

FIRST REPORT TO CREDITORS

**WA LOCK AND SAFE PTY LTD
(IN LIQUIDATION)
A.C.N. 091 283 742**

("THE COMPANY")

Liquidator	CARL HUXTABLE
Appointment Date	7 April 2010
Your Point of Contact	Sameh Bekhit
Phone Number	(08) 9420 8282
Fax Number	(08) 9420 8223
Reference	1700 058

INDEX

1. PROPOSED VOLUNTARY WINDING UP OF COMPANY
2. ABOUT THE LIQUIDATOR
3. FUTURE OPERATIONS
4. RETENTION OF TITLE CLAIMS
5. SUMMARY OF AFFAIRS
6. LIST OF CREDITORS
7. INVESTIGATIONS
8. REMUNERATION OF LIQUIDATOR
9. NOTICE OF MEETING
10. INFORMATION ABOUT THE MEETING OF CREDITORS

ATTACHMENTS

Summary of Affairs
Creditor List
Hourly Rates
IPAA Information Sheet
Appointment of Proxy Form 532
Proof of Debt Form 535
Request for Creditor Details

ITEMS TO RETURN TO THIS OFFICE

Appointment of Proxy Form 532
Proof of Debt Form 535
Request for Creditor Details

This Report and its attachments are prepared in accordance with the
Insolvency Practitioners Association of Australia's 'Statements of Best Practice'.

1. PROPOSED VOLUNTARY WINDING UP OF THE COMPANY

At a meeting of the directors of the Company it was determined that it was in the Company's interests (together with the Company's creditors and other stakeholders) to wind up the Company's affairs (i.e. liquidation) by way of Creditors' Voluntary Winding Up.

At a subsequent meeting, members of the Company resolved to wind the Company up and I was appointed as Liquidator.

A Creditors' Voluntary Winding Up is a mechanism which allows a company to wind up its affairs voluntarily without the need to make an application to Court. Three meetings are held, the first two at the direction of the Company and the third at the direction of the Liquidator:

- (a) Meeting of Directors – where directors resolve that the company is or may be insolvent and decide to appoint a liquidator;
- (b) Meeting of Members – where members resolve to wind up the company and appoint a Liquidator; and
- (c) Meeting of Creditors – where creditors ratify the appointment of the Liquidator.

INFORMATION SHEETS

The Australian Securities & Investments Commission ('ASIC') and the Insolvency Practitioners Association of Australia have issued information sheets regarding insolvency appointments. These are available for download from the ASIC website (www.asic.gov.au) under 'For Companies - Insolvency'.

If you are unable to access either of these pages, please contact this office and I will provide a copy to you.

2. ABOUT THE LIQUIDATOR

Background

In 1989, the firm of Summers Partners was formed by Paul Summers to conduct commercial legal services in Western Australia. In July 2003, Paul launched the firm under the name **s u m m e r s l e g a l**.

Established in June 2005, the corporate advisory division of the summers group, **s u m m e r s c o r p o r a t e**, specialises in providing corporate advisory solutions, recovery solutions and reconstruction solutions.

Mr Huxtable has over 10 years experience in the insolvency field, is a Chartered Accountant and a member of the Insolvency Practitioners Association of Australia. The Australian Securities and Investments Commission registered Mr Huxtable as a Liquidator in August 2005 and an Official Liquidator in March 2008.

Declaration of Independence, Relevant Relationships and Indemnities

Independence

I, Carl Huxtable of s u m m e r s c o r p o r a t e have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of WA Lock and Safe Pty Ltd. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

Relevant Relationships

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with WA Lock and Safe Pty Ltd, an associate of WA Lock and Safe Pty Ltd, a former insolvency practitioner appointed to WA Lock and Safe Pty Ltd or any person or entity that has a charge on the whole or substantially whole of the property of WA Lock and Safe Pty Ltd.

Indemnities

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute.

Dated this 9th day of April 2010



**CARL HUXTABLE
LIQUIDATOR**

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

3. FUTURE OPERATIONS

I advise that I am not continuing the current trading activities of the Company during the liquidation.

4. RETENTION OF TITLE CLAIMS

In relation to suppliers who have consignment stock or claim to hold a Retention of Title claim against the Company, it is requested that details of same should be provided to Sameh Bekhit of my office immediately.

