

MBJ:GL:D11
G Luck

10 February 2010

PERTH

Level 26 BankWest Tower
108 St George's Terrace
Perth WA 6000 Australia
GPO Box 2537 Perth WA 6001
phone +61 8 9214 1444
fax +61 8 9214 1400
email fhperth@perth.fh.com.au
www.ferrierhodgson.com

**SAS GLOBAL BALDIVIS LTD ACN 120 233 490
(Administrators Appointed) (Receivers and Managers Appointed)
("the Company" or "SGBL")**

CIRCULAR TO CREDITORS

We refer to the appointment of Andrew Saker, Darren Weaver and myself as Joint and Several Administrators of the abovenamed company on 6 November 2009 pursuant to Section 436A of the Corporations Act 2001.

At the second meeting of creditors held on 11 December 2009 creditors resolved to adjourn the meeting for a period of up to 45 business days to allow the Administrators further time to continue discussions with a number of interested parties with regard to the possible restructure and recapitalisation of SGBL ultimately leading to a Deed of Company Arrangement ("DOCA") proposal being put forward to creditors.

Enclosed is my further report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001. At the reconvened second meeting, the following options are available to creditors regarding the company's future:

- That the company should be wound up; and
- That the administration should end and control of the company revert to its directors.

You will note that there is no DOCA proposal and therefore this is not an option available to creditors.

The second meeting of creditors is now reconvened for **Thursday, 18 February 2010 at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St Georges Terrace, Perth, Western Australia at 11.00am WST** for creditors to determine the future of the company.

For your information and assistance, the following notices, statements and reports are attached.

1. **Notice of Meeting.** Please note that the reconvened second creditors' meeting is to be held on 18 February 2010 commencing at **11.00am (WST)**. You should arrive for registration at least 15 minutes prior to the meeting.
2. **Informal Proof of Debt form for voting purposes.** Any Informal Proof of Debt forms submitted for the purposes of the first and second meeting of creditors and accepted by the Chairperson of that meeting for voting purposes will be valid for this meeting.

ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SHANGHAI
SINGAPORE
TOKYO

Affiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM



3. **Appointment of Proxy form.** The form enables you to appoint another person to act on your behalf at the meeting.

The Informal Claim Form for Voting Purposes and Proxy Form should be lodged with this office before the meeting and, in any event not later than 4.00pm on the day prior to the meeting. Forms can be sent by facsimile on (08) 9214 1400 marked to the attention of Georgina Luck or scanned and emailed to gluck@perth.fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy Form with the Administrators' office within 72 hours of lodging the faxed/emailed copy.

4. Administrators' report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001 which includes the Administrators opinion, with supporting reasons, on each of the following matters:
- Whether it would be in the creditors' interests for the company to be wound up; or
 - Whether it would be in the creditors' interests for the administration of the company to end.

The Administrators' report also includes detailed schedules explaining their remuneration incurred to date and estimated future remuneration. These schedules set out the following details for the company:

- (a) Details of time spent by category of staff at the rates applicable for such staff; and,
- (b) A summary of the work undertaken by the Administrators and their staff in the administration.

For further information concerning the Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

Should you have any questions in relation to this matter, please contact Sandra Gauci or Georgina Luck of this office.

A handwritten signature in black ink, appearing to read 'Martin Jones', written over a horizontal line.

MARTIN JONES
Joint and Several Administrator of
SAS Global Baldivis Ltd

Encl.

CORPORATIONS ACT 2001

NOTICE OF RECONVENED SECOND MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATIONSAS GLOBAL BALDIVIS LIMITED
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
ACN 120 233 490

NOTICE is given that the reconvened second meeting of the creditors of the company will be held at the offices of Ferrier Hodgson, Level 26, BankWest Tower, 108 St Georges Terrace, Perth, Western Australia on 18 February 2010 at 11.00am (WST).

