

RSM Bird Cameron Partners

Chartered Accountants

BANKSTREAM PTY LTD (IN LIQUIDATION)

ACN: 009 409 241

ABN: 33 009 409 241("the Company")

REPORT TO CREDITORS

2 December 2011

DATE OF MEETING OF CREDITORS: 21 December 2011

**AT THE OFFICES OF:
RSM BIRD CAMERON PARTNERS
8 ST GEORGES TERRACE
PERTH WA 6000**

**TELEPHONE: (08) 9261 9100
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**DATE OF APPOINTMENT OF OFFICIAL LIQUIDATOR:
15 December 2010**

**APPOINTEE:
Neil Cribb**



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1. Introduction

I was appointed as Official Liquidator of the Company pursuant to an Order of the Federal Court of Australia on 15 December 2010. The application for the winding up of the Company was made by the Deputy Commissioner of Taxation.

Attached as Annexure A is my Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") dated 5 November 2010. The DIRRI remains current.

A summary of the pertinent aspects of the winding up of the Company are as follows:

- I have received a Report as to Affairs ("RATA"), director questionnaire and a quantity of books and records relating to the Company.
- From these documents, I understand that the Company operated an emu breeding business from a family owned property located at Byford, Western Australia and ceased trading during the year 2000, or thereabouts.
- The RATA disclosed assets that include plant and equipment, receivables and shares which total \$14,250..
- The Company has a liability to the Deputy Commissioner of Taxation totalling \$350,082.
- The results of my preliminary investigations are that there are no secured, priority or other unsecured creditors.
- The sole director resides in Thailand.

I am calling a meeting of creditors at the offices of RSM Bird Cameron Partners, 8 St. Georges Terrace, Perth on Wednesday 21 December 2011 at 11am (WST)) to consider the progress of the winding up, to approve my remuneration and the other matters outlined in the attached agenda. Creditors who wish to attend are requested to arrive prior to the commencement of the meeting to allow for a review of their paperwork and completion of the attendance register. Corporate creditors are advised that a Proxy Form must be completed and signed by a director. Creditors are advised that all Proofs of Debt and Proxy Forms, must be forwarded to my office no later than 4.00pm the day prior to the meeting. They can be submitted via facsimile on (08) 9261-9340, or by email to geoff.lasscock@rsmi.com.au.

The sole director has advised that the reasons for the financial difficulties of the Company related to the loss of the entire flock of breeding emus due to an unknown disease. Based on investigations and information provided to date, I have formed the view that the causes of failure may be attributed to under capitalisation, poor strategic management, inadequate cash flow and trading losses.

If creditors have any information which may assist my investigations, or should they wish to discuss the possibility of funding further investigations and possible recovery actions, they should consider attending the forthcoming meeting or otherwise contact Geoff Lasscock of my office within 21 days of the date of this report.

There are a number of information sheets published by Australian Securities and Investments Commission ("ASIC") and the Insolvency Practitioners Association of Australia ("IPA") outlining the rights and responsibilities of creditors along with information regarding the liquidation process generally which may be downloaded from http://www.rsmi.com.au/services_/turnaround_and_insolvency or www.asic.gov.au. A summary of these information sheets is enclosed.

2. Statutory Information

The statutory information for the Company is set out below. This information was obtained from a search of the ASIC database.

Company name (including former names)	Bankstream Pty Ltd (In Liquidation)	
ACN	009 409 241	
ABN	33 009 409 241	
Registered Office Address	Lot 61 Lawrence Way Byford WA 6122	
Principal Place of Business	Lot 61 Lawrence Way Byford WA 6122	
Date of incorporation	25 March 1992	
Registered Charges	There are no charges registered against assets of the Company.	
Director	Gregory John Dunn	
Former Directors	Kevin Thomas Fitzpatrick – ceased 5 March 1997 Simone Jaqueline Loomans – ceased 30 December 1991	
Related Entities	Twinwaters Pty Ltd As Trustee For Deep Hole Trust Misty Mountain Pty Ltd As Trustee For Jedmore Discretionary Trust	
Authorised & issued share capital	4502 ordinary shares fully paid	
Shareholder(s)	Greta Fitzpatrick 2250 ordinary shares Kevin Thomas Fitzpatrick 2251 ordinary shares Gregory John Dunn 1 ordinary share	

3. Financial Information

3.1 Books and Records

I have received a quantity of books and records from the director and the Company's accountant. The books and records provided include externally prepared financial statements for year ended 30 June 2007. No management accounts were maintained and no financial statements were prepared after this date.

The Director has advised that all the Company's books and records were seized on 9 June 2005 when the offices of his former accountant were raided by officers of the Australian Corruption and Crime Commission ("ACCC") in the course of an investigation by the Australian Taxation Office ("ATO").