A retention of title claim, is a claim by a supplier that the title (i.e. ownership) of stock remains with the supplier until such time as payment is received from the company. If a retention of title claim is valid, goods that remained on hand as at the date of appointment are either:

- (a) returned to the supplier; or
- (b) paid for under agreement between the Liquidator and the supplier.

4.1. Do You Have a Retention of Title Claim?

To enable your retention of title claim to be assessed, it is imperative that you provide copies of written documentation to substantiate your claim *within 7 days of the date of this report*.

Examples of documentation to substantiate your claim include, but is not limited to, a copy of the following:

- (a) a credit application form signed by an officer of the company;
- (b) all outstanding invoices (including the reverse side of the invoice if the terms and conditions of sale are printed on same); and
- (c) any further documentation to substantiate that the company's officer was made aware of the terms and conditions of sale.

5. SUMMARY OF AFFAIRS OF COMPANY

The director is required to provide me with a Report as to Affairs (Form 507) as at the date of my appointment, outlining the Company's assets, liabilities and financial circumstances. Once this report has been received from the director it shall be lodged with ASIC and therefore available to any creditors that may wish to view it.

A summary of the Company's affairs is attached as prepared by the director.

From the preliminary review I have conducted into the Company's affairs it would appear that there are insufficient assets to enable a distribution to unsecured creditors.

Further details regarding the Company's affairs shall be provided to creditors in due course.

6. LIST OF CREDITORS

I am required to provide a list of creditors. This is included as an attachment to this report.

7. INVESTIGATIONS

The Liquidator is required to investigate the Company's business, property, affairs and financial position to determine whether there have been any breaches of the Corporations Act or any other recoveries are available under the provisions of Part 5 of the Corporations Act.

The result of these investigations will be reported to the Australian Securities and Investments Commission and a summary of my findings will be reported to creditors as appropriate.

8. REMUNERATION OF ADMINISTRATOR

Remuneration Methods

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

(a) **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.

(b) **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.

(c) **Percentage**

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

(d) **Contingency**

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

Method chosen

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

- (a) It ensures that creditors are only charged for work that is performed. Time is recorded in 6 minute increments;
- (b) Given that I have only had minimal time to assess all issues in regards to the Company's affairs prior to sending you this notice, I am currently unable to estimate the amount of fees necessary to complete all the tasks required in the administration;
- (c) A number of tasks that are required to be performed do not relate to the realisation of assets, such as responding to creditor queries, investigating the affairs of the Company and reporting to the Australian Securities and Investments Commission on relevant matters.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the attached table which includes 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 and should not be compared to an hourly wage.

BEST ESTIMATE

I am required to provide creditors with a best estimate of my costs to a specified milestone. In that regard, having undertaken an assessment of the likely tasks required and given that the business is not continuing to trade whilst under my control, I estimate that the total costs to the completion of the liquidation to be in the vicinity of \$10,000 (inclusive of GST).

9. NOTICE OF CREDITORS' MEETING**Form 529**

Regulation 5.6.12

Section 497

*Corporations Act 2001***NOTICE OF MEETING OF CREDITORS
WA LOCK AND SAFE PTY LTD (IN LIQUIDATION)
A.C.N. 091 283 742**

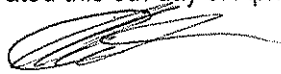
The company has convened a meeting of its members at which it resolved "that the company be wound up voluntarily" and "that Carl Huxtable be appointed liquidator".

The meeting of creditors will be held at the offices of s u m m e r s c o r p o r a t e, Level 2, 56 Ord Street, West Perth, Western Australia, 6005 on Wednesday 21 April 2010 at 10.00 am.

Agenda

1. To consider a full report as to the company's affairs.
2. To consider, if nominated, the appointment of an alternative liquidator
3. To consider and approve the remuneration of the liquidator in the amount of \$10,000 (inc GST)
4. To consider the appointment of a Committee of Inspection.
5. To authorise the liquidator to destroy the books and records of the company after a period of twelve Months after the dissolution of the Company subject to approval from the Australian securities & Investments Commission.
6. To do such things as are thought fit and may be done by a meeting of creditors in a creditor's voluntary winding up.

