executive Summary

### Remuneration

I currently estimate the total remuneration for this appointment for the period 16 June 2017 to the finalisation of the liquidation to be \$337,021 (excl. GST).

This has increased compared to my previous estimate of \$50,000 (excl. GST) provided in my report to creditors dated 26 June 2017 primarily for the following reasons:

- The degree to which the Company's records were accessible in terms of their completeness. Records initially provided to the Liquidators appeared to cease prior to July 2016. The Liquidators were required to request further records from the Company's former accountant.
- The number and size of potential claims against various individuals and entities of the Company (summarised in detail in the accompanying annual report to creditors) which were identified during my investigations, and the degree to which communication has been issued between those parties and the Company. A **significant** portion of my requested remuneration relates to these claims.
- The volume of queries, both written and verbal, which have been fielded by my office by former employees of the Company which concerned the Liquidation generally and the progress being made on specific claims mentioned above.
- The extent to which parties to which we have attempted to communicate with have chosen to be non-responsive, or insufficiently responsive to our requests and the resultant additional correspondence required as a result.
- The requirement for an annual report to be prepared and issued to creditors.
- The requirement to prepare a supplementary investigation report to the Australian Securities and Investments Commission pursuant to Section 533(2) of the Act.
- The probable requirement to publicly examine several parties (identified in the annual report to creditors **attached**) to obtain details concerning individual financial positions, among other matters.
- The potential requirement to prepare for and commence an insolvent trading action against the Company's Director, Vincent Wregg.

Remuneration claimed and previously approved is summarised in Table 1 and Table 2 below:

**Table 1: Current claim for remuneration**

Period	Report References	Amount (excl. GST) (\$)
<b>Resolution 1:</b> 23 June 2017 to 19 August 2018 (inclusive)	Schedule 1 Table 4	232,890.50
<b>Resolution 2:</b> 20 August 2018 to the Finalisation of the Liquidation (inclusive)*	Schedule 2 Table 5	90,000.00
<b>Total current claim for remuneration</b>		<b>372,890.50</b>

\* Approval for the future remuneration sought is based on an estimate of the work necessary to complete the administration. Should additional work beyond what is contemplated be necessary, further approval may be sought from creditors. If a lesser amount is incurred, we will limit our remuneration to that lesser amount.

**Table 2: Remuneration previously approved**

Period	Amount (excl. GST) (\$)
16 June 2017 to 22 June 2017 (inclusive)	14,130.50
<b>Total remuneration previously approved</b>	<b>14,130.50</b>

Internal disbursements currently claimed are summarised below in Table 3. There have been no internal disbursements previously approved by creditors during the liquidation as there was no legal requirement to do so prior to 1 September 2017. No internally generated disbursements have been drawn post 1 September 2017.

**Table 3: Current claim for internal disbursements**

Period	Report Reference	Amount (excl GST) \$
<b>Resolution 3:</b> 23 June 2017 to 19 August 2018 (inclusive)	Table 6	674.12
<b>Resolution 4:</b> 20 August 2018 to the finalisation of the liquidation (inclusive)	Table 7	1,000.00
<b>Total current claim for internal disbursements</b>		<b>1,674.12</b>

\* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to complete the liquidation. Should additional internal disbursements beyond what is contemplated be necessary, further approval may be sought from creditors.

Please refer to report section references detailed in Table 1 for full details of the calculation and composition of the remuneration approval sought.

## Part 3: Remuneration

### Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

#### **Resolution 1: Remuneration from 23 June 2017 to 19 August 2018 (inclusive)**

The remuneration of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 23 June 2017 to 19 August 2018 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017, and is determined and approved for payment in the amount of \$232,890.50 (excl. GST) and the Liquidators can draw the remuneration.

#### **Resolution 2: Remuneration from 20 August 2018 to the finalisation of the liquidation (inclusive)**

The future remuneration of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 20 August 2018 to the finalisation of the liquidation (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017, and is determined and approved for payment in the amount of \$90,000.00 (excl. GST) and the Liquidators can draw the remuneration.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates which appear at Schedule 3 to this report. Future remuneration claims will be sought based upon the rates effective 1 March 2017.

At this stage, based on the information presently available to us, we consider that it may be necessary to convene a further meeting of creditors to seek further approval from creditors. However, the position may change depending on the progress of the liquidation and the issues that may arise.

### Details to support resolutions

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule 1 and Schedule 2.