The Director has further advised that the Company has not traded for over 10 years with the last financial statements having been prepared to 30 June 2007.

Section 286 of the Corporations Act ("the Act") requires a Company to keep written financial records that correctly record and explain its transactions, financial position and performance that would enable true and fair financial statements to be prepared and audited. This section also requires a Company to retain its financial records for a period of seven (7) years after the transactions covered by the records are completed.

I consider that the Company has not complied with Section 286 of the Act in relation to maintaining its books and records and I have reported that contravention of the Act to the ASIC.

3.2 Report as to Affairs

On 15 December 2010 I requested a RATA and director questionnaire detailing the assets and liabilities of the Company and circumstances leading to the winding up of the affairs of the Company. On 8 March 2011 I received a completed RATA and director questionnaire.

I hereby provide the following summary of the RATA, indicating the book value and estimated realisable value ("ERV") and also my opinion regarding the likely ERV based on enquiries conducted to date.

	Notes	Book Value \$	ERV \$	Liquidator's ERV \$
ASSETS				
Cash at Bank	3.2.1	Nil	Nil	Nil
Debtors	3.2.2	9,788	3,788	6,791
Stock	3.2.3	Nil	Nil	Nil
Plant & Equipment	3.2.4	3,362	2,300	1,500
Other Assets	3.2.5	1,100	1,100	0
Total Assets		14,250	7,188	8,291
LIABILITIES				
Statutory Liabilities	3.2.6	350,082	350,082	350,082
Total Liabilities		350,082	350,082	350,082
Surplus / (Deficiency)		(335,832)	(342,894)	(341,791)

Note: - The above financial analysis does not include the costs of the winding up.

3.2.1 Cash at Bank

The director advised the Company did not operate a bank account as at the date of my appointment, although he did advise the Company maintained a bank account with Commonwealth Bank of Australia (CBA) Armadale (WA) branch prior to the Company ceasing to operate. I have written to CBA seeking copies of whatever bank statements they are able to provide me, However with the efluction of time (ie. more than 7 years) the CBA may no longer hold a copy of the Company's bank statements on file. My enquiries with numerous financial institutions did not identify any banks accounts as at the date of my appointment.

3.2.2 Debtors

Debtors are listed in the RATA with a book value of \$9,788 and an estimated realisable value of \$3,788. They are comprised of debts due from related entities as follows:-

- Twinwaters Pty Ltd As Trustee For Deep Hole Trust \$6,000
- Misty Mountain Pty Ltd As Trustee For Jedmore Discretionary trust \$3,788

I have fully recovered the debt due by Misty Mountain (plus transactions costs) and settled the claim against Twinwaters for \$3,000 on commercial grounds.

3.2.3 Stock

There was no stock listed in the RATA.

3.2.4 Plant and Equipment

The RATA discloses various items of plant and equipment, including a 1999 Nissan Navara utility motor plus sundry farm machinery items with an ERV \$3,362.

An independent valuer engaged by me determined the only item of any value was the Nissan utility with a market value of \$1,500. I subsequently sold the Nissan utility for \$1,500 (plus GST). The valuer determined the remaining assets had an auction value of less than \$600. Accordingly, it was not commercial to realise these assets.

3.2.5 Other Assets

The RATA lists these assets as 110 shares in United Crates Limited ("UCL"). On 17 June 2011 (after submitting the RATA), the director advised the UCL shares were repurchased by UCL on 27 October 2004 at \$10 per share. My enquiries of UCL confirmed that the Company is no longer a shareholder in UCL.

The Company's 2007 Financial Statements disclose a non-current asset of \$20,500, together with a corresponding current liability of \$20,500. This asset was not disclosed in the RATA.

I am advised by the director the asset and liability relate to an agreement entered into by the Company around 1992 or 1994 to breed, sell and lease back emu chicks by way of a non-recourse loan. Following the collapse of the emu breeding business these items were not removed from the Company's balance sheet.

My investigation of the Company's books and records and enquires with the other parties to the agreement have failed to locate a copy of the original agreement and the borrowing parties dispute the liability.

3.2.6 Statutory Liabilities

The debt due to the ATO is \$350,082 and consists of Income Tax and General Interest Charges dating back to 1999.

4. Initial Enquiries

4.1 Investigations

I have undertaken various searches as set out below, although I have not identified sufficient realisable assets to enable me to declare any dividend to creditors.

- Bank account searches were conducted with numerous financial institutions to ascertain whether the Company held any bank accounts. No accounts were identified as a result of these enquiries.
- Property searches have not identified any properties in the name of the Company.
- Motor Vehicle searches have identified one (1) motor vehicle, being the 1999 Nissan Navara utility licensed in the name of the Company.
- A search of the state Sheriff's Office indicates that the Sheriff does not hold any goods, monies or unexecuted warrants or writs for the six months prior to my appointment.
- Searches of the state Office of State Revenue and ASIC websites have not identified any unclaimed monies in the Company's name.
- An ASIC personal name search of the director indicates that he is a current director of two other Companies, these being:
 - Twinwaters Pty Ltd; and
 - Misty Mountain Pty Ltd
- A search of the National Personal Insolvency Index confirms that the director is not bankrupt.
- A search made pursuant to the Freedom of Information Act was requested of the Australian Taxation Office.