Dated this 9th day of April 2010



Carl Huxtable
Liquidator

During the coming weeks I will be required to:

- (a) conduct my preliminary investigation into the affairs of the Company;
- (b) receive a report as to affairs and analyse the position of the Company as advised by the directors;
- (c) deal with creditors queries in regards to the appointment;
- (d) secure, protect and realise assets;
- (e) lodge and report to the Australian Securities and Investments Commission as required by law;
- (f) undertake other general control processes over the business.

Please find attached the Creditor Information Sheet in regard to remuneration that I am required to provide pursuant to the Insolvency Practitioners Association of Australia's Code of Professional Practice.

THIS SECTION LEFT BLANK INTENTIONALLY

10. INFORMATION ABOUT THE CREDITORS' MEETING

10.1. Notice

Formal notice of the meeting has been provided on Section 9 of this report.

10.2. Purpose

The purpose of the meeting is to:

- (a) consider a statement explaining the Company's circumstances;
- (b) consider the appointment of a Committee of Inspection;
- (c) consider the approval of the Liquidator's remuneration; and
- (d) consider any other business that may be lawfully brought forward.

10.3. Committee of Inspection

- (a) A Committee of Inspection is most often appointed in larger, more complex liquidations where, for example:
 - (i) The Liquidator may have queries regarding the industry in which the Company operates, or operated; and/or
 - (ii) The Liquidator, or creditors, suspect that offences have been committed or assets dispersed and in-depth investigations are needed into the affairs of the Company and the actions of its officers or management.
- (b) There is no set requirement for the number of members of a Committee of Inspection, but from experience, three to five members works well.
- (c) The functions of a Committee of Inspection are to (Part 5.6 Division 5 of the Act):
 - (i) Consult with the Liquidator about matters relating to the liquidation; and
 - (ii) Receive and consider reports by the Liquidator.
- (d) Listed below are people who may be members of a Committee of Inspection (Section 548(3) of the Act):
 - (i) A creditor of the Company; or
 - (ii) The attorney of such a creditor because of a general power of attorney; or
 - (iii) Authorised in writing by such a creditor to be a member of the Committee of Creditors.

Please do not hesitate to contact your Point of Contact at this office or myself before the meeting, or raise it during the meeting, should you have any further queries regarding the appointment, functions or conduct of a Committee of Inspection.

10.4. Voting

Each resolution put to the vote at a meeting of creditors must be decided on the voices (numbers) (i.e. all those in favour say "aye", all those against, say "nay").

Please note however, that a poll can be demanded, before or on the declaration of the result of the voices (Regulation 5.6.19). A poll is simply the recording of votes in writing (both numbers and value). The results of a poll override the results of the vote on the voices.

In a deadlock the Chairperson may exercise his or her casting vote for, or against, the resolution (Regulation 5.6.21(4)).

10.5. Form 532 – Appointment of Proxy

Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- (a) A Form 532, Appointment of Proxy ("Proxy") is enclosed for your attention. A creditor may use this form to appoint a natural person over the age of 18 as his or her proxy to attend and vote at the meeting.
- (b) A new Proxy form is required for each meeting of creditors. This means, that even if you lodged a Proxy with the Liquidator / Chairperson at a previous meeting, a new Proxy will be required for this meeting if you wish to cast your vote. The only exception is where a meeting is adjourned, in which case it is the same meeting being held on a different date.
- (c) To assist you with determining whether you will be required to complete this form for the meeting, please refer to the table overleaf.
- (d) When appointing a person as your proxy, you may choose:
 - (i) General Proxy – which gives the proxy discretion as to how he or she votes; or
 - (ii) Special Proxy – which specifies the manner in which the proxy is to vote on a particular motion, and the proxy is not entitled to vote on the resolution except as specified on the form.
- (e) For creditors that are companies, please note that the Proxy does not need to have the company seal affixed however, the Proxy must be signed by (Section 127):
 - (i) two (2) directors of the company; or
 - (ii) a director and a company secretary of the company; or
 - (iii) for a proprietary company that has a sole director who is also the sole company secretary – that director. In this event the director must write next to their signature the words "I am the sole director and sole company secretary of the company".