**Resolution 1: Remuneration from 23 June 2017 to 19 August 2018 (inclusive)**

The below table sets out the actual costs incurred for the major tasks performed by the Liquidators and their staff for the period 23 June 2017 to 19 August 2018 (inclusive) which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

**Table 4: Time charged to each major task area**

Employee	Position	Rate/hour excl GST \$	Total actual hours	Total (excl GST) \$	Task Area				
					Assets \$	Creditors \$	Employees \$	Investigation \$	Administration \$
Joanne Dunn	Senior Managing Director	625.00	75.70	47,312.50	5,000.00	11,312.50	1,125.00	28,000.00	1,875.00
James Rogers	Managing Director	580.00	11.30	6,554.00	6,554.00	0.00	0.00	0.00	0.00
Renee Lobb	Senior Director	570.00	123.00	70,110.00	13,509.00	12,597.00	9,120.00	31,635.00	3,249.00
Neil Dempster	Senior Consultant I	380.00	69.10	26,258.00	266.00	4,902.00	4,294.00	16,188.00	608.00
Neil Dempster	Consultant II	360.00	159.50	57,420.00	1,476.00	11,340.00	9,252.00	33,120.00	2,232.00
Nicholas Rimmelt	Consultant I	315.00	0.20	63.00	0.00	0.00	0.00	0.00	63.00
Samuel Baillie	Associate II	280.00	12.60	3,528.00	0.00	224.00	2,912.00	280.00	112.00
Carly Young	Associate I	260.00	55.80	14,508.00	520.00	4,108.00	5,512.00	1,950.00	2,418.00
Matteson McGuire	Associate I	260.00	6.30	1,638.00	0.00	0.00	130.00	0.00	1,508.00
Samuel Baillie	Associate I	260.00	7.60	1,976.00	0.00	234.00	0.00	364.00	1,378.00
Thomas Lloyd	Associate I	260.00	0.70	182.00	0.00	0.00	0.00	0.00	182.00
Ashleigh Ubank	Administration II	185.00	16.30	3,015.50	0.00	2,016.50	37.00	0.00	962.00
Talia Glover	Administration I	155.00	2.10	325.50	0.00	0.00	0.00	0.00	325.50
<b>Total</b>			<b>540.20</b>	<b>232,890.50</b>	<b>27,325.00</b>	<b>46,734.00</b>	<b>32,382.00</b>	<b>111,537.00</b>	<b>14,912.50</b>
GST				23,289.05					
<b>Total (including GST)</b>				<b>256,179.55</b>					
<b>Average hourly rate (excluding GST)</b>				<b>431.12</b>	<b>548.69</b>	<b>413.58</b>	<b>371.78</b>	<b>455.63</b>	<b>327.75</b>

## Resolution 2: Remuneration from 20 August 2018 to the finalisation of the liquidation (inclusive)

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for the period 20 August 2018 to the finalisation of the liquidation (inclusive) which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule 2.

**Table 5: Expected costs for the major tasks from 20 August 2018 to the finalisation of the liquidation (inclusive)**

\$	Total	Task Area				
		Employees	Creditors	Investigation	Dividend	Administration
Total (estimated)	90,000	5,000	10,000	70,000	1,000	4,000
GST	9,000	500	1,000	7,000	100	400
<b>Total (incl GST)</b>	<b>99,000</b>	<b>5,500</b>	<b>11,000</b>	<b>77,000</b>	<b>1,100</b>	<b>4,400</b>

## Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for this liquidation will be \$337,021 (excl. GST). This includes the current approval amount being sought of \$322,890.50 (excl. GST).

This estimate differs to the estimate of costs provided in the Initial Remuneration Notice dated 26 June 2017, for the reasons disclosed in Part 2 of this report.

## Likely impact on dividends

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

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

A dividend may be paid to unsecured creditors depending on the outcome preferential payment investigations, uncommercial transaction investigations and insolvent trading claims. The estimated return to creditors is detailed in the report to creditors attached to this remuneration approval report.

## Remuneration recovered from external sources

The Department of Employment engaged FTI Consulting to assist with the administration of the *Fair Entitlements Guarantee Act 2012* as it applied to the former employees of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 pursuant to a fixed fee agreement of \$4,680.00 (excl. GST).

On 16 July 2017, FTI Consulting issued a tax invoice to the Department for the amount of the agreed fixed fee plus GST for which FTI Consulting has received payment.