A G E N D A

1. To receive a Statement about the company's business, property, affairs and financial circumstances.
2. To receive the report of the Administrator.
3. Questions from creditors.
4. For creditors to resolve:
 - a. that the company execute a Deed of Company Arrangement; or
 - b. that the company be wound up; or
 - c. that the administration should end.
5. To fix the further remuneration of the Joint and Several Administrators.
6. If the company is to execute a Deed of Company Arrangement, to fix the remuneration of the Deed Administrators.
7. If the company is wound up, to fix the remuneration of the Liquidators.
8. If the company is wound up, to consider appointing a Committee of Inspection.
9. If the company is wound up, to consider the destruction of the books and records at the conclusion of the winding up.
10. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Joint and Several Administrators by 4.00pm on the day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Corporations Regulations 5.6.28 and 5.6.32 (inclusive) or if a body corporate by a representative appointed pursuant to Section 250D.

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 in accordance with the Corporations Regulations and that claim has been admitted for voting purposes wholly or in part by the voluntary administrator.

DATED this 10th day of February 2010.



MARTIN JONES
Joint and Several Administrator of
SAS Global Baldivis Ltd

**CORPORATIONS ACT 2001
APPOINTMENT OF PROXY CREDITORS MEETING**

**SAS GLOBAL BALDIVIS LIMITED
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
ACN 120 233 490**

*I/*We¹
of
a creditor of SAS Global Baldivis Ltd, appoint²
or in his absence as.....
*my/our *(i) general OR *(ii) special proxy³ to vote at the meeting of creditors to be held on 18 February 2010 or at any adjournment of that meeting, to vote
(i) on all matters arising at the meeting; **OR**
(ii) on each of the following kinds of resolution in the manner specified:

Resolution:	For	Against	Abstain
(a) The company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) The Administration end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) The Administrators' remuneration for the period 1 December 2009 to 31 January 2010 be fixed in the sum of \$29,881 (exclusive of GST).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) The Administrators' further remuneration for the period 1 February 2010 to 18 February 2010 be fixed in accordance with the hourly rates of Ferrier Hodgson up to the sum of \$20,000 (exclusive of GST).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) If the company is placed into Liquidation: The Liquidators' remuneration be fixed in accordance with the hourly rates of Ferrier Hodgson up to the sum of \$80,000 (exclusive of GST) and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) If the company is placed into Liquidation: A Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g) If the company is placed into Liquidation: The books and records of the company be disposed of 12 months after the dissolution of the company or earlier at the discretion of the ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Strike out if inapplicable

¹ If a firm, strike out "I" and set out the full name of the firm.

² Insert the name, address and description of the person appointed.

³ If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

I am an unsecured creditor and the total amount owed to me is \$.....

OR

I am a secured creditor and the total amount owed to me is \$.....

DATED this day of February 2010

.....
Signature⁵ of individual or person⁶
authorised by corporate resolution to
represent the corporation

OR The Common Seal of⁴

was hereunto affixed in the
presence of

.....
Director

.....
Secretary

This section is only relevant in the case of a proxy given by a blind or other person incapable of writing.

CERTIFICATE OF WITNESS⁷

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person
appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this day of February 2010

.....
Signature of Witness

.....
Description

.....

.....
Place of Residence

⁴ The method of affixing the Common Seal is prescribed in Section 127(2) of the Corporations Act 2001 and, usually, the creditor corporation's constitution.

⁵ The signature of the creditor is not to be attested by the person nominated as proxy.

⁶ 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. Copy of authority/power of attorney to be annexed.

⁷ This certificate is to be completed only where the person giving it is blind.

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

SAS GLOBAL BALDIVIS LIMITED
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
ACN 120 233 490

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e. the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....

.....
Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
- b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint and Several Administrators.