If you are uncertain as to whether you are required to complete a Proxy or would like assistance with completing your Proxy, please contact this office prior to attending the meeting. It is requested that your Proxy be lodged with this office one (1) business day prior to the meeting.

<i>Type of Creditor</i>	<i>Person Attending Meeting</i>	<i>Proxy Required Yes / No</i>
Natural Person (i.e. Joe Bloggs)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Business (i.e. Joe Bloggs trading as XYZ)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Partnership	Joe Bloggs – Partner	No
	Person other than a Partner	Yes
Company (i.e. XYZ Pty Ltd trading as ABC)	Any Person	Yes

10.6. Form 535 – Formal Proof of Debt or Claim (General Form)

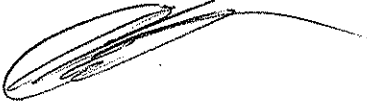
Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- (a) A Form 535, Formal Proof of Debt or Claim (General Form) ("Proof") is enclosed for your attention. Please note that a person is not entitled to vote at the meeting unless this form is lodged with the Liquidator or the Chairperson.
- (b) A Proof is not specific to a meeting of creditors. Therefore, if you have lodged a Proof previously in this administration, no further Proof is required for this meeting. If you are unsure as to whether you have lodged a Proof, please do not hesitate to contact this office.
- (c) Supporting Documentation:
 - (i) Please attach invoices, statements and other documentation to substantiate your claim.
 - (ii) If you have a claim for outstanding employee entitlements, please attach a worksheet showing how the entitlements have been calculated.
 - (iii) If someone disputes your claim at the meeting, having documentation attached to your Proof will assist the Chairperson in admitting your claim for the full amount for which you are entitled to vote.
 - (iv) If you attach documentation to substantiate your claim now, you will not encounter problems in the future (i.e. lost or archived records) in the event that a dividend is paid.

If you would like assistance with completing your Proof, please contact this office prior to attending the meeting of creditors. It is requested that your Proof be lodged with this office one (1) business day prior to the meeting.

Should any creditor require assistance in completing the relevant forms or have any queries, please contact Mr Sameh Bekhit, care of this office.

Dated: 9 April 2010



**CARL HUXTABLE
LIQUIDATOR**

ATTACHMENTS

Summary of Affairs

Creditor List

Hourly Rates

IPAA Information Sheet

Appointment of Proxy Form 532

Proof of Debt Form 535

Request for Creditor Details

Please Return:

Appointment of Proxy Form 532

Proof of Debt Form 535

Request for Creditor Details

ASIC registered agent number 290898
 lodging party or agent name s u m m e r s c o r p o r a t e
 address PO Box 7767 Cloisters Square
 Perth WA 6850

telephone 08 9420 8282
 facsimile 08 9420 8223
 DX number



Australian Securities and Investments Commission

FORM 509

Presentation of
 SUMMARY OF AFFAIRS OF A COMPANY

Corporations Act 2001
 497(2)(b)(i)

company name WA LOCK AND SAFE PTY LTD
 A.C.N 091 283 742

SUMMARY OF ASSETS AND LIABILITIES

date to which summary is made up (d/m/y) [Date]

	Valuation (show whether cost or net book amount) \$	Estimated Realisable Values \$
1 assets not specifically charged		
(a) interest in land		
(b) sundry debtors	10,000	10,000
(c) cash on hand		
(d) cash at bank		
(e) stock as detailed in inventory		
(f) work in progress as detailed in inventory		
(g) plant and machinery as detailed in inventory		
(h) other assets		
2 assets subject to specific charges		
less amounts owing		
TOTAL assets	10,000	10,000
TOTAL estimated realisable values	10,000	10,000
3 less preferential creditors entitled to priority over the holders of debentures under any floating charge		
4 less amounts owing and secured by debenture or floating charge over company's assets		
5 less preferential creditors		
estimate amount available for unsecured creditors		
6 creditors (unsecured)	93,081	
amount claimed		
7 balances owing to partly secured creditors		
total claims		
security held		
8 contingent assets		
estimated to produce		
9 contingent liabilities		
estimated to rank for		
estimated deficiency/surplus		
(subject to costs of administration/liquidation)		
share capital issued		
paid up		