Remuneration payments received in relation to the administration of the *Fair Entitlements Guarantee Act 2012* are not subject to creditor approval but are disclosed to provide creditors with full disclosure of the remuneration paid and/or recoverable from external sources.

## Part 4: Disbursements

### Explanatory note on disbursements

Disbursements are divided into three types:

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

Internal disbursements not charged at cost must be approved by creditors before we can draw the cost of those disbursements from this external administration.

Creditor approval is not required in relation to externally provided professional and non-professional costs or disbursements charged at cost. Where payments to third parties have been made from the bank account of the external administration, those payments are disclosed in the summary of receipts and payments. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

### Internal disbursement claim resolutions

We will be seeking approval of the following resolution with respect to our internal disbursements. Details to support this resolution is shown immediately below the resolutions and in the schedules to this report.

#### **Resolution 3: Internal disbursements from 23 June 2017 to the 19 August 2018 (inclusive)**

The cost of the internal disbursements of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 23 June 2017 to 19 August 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$674.12 (excl. GST) and the Liquidators can draw the cost of those internal disbursements.

#### **Resolution 4: Internal disbursements from 20 August 2018 to the finalisation of the liquidation (inclusive)**

The cost of the future internal disbursements of the Liquidators of Ocnef Pty Ltd (In Liquidation) ACN 107 726 456 for the period 20 August 2018 to the finalisation of the liquidation (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$1,000.00 (excl. GST) and the Liquidators can draw the cost of those internal disbursements.

## Details to support resolutions

### Resolution 3: Internal disbursements from 23 June 2017 to 19 August 2018 (inclusive)

The cost of the internal disbursements that are the subject of Resolution 3 have been calculated in the manner shown in Table 6 below.

**Table 6: Cost of internal disbursements claimed**

Disbursements claimed	Basis of charge (excl. GST) (\$)	Amount (excl. GST) (\$)
<b>Internal Disbursements</b>		
Printing & photocopying	\$0.09 per unit of time charged	335.52
Telephone calls and facsimile	\$0.10 per unit of time charged	338.60
<b>Total (excluding GST)</b>		<b>674.12</b>

## Future basis of internal disbursements

Future internal disbursements will be charged to the administration on the basis of the Schedule of FTI Consulting Internal Disbursement Rates as shown in Table 7 below.

**Table 7: Schedule of FTI Consulting Internal Disbursement Rates**

Nature of Disbursement	Rate (excluding GST)
Advertising and search fees	At cost
Couriers and deliveries	At cost
Postage	At cost
Facsimile, Printing and photocopying	\$0.09 per unit of time charged
Telephone calls	\$0.10 per unit of time charged
Staff travel - mileage	Cents per km method (per ATO rates)
Other staff travel/out of pockets	At cost
Storage of records (including boxes)	At cost

## Part 5: Summary of Receipts and Payments

A summary of receipts and payments to and from the bank account for the Liquidation for 16 June 2017 to 19 August 2018 appears as Appendix A to the Report to Creditors which accompanies this report.

If any large or exceptional receipts and payments are received or made after this report is prepared but before the meeting at which this claim for remuneration will be considered, additional information will be provided at the meeting.

## Part 6: Queries

If you have any queries or require any further information concerning our claim for remuneration, please contact Neil Dempster on (07) 3225 4953 or via email on [Neil.Dempster@fticonsulting.com](mailto:Neil.Dempster@fticonsulting.com).

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

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for “insolvency information sheets”).

Yours faithfully  
**FTI Consulting**



Joanne Dunn  
Liquidator



Neil Dempster  
(07) 3225 4953  
[neil.dempster@fticonsulting.com](mailto:neil.dempster@fticonsulting.com)

*Liability limited by a scheme approved under Professional Standards Legislation*

EXPERTS WITH IMPACT™

### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. More information can be found at [www.fticonsulting.com](http://www.fticonsulting.com).

© 2016 FTI Consulting, Inc. All rights reserved.

## Schedule 1: Table of major tasks for resolution 1 remuneration approval

Table 8 provides a description of the work undertaken in each major task area for the period 23 June 2017 to 19 August 2018 (inclusive).