4.2 Report to ASIC

I am required to lodge a report with ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Company will be able to pay its unsecured creditors more than 50 cents in the dollar.

I confirm that such a report was lodged with the ASIC on 25 July 2011 as there will be no dividend paid to any creditor. The ASIC have advised that they do not intend to commence further investigations in this matter.

5. Voidable Transactions, Insolvent Trading and Director Duties

Pursuant to Part 5.7B of the Act, a liquidator may void certain transactions of a company in respect of money, property or other benefits for the benefit of creditors. Such voidable transactions may consist of:

5.1 Voidable Transactions

5.1.1 Unfair Preference (Section 588FA)

These are transactions between the company and a creditor resulting in the creditor receiving more than the creditor would receive if the transactions were set aside and the creditor claimed for this amount in the winding-up. Any such voidable transactions must arise in the period beginning six months prior to the relation back day and ending on the date of liquidation.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any unfair preferences.

5.1.2 Uncommercial Transactions (Section 588FB)

These are transactions entered into that a reasonable person would not have entered into having regard to the benefit to the company, the detriment to the company and the benefit to the other parties involved in the transaction. In this instance, it is not necessary for a creditor to be a party to the transaction. Such transactions are only voidable if the company was insolvent at the time of the transaction.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any uncommercial transactions.

5.1.3 Insolvent Transactions (Section 588FC)

These transactions are unfair preferences or uncommercial transactions (refer above) entered into when the company was insolvent or became insolvent as a result of entering into the transaction. Only unfair preferences which have occurred within six months of the relation back day and uncommercial transactions which have occurred within two years of the commencement of the liquidation can be recovered.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any insolvent transactions.

5.1.4 Unfair Loans to a Company (Section 588FD)

These transactions are those representing loans made to the company where interest or other charges on the loan were extortionate. These transactions can be recovered regardless of when they were entered into.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any unfair loans to the company

5.1.5 Unreasonable Director-Related Transactions (Section 588FDA)

Being transactions that a reasonable person in the company's circumstances would not have entered into having regard to the benefit to the company (and other parties to the transaction) and the detriment to the company. These transactions may be voided if they occurred within four years of the relation back day.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any unreasonable director-related transactions.

5.1.6 Related Party Transactions (Section 588FE(4))

These transactions are those representing insolvent transactions (unfair preferences or uncommercial transactions) with a related party within four years prior to the relation back day.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any related party transactions.

5.1.7 Transactions Entered into for the Purpose of Defeating Creditors (Section 588FE(5))

These transactions are those representing insolvent transactions (unfair preferences or uncommercial transactions) entered into for the purpose of defeating, delaying or interfering with the rights of creditors within ten years prior to the commencement of the liquidation.

Given the lack of available records and funds, I have not been able to undertake the necessary investigations to identify the existence of any transactions entered into for the purpose of defeating creditors.

5.2 Insolvent Trading

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

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

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

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

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

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

My investigations based on the Company's financial statements, have revealed that the Company was balance sheet solvent but cash flow insolvent from at least 30 June 2006. Please see below the Company's financial position set out in Table 1:-

	As at 30 June 2006 \$	As at 30 June 2007 \$
Current Assets	6,003	9,791
Current Liabilities	20,500	20,500
Working Capital Deficiency	(14,497)	(10,709)
Current Ratio	0.29	0.48
Non-Current Assets	41,524	37,717
Non-Current Liabilities	Nil	Nil
Net Assets / (Liabilities)	27,027	27,008

Table 1: Summary of Financial Position

As shown in Table 1, the Company reported a working capital deficiency from 30 June 2006.

Working capital is representative a company's capacity to meet its current liabilities by the application of its current assets. A shortfall in current assets to meet current liabilities is an indicator of cash flow insolvency. A decline in the working capital position is often a pre-cursor to insolvency.

	Year Ended 30 June 2006 \$	Year Ended 30 June 2007 \$
Income	104,439	3,906
Expenses	4,192	3,925
Net Profit / (Loss)	100,247	(19)
Retained Profit / (Accumulated Loss)	(126,375)	(126,394)

Table 2: Summary of Financial Performance

As shown in Table 2, the Company reported accumulated losses of \$126,375 as at 30 June 2006 and \$126,394 as at 30 June 2007 which suggests it may have been cash flow insolvent from sometime prior to 30 June 2006.

Accordingly, I consider the Company was most likely cash flow insolvent from at least 30 June 2006.