SIGNATURE

print name Robert Matthew Knapp

capacity

DIRECTOR

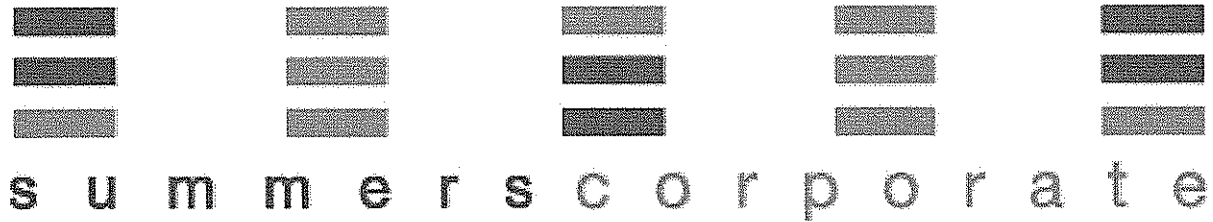
sign here

date 7-11-10

Creditor Listing by Class: I700 058 - WA Lock and Safe Pty Ltd (In Liquidation)

All Creditor Classes as at 9/04/2010 (Filter: All)

UNSECURED CREDITORS	RATA	Advised	Claimed	Admitted	Rejected	Under Consid.	Distributed	Remaining	Control Value
Ace Lock and Safe PO Box 141 Quinns Rock WA 6030 Unsecured	980.00	980.00	0.00	0.00	0.00	0.00	0.00	0.00	980.00
Australian Taxation Office (INSOLVENCY) Australian Taxation Office, PO Box 9003 Penrith NSW 2751 Unsecured	73,451.00	73,451.00	0.00	0.00	0.00	0.00	0.00	0.00	73,451.00
Driving Creek Pty Ltd T/A Security and Key P A Martino, Unit 6, 69 Hay Street Subiaco WA 6008 Unsecured	17,000.00	17,000.00	0.00	0.00	0.00	0.00	0.00	0.00	17,000.00
Ezetax Unit 1, 25 Montgomery Way Malaga DC WA 6090 Unsecured	1,650.00	1,650.00	0.00	0.00	0.00	0.00	0.00	0.00	1,650.00
TOTAL UNSECURED CREDITORS:	93,081.00	93,081.00	0.00	0.00	0.00	0.00	0.00	0.00	93,081.00
Grand Total:	93,081.00	93,081.00	0.00	0.00	0.00	0.00	0.00	0.00	93,081.00



**HOURLY CHARGE RATES
(Current as at 1 July 2009)**

<i>Position / IPAA Classification</i>	<i>Description</i>	<i>Charge Rate (excl GST) (\$)</i>
Appointee / Registered Liquidator / Official Liquidator	Registered liquidator or trustee, bringing his/her specialist skills to the Administration or insolvency task	420
Manager	4-6 years experience. Qualified Accountant, with well developed technical and commercial skills. Answerable to the appointee. Controls aspects of the administration at the direction of the appointee and assists in the planning and control of administrations. Controls 2-4 staff.	350
Supervisor / Senior Business Analyst	1-4 years, commenced or undertaking post graduate accounting studies (CA/CPA). Required to control fieldwork and is responsible for completing standard procedures relevant to all administrations	150 - 200
Intermediate Business Analyst	0-2 years. Graduate with little or no professional experience. Required to assist in general standard procedures, data gathering and data entry.	130
Secretary / WPO	Typing of letters and general data entry as required	155

It is Summerscorporate's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Summerscorporate's charge out rates are reviewed periodically.

Creditor Information Sheet

Approving remuneration in external administrations

If a company is in financial difficulty, it can be put under the control of an independent insolvency administrator. Such a person is called a 'liquidator' or a 'voluntary administrator' or an 'administrator of a deed of company arrangement' depending on the type of administration involved. For the purposes of this guide, we use the collective word 'administrator'.

This information sheet gives general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a deed of company arrangement (other forms of insolvency administration are beyond the scope of this information sheet). It outlines the rights that creditors have in the approval process.

Work undertaken by administrators

The work undertaken by administrators depends on the type of administration concerned and the issues that need to be resolved. Some issues are straightforward, while others are more complex.