**SAS Global Baldivis Ltd
ACN 120 233 490
(Administrators Appointed)
(Receivers and Managers Appointed)**



**Supplementary Report by Administrators
Pursuant to
Section 439A(4)(a) of
The Corporations Act 2001**

Martin Jones

Andrew Saker

Darren Weaver

10 February 2010



FERRIER HODGSON

LEVEL 26, 108 ST GEORGE'S TERRACE PERTH WA 6000

GPO BOX W2537 PERTH WA 6001

TELEPHONE 08 9214 1444 FACSIMILE 08 9214 1400

Table of Contents

Glossary of terms	1
1. Executive summary	2
2. Introduction	2
2.1 Second Meeting of Creditors.....	2
2.2 Reconvened Second Meeting of Creditors.....	3
2.3 Purpose of Report.....	3
2.4 Non-disclosure of certain information.....	4
2.5 Declaration of independence, relevant relationships and indemnities.....	4
3. Company information	4
4. Historical financial information	4
5. Statement of position	4
5.1 Cash at bank	5
5.2 Assets subject to specific charges and amounts owing to the secured creditor.....	5
5.3 Ordinary unsecured creditors.....	5
6. Causes of failure / Explanation for current financial position	5
7. Trading by Administrators	5
7.1 Overview.....	5
7.2 Summary of receipts and payments	5
8. Statutory investigations	6
9. Proposal for DOCA	6
9.1 Statement of proposed DOCA	6
10. Creditors' options, dividend estimates and cost estimates	6
10.1 Administration to end	7
10.2 Winding up of Company	7
11. Administrators' opinion	7
12. Administrators' remuneration report	7
13. Further queries	8

Glossary of terms

Abbreviation	Description
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
Company	SAS Global Baldivis Ltd
DEWHA	Department of the Environment, Water, Heritage and the Arts
DIRRI	Declaration of independence, relevant relationships and indemnities
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
IPA	Insolvency Practitioners Association of Australia
M	Millions
NAB	National Australia Bank Limited
NVA	No Value Attributed
Property	Lots 459 and 709 Baldivis Road and Lot 447 Telephone Lane, Baldivis
R&M	Receivers and Managers
Statement	Directors' Statement about the Company's Business, Property, Affairs and Financial Circumstances

Listing of annexures

Annexure 1	The Firm's Schedule of Hourly Rates Administrators' Remuneration Report Liquidators' Remuneration
-------------------	---

1. Executive summary

Andrew Saker, Darren Weaver, and Martin Jones were appointed Joint and Several Voluntary Administrators of the Company on 6 November 2009. Creditors ratified the appointment of Administrators at the first meeting of creditors held on 18 November 2009. A Committee of Creditors was not formed at this meeting.

Brian McMaster and Mark Mentha of KordaMentha were appointed Joint and Several R&M on 9 November 2009 by the NAB pursuant to the duly registered fixed and floating charged in favour of the NAB.

The second meeting of creditors of the Company was held on 11 December 2009 at which creditors resolved to adjourn the second meeting of creditors for a period not exceeding forty-five (45) business days. This adjournment was recommended by the Administrators in order to allow further time for interested parties to formulate and put forward a DOCA proposal to creditors and to allow the Administrators further time to progress the potential restructure of the company.

Reference should be made to the First Administrators Report dated 3 December 2009, a copy of which is available on the Ferrier Hodgson website at www.ferrierhodgson.com.

At the date of our appointment, the Company owned 50.7 hectares of land located on the corner of Millar Road and the Kwinana Freeway, Baldivis, Western Australia. A combination of debt and equity was used to fund the acquisition of this property.

A meeting of creditors of the Company has been convened for **Thursday, 18 February 2010** to be held at **the offices of Ferrier Hodgson, Level 26, 108 St Georges Terrace, Perth 6000, Western Australia** at **11.00am WST**. At this meeting, the following options are available to creditors regarding the Company's future

- that the company be wound up; or
- that the administration end and control of the company revert to its Directors.

We have carried out investigations into the Company's affairs to assist in formulating our opinion as to what is in the creditors' best interests. Whilst it was envisaged that a DOCA proposal was likely to be proposed, at the date of this report, no DOCA proposal has been received, and accordingly no resolution to execute a DOCA will be put to creditors.