However, the Company had ceased trading by this time and it appears the incurring of further debts may have been limited to the accruing interest on the debt owed to the ATO. Accordingly, whilst a claim may exist against the director for insolvent trading, it is uncommercial to pursue as I am without funds, the director resides overseas and the costs may outweigh any benefit to the creditors.

5.3 Directors Duties

In the course of my investigations, I have considered whether there have been any breaches by the director, in the conduct of his duties pursuant to the Act.

Pursuant to Section 9 of the Act, an officer is defined to include a director, secretary or a person participating in decision making that affects the whole or a substantial part of the business of the corporation or a person in accordance with whose instructions or wishes the directors of the corporation are accustomed to act.

Pursuant to Part 2D.1 of the Act, officers of a company have duties to ensure that:-

- Section 180 – They exercise their powers and discharge their duties with due care and diligence;
- Section 181 – They act in good faith;
- Section 182 – They do not use their position to gain an advantage; and
- Section 183 – They do not misuse company information to gain an advantage.

The directors and officers of a company are subject to a civil duty of care and discipline as provided for in Section 180(1) of the Act. Subsection 180(c) provides that a director or other officer who makes a “business judgement” is taken to have met the requisite statutory duty and the equivalent requirements in Common Law and in Equity, in respect of the judgement if they:-

- Make the judgement in good faith for a proper purpose;
- Do not have a material personal interest in the subject matter of the judgement;
- Inform themselves about the subject matter of the judgement to the extent they would reasonably believe to be appropriate; and
- Rationally believe that the judgement is in the best interest of the company.

From the information available and on the basis of my investigation of the Company’s affairs to date, I have not identified any specific circumstance whereby it may be possible to assert that the director has not attempted to make rational judgements in the best interests of the Company although it is noted that the Company’s tax debt relates to income tax, implying the Company did trade profitably at some time.

6. Options for Funding Further Investigations

I currently have insufficient funds in this matter to satisfactorily conclude or undertake full investigations or initiate litigation. I have been unable to thoroughly investigate the recoverability of any voidable transactions, or to ascertain whether there is sufficient evidence to support a claim for insolvent trading. Options for funding are as follows:

6.1 Litigation – Funding by Litigation Funder

A litigation funder is an organisation that can provide funds to meet the costs of legal actions including the costs of solicitors, barristers and insolvency practitioners as well as providing indemnities for any adverse costs should such legal action prove to be unsuccessful. Litigation Funding allows practitioners to initiate actions that would otherwise not be possible due to lack of funds.

In return for the funder being exposed to the risk of being unsuccessful, the funder will charge an additional “risk premium” in addition to his costs if successful. This premium is usually within the range of 15% to 50% of the gross amount awarded. Considering the risks involved, a funder is only likely to be willing to fund actions that have a high probability of success and are likely to result in a substantial return.

6.2 Funding from Creditors

Part 5.9 of the Act provides that an application may be made to the Court to summon a person for examination who may be able to provide information about the Company’s examinable affairs. The examination is conducted before a Court and the examinee is required to provide evidence on oath and / or produce books and records relating to the Company’s examinable affairs.

Creditors should be aware that the Liquidation currently has insufficient funds to enable me to make such an application for an examination. Accordingly, if I am to conduct further investigations and enquiries, including an examination of the officers and other parties, I will require creditors or other parties to provide the requisite funding so that I may satisfactorily progress matters. Should creditors wish to provide funding for my investigations/public examination, I request they confirm their intention in writing to me within 21 days from the date of this Report.

6.3 Assetless Administration Fund

The Assetless Administration Fund (“AA Fund”) was established by the Federal Government and is administered by the ASIC. It finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, where it appears to the ASIC that enforcement action may result from the investigation and report. A particular focus of the AA Fund is to curb fraudulent phoenix activity. The AA Fund enables a liquidator to carry out a proper investigation and report, which then helps ASIC decide whether to commence enforcement action (e.g. director banning under section 206F of the Act). Consideration has been given to lodging an application for funding an investigation into the affairs of the Company and the conduct of the director and at this stage I do not intend to request funding.

7. Expected Return to Creditors

7.1 Expected Return to Creditors

I advise that realisations are currently insufficient to meet all of the costs of the winding up including all of my remuneration as Liquidator. As such, it is unlikely that there will be a distribution to any class of creditor.

In these circumstances, I do not propose to call for Proofs of Debt at this stage, but I ask creditors to keep me informed of any changes of address. I do not expect to prepare any further reports unless there are significant developments regarding the Company, material realisations or funding from creditors.

7.2 Receipts and Payments

Attached as Annexure C is my Statement of Receipts and Payments as Liquidator. Creditors are advised that a detailed account of the Liquidator's receipts and payments is lodged with the ASIC every six months from the date of my appointment as required by s539 of the Act. A copy may be obtained through ASIC or inspected during normal office hours at my office.