However, what is common amongst all administration types is that an administrator is, by law, required to undertake a number of tasks which may not directly benefit creditors (for example, the preparation of reports to the Australian Securities and Investments Commission or the preparation of six monthly receipts and payments). An administrator is still entitled to remuneration for undertaking these statutory tasks.

For more information on the tasks involved in different administrations, see ASIC's information sheets: 'Liquidation: a guide for creditors' and 'Voluntary administration: a guide for creditors'.

Entitlement to fees and costs

An administrator is entitled:

- to be paid reasonable fees, or remuneration, for the work they perform, once these fees have been approved by a creditors' committee, creditors or a court, and
- to be reimbursed for out-of-pocket costs incurred in performing their role (these costs do not need creditors' committee, creditor or court approval).

Administrators are entitled to an amount of fees for the necessary work that they and their staff properly perform in the administration.

Out-of-pocket costs that are commonly reimbursed include:

- legal fees
- valuer's, real estate agent's and auctioneer's fees



- trading costs involved in running the company's business during the administration (e.g. for the purchase of stock)
- stationery, photocopying, telephone and postage costs
- retrieval costs for recovering the company's computer records, and
- storage costs for the company's books and records.

Creditors have a direct interest in the level of fees and costs, as the administrator will, generally, be paid from the company's available assets before any payments to creditors are made. If there are not enough assets, the administrator may arrange for a third party, for example another creditor, to pay any shortfall. As a creditor, you should receive details of such arrangements.

If there are not enough assets to pay the fees and costs, and there is no third party payment arrangement, any shortfall is not paid and the administrator is in effect 'out of pocket'.

Calculation of fees

Fees of an administrator may be calculated using one of a number of different methods, such as:

- on the basis of *time spent* by the administrator and their staff, according to hourly rates,
- a quoted *fixed fee*, based on an estimate of the costs, or
- a *percentage*, usually of asset realisations.

Charging on the basis of time spent is the most common method. Administrators have a scale of hourly rates, with different rates for each category of staff working on the administration, including the administrator.

If the administrator intends to charge on a time basis, you should receive a copy of these hourly rates before the administrator requests approval of their fees.

The administrator and their staff will record the time taken for the various tasks involved, and a record will be kept of the nature of the work performed.

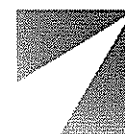
It is important to realise that administrators are professionals who are required to have accounting qualifications and maintain up-to-date knowledge of accounting, business and legal issues. They have serious responsibilities under the law. Their hourly rates and those of their qualified staff reflect this.

The hourly rates do not represent an hourly wage for the administrator and their staff. The administrator is running a business—an insolvency practice—and the hourly rates will be based on the cost of running the business, including overheads such as rent for business premises, utilities, wages and superannuation for staff who are not charged out at an hourly rate (such as personal assistants), information technology support, office equipment and supplies, insurances, and taxes with allowance then made for profit.

Many of the costs of running an insolvency practice are fixed costs that must be paid, even if there are insufficient assets available to pay the administrator for their services.

These are all matters that committee members or creditors should be aware of when considering the fees presented. However, regardless of these matters, creditors have a right to question the administrator about the fees and whether the rates are negotiable.

It is up to the administrator to justify why the method chosen for calculating fees is an appropriate method for the particular administration. As a creditor, you also have a right to question the administrator about the calculation method used and how the calculation was made.



Report on proposed fees

In order to seek approval of fees, the administrator must hold a meeting of the members of any committee of creditors, or, if there is no committee, the creditors themselves. A report must be sent, with the notice of meeting, setting out:

- information that will enable the committee members/creditors to make an informed assessment of whether the proposed fees are reasonable
- a summary description of the major tasks performed, or to be performed, and
- the costs associated with each of these tasks.

The report should also provide a summary of out-of-pocket costs incurred or expected to be incurred.

Committee members/creditors may be asked to approve fees for work already performed or fees based on an estimate of work yet to be carried out.

If the work is yet to be carried out, it is advisable for creditors to set a maximum limit ('cap') on the amount that the administrator may receive. For example, 'future fees are approved calculated on hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X'. If the work involved then exceeds this figure, the administrator will have to ask the creditors' committee/creditors to approve a further amount of fees, after accounting for the fees already incurred.