**Table 8: Work undertaken for the period 23 June 2017 to 19 August 2018 (inclusive)**

Task Area	General Description	Includes
<p><b>Assets</b></p> <p><b>49.8 hours</b></p> <p><b>\$27,325.00</b></p>	<p>Debtors: CPB Contractors Pty Ltd</p>	<ul style="list-style-type: none"> <li>▪ Issuing correspondence to debtor concerning balances owed to the Company including retentions</li> <li>▪ Diarising retention release dates</li> <li>▪ Communications at appropriate times to debtor concerning the release of retention monies</li> <li>▪ Considerable correspondence and follow up communication related to release of retention monies as a result of failure by CBP to release retentions at the required date and subsequent deadlines set</li> </ul>
	<p>Debtors: Golding Contractors Pty Ltd</p>	<ul style="list-style-type: none"> <li>▪ Review of the Company’s records concerning the Golding debt</li> <li>▪ Communications with debtor financing companies who hold security over the Golding debt, and to what extent</li> <li>▪ Receiving and review of sub-contractor charges lodged with Golding Contractors concerning the Golding debt, namely Klaas Coatings and Osbourne Consulting</li> <li>▪ Communications with Cashflow Finance relating to Vincent Wregg personal guarantee in relation to their secured debtor financed position concerning the Golding debt</li> <li>▪ Communications with Vincent Wregg concerning his position concerning the Klaas Coatings sub-contractor charge, discussions relating to a Deed of Indemnity to fund the Liquidators in defending the Klaas Coatings sub-contractor charge</li> <li>▪ Correspondence with lawyers for Klaas Coatings to resolve distribution of funds held in Court.</li> <li>▪ Liaison with our lawyers concerning the release of funds from Court and on what terms</li> <li>▪ Reporting to creditors concerning the Golding debt, namely about there being no benefit to the Company to be recovered from the April 2017 progress claim resulting from Cashflow’s secured position and the abovementioned sub-contractor charges</li> <li>▪ Time spent reviewing and considering effect of Deed of Novation entered into between the Company and Fenco Industries Pty Ltd, and the recovery actions which may be made available from same</li> </ul>

Task Area	General Description	Includes
	Debtors: Fenco Industries, Roadtek, VSL Australia	<ul style="list-style-type: none"> <li>▪ Issue correspondence to debtors advising of balances owed to the Company</li> <li>▪ Following up debtor as required</li> <li>▪ Receipt of funds to Liquidation account</li> <li>▪ Correspondence with Fenco Industries and their legal representative concerning debtor and other amounts owed.</li> </ul>
<p><b>Creditors</b></p> <p><b>113.00 hours</b></p> <p><b>\$46,734.00</b></p>	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receiving and responding to extensive creditor queries via email and telephone primarily concerning the progress of the Liquidation and progress of recovery actions</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ Correspondence with committee of creditors members</li> </ul>
	Statutory Report to Creditors	<ul style="list-style-type: none"> <li>▪ Preparing and issuing report to creditors dated 18 September 2017 including summary of identified potential recovery actions, statement of position and summary of tasks undertaken in Liquidation to date, and tasks remaining to complete in the liquidation</li> </ul>
	Annual Report to Creditors	<ul style="list-style-type: none"> <li>▪ Time spent preparing report to creditors concerning all recovery actions in detail advising on the Liquidator's course of action in respect to individual claims</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's when not related to a dividend</li> <li>▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend</li> </ul>
<p><b>Employees</b></p> <p><b>87.10 hours</b></p> <p><b>\$32,382.00</b></p>	Employees enquiry	<ul style="list-style-type: none"> <li>▪ Receive and follow up employee enquiries via telephone and email</li> <li>▪ Maintain employee enquiry register</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ Preparation of letters to employees advising of their entitlements according to company records</li> </ul>
	Fair Entitlement Guarantee Scheme ("FEG")	<ul style="list-style-type: none"> <li>▪ Preparing verification spreadsheet of calculated employee entitlements to FEG based on information initially available from the Company records</li> <li>▪ Preparing FEG quotations</li> <li>▪ Preparing FEG distributions</li> <li>▪ Updating FEG verification spreadsheet after receiving company records which related to time periods prior to July 2016</li> <li>▪ Communications with FEG concerning transition of former employees' employment to Fenco Industries Pty Ltd</li> </ul>