8. Liquidator's Remuneration

At the forthcoming meeting, creditors will be asked to approve my remuneration as Official Liquidator. Enclosed as Annexure B is a Remuneration Report detailing the activities performed, calculation of remuneration, statement of remuneration claim and an explanation of the methods available.

The information provided in this report is to enable creditors to consider the appropriateness of the remuneration claim being made.

Professional fees for work done by my staff and myself are calculated on a time basis in accordance with the appropriate hourly rates set from time to time by RSM Bird Cameron Partners applicable to staff of various levels of experience and skill. Such fees will be drawn on a periodic basis, if and when funds become available.

For the purpose of this administration any increase in hourly rates for specified positions will be not more than 10% per annum of that disclosed in the attached remuneration report, without further approval by creditors.

The IPA has produced a document entitled "Creditor Information Sheet: Approving Remuneration In External Administrations" that can be downloaded from the IPA website, www.ipaa.com.au or www.rsmi.com.au. ASIC also publish information regarding remuneration approval and is obtainable from www.asic.gov.au.

Creditors should contact Geoff Lasscock of my office on (08) 9261-9266 if they require further information concerning my remuneration claim.

9. Notice of Meeting

Please refer to the Notice of Meeting attached. I advise that a meeting of creditors of the Company will be held on Wednesday, 21 December 2011 at 11am (WST) at the offices of RSM Bird Cameron Partners, 8 St George's Terrace, Perth. Attendance at the Meeting of Creditors by telephone can be arranged by contacting Geoff Lasscock of this office on (08) 9261-9266. Please arrive at the venue with sufficient time to sign the attendance register before the commencement of the meeting.

You do not have to attend this meeting. Non-attendance will not affect the validity of your claim against the Company. You can nominate the Chairman or someone else to attend and vote on your behalf. The Chairman will vote on all resolutions under special proxies as directed by you. Please note that the Chairman may not otherwise vote on any resolution where the Chairman has, or may have, a fiduciary or beneficial interest in the outcome of the particular resolution.

9.1 Proxy Form (Form 532)

Please note that corporate creditors or members must submit a proxy if they intend to vote at the meeting. A Company may execute a document without a common seal if the document is signed by two directors of the Company; or a director and a Company secretary of the Company; or for a proprietary Company that has a sole director who is also the sole Company secretary - that director. A Company with a common seal may execute a document if the seal is fixed to the document and the fixing of the seal is witnessed by two directors of the Company; or a director and a Company secretary of the Company; or for a proprietary Company that has a sole director who is also the sole Company secretary - that director.

The appointment of a proxy must be by an instrument in accordance with Form 532 (enclosed). Proxy forms, or facsimile copies of proxy forms, must be lodged with me at least 15 minutes prior to the meeting. Where a facsimile copy of a proxy is lodged, the original must be lodged within 72 hours after receipt of the faxed copy. A person claiming to be an attorney of a creditor must show the instrument by which he or she was appointed attorney to the chairperson.

9.2 Formal Proof of Debt (Form 535)

Creditors wishing to attend and vote at the meeting should complete and lodge a Formal Proof of Debt form in accordance with the attached Form 535, together with all supporting documentation in respect of the claim, with our office prior to the meeting. Any creditor that does not provide sufficient documentation to evidence their claim may be ineligible to vote at the meeting.

9.3 Committee of Inspection

In accordance with the provisions of the Act, creditors may appoint a Committee of Inspection. I note that currently there is no Committee of Inspection. Should creditors wish to create a Committee I request written nominations be provided for the issue to be discussed at the forthcoming meeting.

10. Disclaimer

This report and my preliminary investigations into the affairs of the Company have been prepared and conducted from the available books and records provided to me as well as communications with the Company's director and adviser. Whilst I have endeavoured to determine the accuracy or otherwise of the information provided I am unable to warrant the accuracy, completeness or reliability of such information. I have not conducted a detailed investigation nor have I audited the Company's financial affairs.

This report is not to be considered legal advice to creditors. Accordingly, creditors should consider seeking their own advice in relation to the matters contained within this report.

Dated this 2nd day of December 2011



NEIL CRABB
Official Liquidator

Annexure B – Remuneration Report

1. Initial Advice to Creditors

1.1 Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency Practitioner. They are:

- **Time based / hourly rates**

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

- **Fixed Fee**

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

- **Percentage**

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

- **Contingency**

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

1.2 Method chosen

Given the nature of this administration I propose that our remuneration be calculated on Time based / hourly rates. This is because:

- This method reflects our practice of assigning staff at the appropriate level to conduct the necessary work. Individuals are required to record the nature of the work performed at intervals of six minutes. This method ensures creditors are only charged for work that is performed and provides complete transparency.
- Fixed fee and Percentage method are inappropriate as I am unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. In addition I am required to perform a number of tasks which do not relate to the realisation of assets, e.g., statutory obligations, responding to creditor queries, and reporting to ASIC.