Who may approve fees

Who may approve fees depends on the type of external administration: see Table 1. The administrator must provide sufficient information to enable the creditors' committee, the creditors or the court to make an informed assessment as to whether the fees are reasonable.

Table 1: Who may approve fees

	Creditors' committee	Creditors	Court
Administrator in a voluntary administration	✓ ¹	✓ ²	✓ ³
Administrator of a deed of company arrangement	✓ ¹	✓ ²	✓ ³
Creditors' voluntary liquidator	✓ ¹	✓ ⁴	✗ ⁵
Court-appointed liquidator	✓ ^{1, 6}	✓ ^{2, 6}	✓ ³

¹ If there is one.

² If there is no creditors' committee or the committee fails to approve the fees.

³ If there is no approval by creditors.

⁴ If there is no creditors' committee.

⁵ Unless an application is made for a fee review.

⁶ If insufficient creditors turn up to the meeting called by the liquidator to approve fees, the liquidator is entitled to be paid up to a maximum of \$5,000, or more if specified in the *Corporations Regulations 2001*.



Creditors' committee approval

If there is a creditors' committee, members are chosen by a vote of creditors as a whole. In approving the fees, it is important that the members realise that they represent all the creditors, not just their own individual interests.

A creditors' committee will generally only be set up where there are a large number of creditors. If there is one, then they will ask the committee to approve their fees.

A creditors' committee makes its decision by a majority in number of its members present in person at a meeting, but it can only act if a majority of its members attend.

If you would like to know more about creditors' committees and how they are formed, see ASIC's information sheets: 'Liquidation: a guide for creditors', 'Voluntary administration: a guide for creditors' and 'Insolvency: a glossary of terms'.

Creditors' approval

Creditors approve fees by passing a resolution at a creditors' meeting. The vote requires a simple majority of creditors present and voting, in person or by proxy, indicating that they agree to the resolution. Unlike committee members, creditors may vote according to their individual interests.

If a 'poll' is taken at the meeting (that is, rather than a vote being decided on the voices or by a show of hands, a count of each vote and its value is taken), a majority in number and value of creditors present and voting must agree. A poll requires the votes of each creditor to be recorded.

A proxy is a document whereby a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote how they want on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the administrator as a proxy to vote on the creditor's behalf. An administrator, their partners or staff must not use a general proxy to vote on approval of their fees; they must hold a special proxy in order to do this. They must vote all special proxies as directed, even those against approval of their fees.

Deciding if fees are reasonable

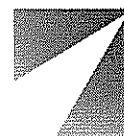
If you are asked to approve an amount of fees either as a committee member or by resolution at a creditors' meeting, your task is to decide if that amount of fees is reasonable, given the work carried out in the administration and the results of that work.

The IPA's Code of Professional Practice: Remuneration outlines the steps administrators should take to make sure they fulfil their responsibilities to creditors when asking creditors to approve fees, including when those creditors are acting in their capacity as committee members. This guide is available on the IPA website at www.ipaa.com.au

If you need more information about fees than is provided in the administrator's report, you should let them know before the meeting at which fees will be voted on.

What can you do if you think the fees are not reasonable?

If you do not think the fees being claimed are reasonable, you should raise your concerns with the administrator. It is your decision whether to vote in favour of, or against, a resolution to approve fees.



Generally, if fees are approved by a creditors' committee/creditors and you wish to challenge this decision, you may apply to the court and ask the court to review the fees. Special rules apply to court liquidations.

You may wish to seek your own legal advice if you are considering applying for a court review of the fees.

Reimbursement of out-of-pocket costs

An administrator should be very careful incurring costs that must be paid from the administration – as careful as if they were incurring the expenses on their own behalf. Their report on fees sent to creditors should also include information on the out-of-pocket costs of the administration.

If you have questions about any of these costs, you should ask the administrator and, if necessary, bring it up at a creditors' committee/creditors' meeting. If you are still concerned, you have the right to ask the court to review the costs.