Task Area	General Description	Includes
		<ul style="list-style-type: none"> <li>▪ Communications as required with FEG concerning discrepancy reports which relate to differences in the Company's records compared to employee provided information.</li> </ul>
	Superannuation	<ul style="list-style-type: none"> <li>▪ Review of the Company's records relating to unpaid superannuation</li> <li>▪ Considerable discussions and email correspondence concerning superannuation owed and avenues of recovery</li> <li>▪ Communications with former employees of the Company to attempt to determine accuracy of superannuation information identified in the Company's records</li> <li>▪ Written correspondence to the ATO requesting a reconciliation of superannuation amounts paid by the Company, and a breakdown of the application of those funds to determine a reportable superannuation figure</li> </ul>
<p><b>Investigation</b></p> <p><b>244.80 hours</b></p> <p><b>\$111,537.00</b></p>	Obtaining records	<ul style="list-style-type: none"> <li>▪ Obtaining electronic books and records of the Company from the Company's accountant (records dated back to approx. July 2016)</li> <li>▪ Obtaining further books and records of the Company from the Company accountant (prior to July 2016)</li> </ul>
	Determining date of insolvency and debts incurred after insolvency	<ul style="list-style-type: none"> <li>▪ Exporting all relevant records of the Company including monthly balance sheets and profit and loss statements from the date of appointment to September 2013</li> <li>▪ Performing analysis to determine historical solvency position of the Company by observing due and payable debts, compared to available cash resources to satisfy those debts at the relevant times</li> <li>▪ Obtain date of insolvency to use as the basis for other recovery actions under Part 5.7B of the Corporations Act 2001 (Cth) including any insolvent trading claim</li> <li>▪ Determine the amount of debts (including estimated superannuation) incurred on or after the determined date of insolvency which remained outstanding at the time of my appointment</li> </ul>
	Recovery Actions	<ul style="list-style-type: none"> <li>▪ Review of the Company's balance sheet and transaction listing to identify avenues of recovery for the Liquidators. All recovery actions are tabled in detail in Section 4 of annual report to creditors which accompanies this report</li> <li>▪ Significant time costs are associated with the identification and attempted recovery to date of these recovery actions and include numerous correspondences between FTI staff, our legal representatives and those lawyers of parties where we are seeking to recover funds</li> </ul>

Task Area	General Description	Includes
	Meeting to Settle McIlwain Claims	<ul style="list-style-type: none"> <li>▪ Preparation for and attendance at a meeting with Keith and Timothy McIlwain, and their legal representatives, to discuss and settle all claims against Fenco Industries, Consolidated Barriers, and McIlwain Civil Engineering. Further details are identified in the annual report to creditors which accompanies this report</li> </ul>
	Investigative report to the Australia Securities and Investments Commission (“ASIC”) and Supplementary report requested by ASIC	<ul style="list-style-type: none"> <li>▪ Preparing statutory investigation report to ASIC concerning the Company including reporting on offences committed under the Act, the amount of unpaid employee entitlements, number and size of creditor claims in the Liquidation, and an estimation of debts incurred after the date of insolvency</li> <li>▪ Initial draft of supplementary report to ASIC</li> </ul>
<b>Administration</b> <b>45.50 hours</b> <b>\$14,912.50</b>	General	<ul style="list-style-type: none"> <li>▪ Word processing including correspondence, file notes, agendas and minutes</li> <li>▪ Care and maintenance of the file</li> </ul>
	File review/checklist/document maintenance	<ul style="list-style-type: none"> <li>▪ Administration review</li> <li>▪ Document filing and maintenance</li> <li>▪ Updating checklist</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>▪ Identification of potential issues requiring attention of insurance specialists</li> <li>▪ Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>▪ Reviewing insurance policies</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>▪ Opening and/or closing bank accounts</li> <li>▪ Bank account reconciliations</li> <li>▪ Procuring and reviewing bank account statements</li> </ul>
	ASIC lodgements	<ul style="list-style-type: none"> <li>▪ Preparation and lodging necessary forms with ASIC (505, 524 etc.)</li> <li>▪ General communications with ASIC</li> </ul>
	ATO lodgements	<ul style="list-style-type: none"> <li>▪ Notification of appointment</li> <li>▪ Preparing BAS</li> </ul>
	Planning review	<ul style="list-style-type: none"> <li>▪ Discussions regarding status of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage</li> <li>▪ Sending job files to storage</li> </ul>

## Schedule 2: Table of major tasks for resolution 2 remuneration approval

Table 9 provides a description of the work undertaken in each major task area for the period 20 August 2018 to the finalisation of the liquidation (inclusive).