It is proposed that the remuneration of the Liquidator be calculated on an hourly basis at the hourly fees charged by RSM Bird Cameron Partners.

1.3 Explanation of Hourly Rates

The current rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services.

Classification	Guide to Level of Insolvency Experience	Rate per Hour \$
Appointee	Registered Liquidator / Trustee. Partner bringing his / her specialist skills to the administration or insolvency task.	530
Principal/Director	Qualified. 12+ years experience. Capable of controlling all aspects of an administration and/or insolvency task.	450
Senior Manager	Typically qualified, 7+ years experience. Well developed technical and commercial skills. Assist appointee in the planning and control of all administrations and/or insolvency tasks. Responsible for supervision of junior staff.	365
Manager	Typically qualified, 6-7 years experience. Well developed technical and commercial skills. Assist appointee in the planning and control of all administrations and/or insolvency tasks. Responsible for supervision of junior staff.	300 – 320
Supervisor	4-6 years experience. Qualified or almost completed CA/CPA/IPAA. Conduct of small appointments, assists in planning and control of medium to larger appointments. Also supervises junior staff.	230 – 270
Senior 1	2-4 years experience, undertaking CA/CPA/IPAA. Assist planning and control of small to medium jobs and performs some more difficult tasks on larger jobs. Assists in supervision of junior staff.	215
Senior 2	1-3 years experience, undertaking CA/CPA/IPAA, Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	170
Intermediate 1	1-2 years experience, graduate, undertaking CA/CPA/IPAA. Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	160
Intermediate 2	0-2 years experience, typically will have graduated. Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	130
Secretary	Assists all levels of staff undertaking general administrative and secretarial duties.	185
Treasury	Responsible for integrity of all aspect of cash receipts and payments, bank account reconciliations, preparation of statutory lodgements with ATO and ASIC	150
Treasury Assistant	Assists all levels of staff with administrative and bookkeeping tasks and managing Insolvency CORE software.	110
Junior	Data input and computer skills. Maintains data entry into specialised insolvency computer system, including receipts and payments and financial information, also prepares bank reconciliations, Form 524's and BAS returns.	70

Notes:

1. The scale of fees is intended to be a guide as to the qualifications and experience of the staff engaged. In some instances staff may be engaged under an appropriate classification principally due to experience.
2. The term "Qualified" means that the staff member has completed either the Institute of Chartered Accountants in Australia or Certified Practicing Accountants in Australia's education program and/or the Insolvency Practitioners Association of Australia's education program.
3. Time spent on matters is recorded and charged in 6 minute intervals.
4. The above rates are effective as at 1 July 2011.
5. The above rates exclude Goods and Services Tax.

2. Declaration

I, Neil Cribb have undertaken a proper assessment of this remuneration claim for my appointment as Official Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, that has been properly performed in the conduct of the administration.

I also declare that all disbursements made in the course of the administration were necessary and proper.

3. Description of Work

Current fees for the period 15 December 2010 to 15 September 2011 relate to the following tasks:-

ASSETS

- Plant and Equipment
 - Preparation of assets list
 - Liaising with valuers, auctioneers and interested parties
 - Reviewing asset listings
 -
- Debtors
 - Correspondence with debtors
 - Reviewing and assessing debtors ledgers
 -
- Other Assets
 - Tasks associated with realising other assets

CREDITORS

- Creditor Enquiries
 - Receive and follow up creditor enquiries via telephone
- Creditor reports
 - Commence preparing report to creditors

TRADE ON

- Processing receipts and payments
 - Entering receipt and payments into accounting system

INVESTIGATION

- Conducting investigation
 - Collection of company books and records
 - Correspondence with ASIC to receive assistance in obtaining financial statements, company's books and records and Report as to Affairs
 - Reviewing company's books and records
 - Review and preparation of company nature and history
 - Conducting and summarising statutory searches
 - Preparation of comparative financial statements
 - Preparation of deficiency statement
 - Review of specific transactions and liaising with director regarding certain transactions
 - Preparation of investigation file
- ASIC reporting
 - Preparing statutory investigation reports
 - Preparing affidavits seeking non lodgements assistance

- Liaising with ASIC

ADMINISTRATION

- Correspondence
 - General correspondence
- Document maintenance/file review/checklist
 - First month, then six monthly administration review
 - Filing of documents
 - File reviews
 - Updating checklists
- Insurance
 - Correspondence with insurer regarding initial insurance requirements
- Bank account administration
 - Preparing correspondence opening accounts
 - Bank account reconciliations
- ASIC Form 524 and other forms
 - Preparing and lodging ASIC forms including 505, 524, 911 etc
- ATO and other statutory reporting
 - Notification of appointment
- Planning / Review
 - Discussions regarding status of administration
- Books and records / storage
 - Dealing with records in storage
 - Sending job files to storage