Queries and complaints

You should first raise any queries or complaints with the administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a complaint with the IPA at www.ipaa.com.au or write to:

Complaints Manager
IPA
GPO Box 3921
SYDNEY NSW 2001

You can also contact ASIC at www.asic.gov.au, or write to:

Manager National Assessment & Action
ASIC
GPO Box 9827
IN YOUR CAPITAL CITY

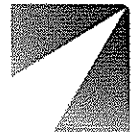
Complaints against companies and their officers can also be made to ASIC. For other enquiries, email ASIC through infoline@asic.gov.au, or call ASIC's Infoline on 1300 300 630 for the cost of a local call.

To find out more

For an explanation of terms used in this information sheet, see ASIC's 'Insolvency: a glossary of terms'.

For more on insolvency administration, see ASIC's related information sheets at www.asic.gov.au/insolvencyinfosheets:

- 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

These are also available from the Insolvency Practitioners Association (IPA) website at www.ipaa.com.au.

The IPA website also contains the IPA's Code of Professional Practice that is applicable to its members.

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

APPOINTMENT OF PROXY

WA LOCK AND SAFE PTY LTD (IN LIQUIDATION) A.C.N. 091 283 742

I/We	Creditor Name			
of	Creditor Address			
a creditor / *contributory / *debenture holder / *member of WA LOCK AND SAFE PTY LTD (IN LIQUIDATION) in the sum of		\$		
Appoint	Name, address & description			
or in his or her absence	Name, address & description			
as *my/*our *general/*special proxy to vote at the *meeting of *creditors/ *contributories / *debenture holders / *members/*joint meeting of members and creditors to be held on 21 April 2010 or at any adjournment of that meeting. <i>(If a special proxy complete the next box, or if insufficient space, attach directions for each resolution).</i>				
		For	Against	Abstain
That the remuneration of the Liquidator be fixed at \$10,000 (including GST) as detailed in the report to creditors dated 9 April 2010				

* Strike out if not applicable

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:
Email:	

CERTIFICATE OF WITNESS

(This certificate is to be completed only if the person giving the proxy is **blind or incapable of writing**. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy).

I, _____ (*name*), of _____ (*address*),

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked at the instrument.

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of	WA LOCK AND SAFE PTY LTD (IN LIQUIDATION) A.C.N. 091 283 742
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1. This is to state that the company was on 7 April 2010, and still is, justly and truly indebted to:

Creditor Name	
Creditor Occupation <small>(If prepared by employee or agent of creditor)</small>	
Creditor Address	
ABN (N/A, if not required)	
FOR \$Amount owing (Dollars & Cents)	\$

Particulars of the debt are:

Date	Consideration <i>(state how the debt arose)</i>	Amount \$ 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 \$ c	Due Date

*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
 *3. I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

* Do not complete if this proof is made by the creditor personally.

Signature:	Dated:
Print Name:	Occupation/Title:
Address:	
Telephone:	Facsimile:
Email:	

**WA LOCK AND SAFE PTY LTD
(IN LIQUIDATION)
A.C.N. 091 283 742**

REQUEST FOR UPDATE OF CREDITOR CONTACT DETAILS

Should creditors wish to update their details on the Official Liquidator files, please complete the following and fax to +618 9420 8223, or send to WA Lock & Safe Pty Ltd (In Liquidation), C/- PO Box 7767 Cloisters Square, Perth Western Australia 6850

CREDITOR NAME:	
TRADING OR BUSINESS NAME:	
A.C.N. :	
A.B.N. :	
ADDRESS:	
POSTAL ADDRESS:	
CONTACT NAME:	
TELEPHONE:	
FAX :	
E-MAIL:	

PREFERRED METHOD OF CONTACT :	
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ELECTRONIC COMMUNICATION

The Corporations Amendment (Insolvency) Act 2007 inserts provisions allowing the Administrators/Liquidators to send notices and associated attachments to creditors/members via electronic means where the creditor/member has advised the Administrators/Liquidators accordingly.

In that regard, I would appreciate you completing and returning this sheet to my office as soon as possible. If you do not return this form, you will continue to receive notices/reports via prepaid post.

I, _____, of _____
 (insert creditor name) (insert physical address)

advise that I would like to receive future correspondence from the Liquidator of WA LOCK & SAFE PTY LTD (IN LIQUIDATION) via my preferred method of contact as listed above:

 Signed Print Name Position/Role Dated