**Table 9: Work undertaken for the period 20 August 2018 to the finalisation of the liquidation (inclusive)**

Task Area	General Description	Includes
<b>Employees</b> <b>15.0 hours</b> <b>\$5,000</b>	Confirmation of superannuation entitlements	<ul style="list-style-type: none"> <li>Review data provided by the ATO concerning the application of lump sum payments against the Company's superannuation debts to determine if the Company's records are suitable to be used for reporting unpaid superannuation</li> <li>Report unpaid superannuation and applicable interest and administration charges to the ATO. Request the ATO submit a formal proof of debt on the Company's behalf</li> </ul>
<b>Creditors</b> <b>25.0 hours</b> <b>\$10,000</b>	Meeting of creditors	<ul style="list-style-type: none"> <li>Preparation of meeting agenda and attendance register for annual meeting of creditors</li> <li>Attendance and minute taking at annual meeting of creditors</li> <li>Attending to queries from creditors arising from the meeting of creditors</li> <li>Lodgement of minutes with ASIC</li> </ul>
	Creditor queries	<ul style="list-style-type: none"> <li>Receiving and responding to creditors queries as required by telephone and email</li> </ul>
<b>Investigations</b> <b>150.0 hours</b> <b>\$70,000</b>	Public examination	<ul style="list-style-type: none"> <li>Preparation for and attendance at public examination of parties identified in annual report to creditors</li> <li>Considering information obtained resulting from public examination in relation to taking further action to pursue claims</li> </ul>
	Actions against Linda Ryan, Leon Wregg and Jeffrey Wregg	<ul style="list-style-type: none"> <li>Issuing demands for payment against these parties as required for the reasons set out in the annual report to creditors which accompanies this report</li> <li>Commencement of proceedings against these parties as required</li> </ul>

Task Area	General Description	Includes
	Supplementary report to ASIC	<ul style="list-style-type: none"> <li>Preparation and submission of supplementary report to ASIC pursuant to Section 533(2) of the Act including a summary of the Company’s Directors former directorships, identified offences committed under the Act, and to provide evidence of these allegations to ASIC who may use the information in an application to prevent the Director from directing entities in future</li> </ul>
<b>Dividend</b>  <b>2.5 hours</b>  <b>\$1,000</b>	Distribution to priority creditors	<ul style="list-style-type: none"> <li>Prepare distribution summary for priority creditors</li> <li>Issue payment and associated correspondence to priority creditors</li> </ul>
	Dividend to unsecured creditors	<ul style="list-style-type: none"> <li>Time costs for this task area will increase should a dividend become payable to unsecured creditors</li> </ul>
<b>Administration</b>  <b>15.0 hours</b>  <b>\$4,000</b>	General	<ul style="list-style-type: none"> <li>Word processing including correspondence, file notes, agendas and minutes</li> <li>Care and maintenance of the file</li> </ul>
	File review/checklist/document maintenance	<ul style="list-style-type: none"> <li>Administration review</li> <li>Document filing and maintenance</li> <li>Updating checklist</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>Opening and/or closing bank accounts</li> <li>Bank account reconciliations</li> <li>Procuring and reviewing bank account statements</li> </ul>
	ASIC lodgements	<ul style="list-style-type: none"> <li>Preparation and lodging necessary forms with ASIC (505, 524 etc.)</li> <li>General communications with ASIC</li> </ul>
	ATO lodgements	<ul style="list-style-type: none"> <li>Notification of appointment</li> <li>Preparing BAS</li> </ul>
	Planning review	<ul style="list-style-type: none"> <li>Discussions regarding status of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>Dealing with records in storage</li> <li>Sending job files to storage</li> </ul>
	Finalisation	<ul style="list-style-type: none"> <li>Request ASIC deregister the Company</li> <li>Cancellation of the Company’s ABN</li> <li>Storage of client file in external storage facility</li> </ul>

## Schedule 3: FTI Consulting Schedule of Rates

FTI Consulting Standard Rates effective 1 March 2017 (excluding GST)		
Typical classification	All Offices \$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	580	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	570	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	440	Typically an ARITA professional member. Well-developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	380	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	360	Typically ICAA qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	315	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	280	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	260	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	185	Undergraduate in the latter stage of their university degree.
Administration 2	185	Well-developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	155	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to review at 1 January each year.