4. Calculation of Remuneration

Employee	Position	Average \$ / hour (ex GST)	Total actual hours	Total (\$)	Task Area				
					Assets (\$)	Creditors (\$)	Trade on (\$)	Investigation (\$)	Administration (\$)
Mark Conlan	Partner	431.98	0.4	172.79	52.50				120.29
Neil Cribb	Partner	525.00	2.7	1,417.50	157.50	105.00	52.50	315.00	787.50
Mike Edmondson	Director	424.47	4.7	1,995.00	168.00	210.00		651.00	966.00
Lalitha Samykanno	Manager	256.18	0.5	128.09					128.09
Geoffrey Lasscock	Supervisor	229.76	38.8	8,914.82	2,461.00	253.00	161.00	3,289.00	2,750.82
Alan Chau	Intermediate 1	125.00	1.7	212.50	25.00			125.00	62.50
Mei Huang	Intermediate 1	150.97	17.5	2,641.92	320.00			62.48	2,259.44
Corey Turner	Intermediate 2	125.00	0.3	37.50					37.50
Hayley Forshaw	Secretary	130.25	1.5	195.38					195.38
Tarryn Thiele	Secretary	145.00	0.9	130.50			87.00		43.50
Terri Hoy	Secretary	183.00	0.5	91.50			36.00		55.50
Malini Tanabalan	Junior/Filing Clerk	62.50	1.6	100.00					100.00
TOTAL (ex GST)		225.56	71.1	16,037.50	3,184.00	568.00	336.50	4,442.48	7,506.52

GST \$1,603.75
TOTAL (including GST) \$ 17,641.25

Disbursements - Type \$
 B1 456.31
 B2 52.20
TOTAL (excluding GST) **508.51**
 GST 50.85
TOTAL (Including GST) 559.36

GRAND TOTAL 18,200.61

4.1 Future Fees

Future remuneration is sought in respect of the Liquidation which is summarised as follows.

Task Area	\$
Creditors	4,000
Administration	1,000
Total	5,000

This prospective fee approval is to be considered by creditors and will be subject to a cap, which represents the estimated fees based on the best assessment of the work to be undertaken. In the event that there is additional work that is required then a further meeting will be convened to consider a further approval. Fees approved prospectively will be drawn as incurred.

This estimate of the work to be performed by major task area is as follows:

CREDITORS

- Creditor reports
- Finalising reports to creditors
- Dealing with proofs of debt
 - Receipting and filing POD's when not related to a dividend
- Meeting of Creditors
 - Meeting of Creditors Preparation of meeting notices, proxies and advertisements
 - Forward notice of meeting to all known creditors
 - Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
 - Preparation and lodgement of minutes of meetings with ASIC
 - Responding to stakeholder queries and questions immediately following meeting

ADMINISTRATION

- Correspondence
- General Correspondence
- Document maintenance / file review / checklist
 - First month, then six monthly administration review
 - Filing of documents
 - File reviews
 - Updating checklists
- Bank account administration
 - Preparing correspondence closing accounts
 - Requesting bank statements
 - Bank account reconciliations
 - Correspondence with bank regarding specific transfers
- ASIC Form 524 and other forms
 - Preparing and lodging ASIC forms including 505, 524, 911 etc
 - Correspondence with ASIC regarding statutory forms
- Finalisation
 - Notifying ATO of finalisation
 - Cancelling ABN / GST / PAYG registration
 - Completing checklists
 - Finalising WIP
- Planning / Review
 - Discussions regarding status of administration
- Books and records / storage

- Dealing with records in storage
- Sending job files to storage

4.2 Disbursements

Disbursements are divided into three types: **A, B1, B2**.

- A** Disbursements are all externally provided professional services. These are recovered at cost. An example of an A disbursement is legal fees.
- B1** B1 disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
- B2** Disbursements are internally provided non-professional costs such as photocopying, printing and postage. B2 disbursements are generally charged at cost; though some expenses such as telephone calls, photocopying and printing are charged at a rate which recoups both variable and fixed costs.

Creditor approval is not required for disbursements, however, creditors have the right to question the incurring of disbursements and may challenge disbursements in court.

The following table summarises the disbursements that have been incurred or are anticipated by my firm and are yet to be paid.

Description	Type	Incurred \$	Future Disbursements \$
	A	Nil	Nil
Advertising, Search Fees, Storage, Postages	B1	456	350
Photocopying	B2	52	10
Total		508	360

5 Supporting Information

5.1 Statement of remuneration claim

The resolutions sought from creditors in respect of the Liquidator's remuneration are specified below and also in the notice of meeting. It is noted that no fees have previously been approved and at this stage it is not anticipated that further fee approval will be required, subject to the disclosure noted above.

Resolutions regarding remuneration to be considered by creditors at the forthcoming meeting are:

1. That The past remuneration of the liquidator, his partners and staff, for the period from 15 December 2010 to 15 September 2011 be approved in the sum of \$16,037.50 (plus GST and disbursements) calculated on a time basis and charged at the hourly rates of RSM Bird Cameron Partners applicable to the classifications, qualifications and experience of the persons performing the work.
2. That the future remuneration of the liquidator, his partners and staff, for the period from 16 September 2011 to the conclusion of the administration be approved up to a capped amount of \$5,000 (plus GST and disbursements) calculated on a time basis and charged at the hourly rates of RSM Bird Cameron Partners applicable to the classifications, qualifications and experience of the persons performing the work, and that such remuneration may be drawn on a regular basis if and when funds become available, and should the liquidator's fees exceed this amount, he is entitled to seek further and additional fee approval from the creditors.

For the purposes of this administration any increase in the hourly rates will not be more than 10% per annum of that disclosed in the attached remuneration report without further approval by creditors.

Creditors are advised that they have the right to obtain further information regarding remuneration which can be requested from my office in writing. Creditors are advised that a remuneration information sheet is available at <http://www.asic.gov.au/infosheets>.

Annexure C – Receipts and Payments

Bankstream Pty Ltd (In Liquidation)
ACN 009 409 241

Receipts and Payments for the period
From 15 December 2010 to 15 September 2011

RECEIPTS	(\$)
Plant & Equipment	1,650
Debtor recovery	6,791
Bank Interest	20
Total Receipts	8,461
PAYMENTS	
Bank Charges	11
Petitioner's Costs	2,601
Total payments	2,612
Cash as Bank as at 15 September 2011	5,849

NOTICE OF MEETING OF CREDITORS

**BANKSTREAM PTY LTD
(IN LIQUIDATION)
ACN 009 409 241**

NOTICE is hereby given that a meeting of the creditors of the Company will be held at the offices of RSM Bird Cameron Partners, 8 St George's Terrace, Perth, on Wednesday 21 December 2011 at 11am (WST).

A G E N D A

1. To discuss the Report to creditors and receive an update and consider the position of the winding up.
2. To consider and if thought fit resolve that the past remuneration of the liquidator, his partners and staff, for the period from 15 December 2010 to 15 September 2011 be approved in the sum of \$16,037.50 (plus GST and disbursements) calculated on a time basis and charged at the hourly rates of RSM Bird Cameron Partners applicable to the classifications, qualifications and experience of the persons performing the work.
3. To consider and if thought fit resolve that the future remuneration of the liquidator, his partners and staff, for the period from 16 September 2011 to the conclusion of the administration be approved up to a capped amount of \$5,000 (plus GST and disbursements) calculated on a time basis and charged at the hourly rates of RSM Bird Cameron Partners applicable to the classifications, qualifications and experience of the persons performing the work, and that such remuneration may be drawn on a regular basis if and when funds become available, and should the liquidator's fees exceed this amount, he is entitled to seek further and additional fee approval from the creditors.
4. Any other business which may properly be brought before the meeting.

DATED this 2nd day of December 2011.



NEIL CRABB
Official Liquidator

Telephone conference facilities will be available at the meeting. Please note under Corporations Regulations 5.16.13A:

- (a) A person, or the proxy or attorney of a person, who wishes to participate in the meeting by telephone must give to the liquidator, not later than the second-last working day before the day on which the meeting is to be held, written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a telephone number at which the person, proxy or attorney may be contacted; and
 - (iv) any facsimile transmission number to which notices to the person, proxy or attorney may be sent.
- (b) A person, or the proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred by the person, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the Company.

Proxies to be used at the meeting should be lodged at the office of the Liquidator by 4.00pm on the day prior to the meeting. A corporation may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A respectively or, by a representative appointed under Section 250D of the Corporations Act 2001. In accordance with Regulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Liquidator.

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 009 409 241

To the Liquidator of **Bankstream Pty Ltd (In Liquidation)**

1. This is to state that the Company was, on **15 December 2010** ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾

for
dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount \$	GST included \$	Remarks ⁽⁴⁾

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.⁽⁵⁾
- 3.^{(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.
- 3.^{(6)*} I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2011

Signature of Signatory
 NAME IN BLOCK LETTERS
 Occupation
 Address
 Email..... Phone.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

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

Directions

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

Date	Drawer	Acceptor	Amount	Date Due
\$	¢			

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

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:

"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.



ASIC

Australian Securities & Investments Commission

Insolvency Information for Directors, Employees, Creditors and Shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors
- Independence of external administrators: a guide for creditors
- Approving fees: a guide for creditors

Important note: The information sheets contain 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. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.