We note that, during the course of the Administration, we have made preliminary enquiries into the Company's affairs and the various transactions the Company has entered into, however any future appointed liquidator would be required to conduct a more comprehensive investigation and consider action in respect of potential recoveries (if any).

We are of the opinion that, for the reasons set out in this report, the Company should be wound up and we advise that the ultimate return to ordinary unsecured creditors will be dependent on the ultimate sale price achieved for the Property.

2. Introduction

2.1 Second Meeting of Creditors

Pursuant to Section 439A of the Act, the second meeting of creditors of the Company was held on the Friday, 11 December 2009 at the offices of Ferrier Hodgson, Level 26, 108 St Georges Terrace, Perth 6000, Western Australia at 11.00am WST.

We also note that although the Administrators report dated 3 December 2009, recommended that the company be wound up, in the days leading up to the second meeting of creditors, the Administrators were approached by interested parties who expressed an interest in proposing a Deed of Company Arrangement ("DOCA"), but required further time to put forward a more formal proposal.

In view of the above, and consistent with the "spirit" and objectives of the section 435A of the Act, which provides that the Voluntary Administration facilitates a process whereby a company's affairs be managed in a way that:

-
- Maximises the chances that the Company, or as much as possible of its business continuing in existence; or
 - If it is not possible for the company or its business to continue in existence – result in a better return for the company's creditors and members that would result from an immediate winding up of the company

it was put to the meeting that the meeting be adjourned for a period not to exceed 45 business days.

Consistent with the Administrators' recommendation at the second creditors' meeting, creditors resolved to adjourn the second meeting for a period not exceeding 45 business days. This adjournment has provided the Administrators with further time to negotiate with interested parties and allowed interested parties additional time to conduct their due diligence with an intention to put forward a DOCA proposal for creditor's consideration.

The outcome of the adjournment to date is that the interested parties have advised that after performing their due diligence, they will not proceed to put forward a DOCA proposal for creditors.

2.2 Reconvened Second Meeting of Creditors

The reconvened second meeting of creditors of the Company has been convened for **Thursday, 18 February 2010** and will be held at **the offices of Ferrier Hodgson, Level 26, 108 St George's Terrace, Perth, Western Australia at 11:00 am WST.**

At the reconvened second meeting, the following options are available to creditors regarding the Company's future:

- That the company should be wound up; or
- That the administration should end and control of the company reverts to its Directors.

As noted above, there is no DOCA proposal and therefore the option that the company execute a DOCA is not expected to be available to creditors.

2.3 Purpose of Report

Section 439A(4) of the Act explains the purpose of an Administrators' report in providing that the notice (of second meeting) must be accompanied by a copy of:

- (a) *A report by the Administrator about the company's business, property, affairs and financial circumstances; and*
- (b) *A statement setting out the Administrator's opinion about each of the following matters:*
 - (i) *Whether it would be in the creditors' interests for the company to execute a Deed of Company Arrangement;*
 - (ii) *Whether it would be in the creditors' interest for the administration to end;*
 - (iii) *Whether it would be in the creditors' interest for the company to be wound up;*

and also setting out:

 - (iv) *His or her reasons for those opinions; and*
 - (v) *such other information known to the administrator as will enable the creditors to make an informed decision about each matter covered by subparagraph (i), (ii) or (iii); and*
- (c) *If a Deed of Company Arrangement is proposed – a statement setting out details of the proposed deed.*

2.4 Non-disclosure of certain information

There are sections of this report wherein we considered it inappropriate to disclose certain information to creditors. Such information includes valuation of the property, identity and nature of the interested parties and their interest and commercially sensitive prospective financial information (for example, projections/forecasts).

We fully recognise the need to provide creditors with complete disclosure of all necessary information relating to the Company. However, we believe some information is the subject of too high a level of uncertainty to be capable of providing relevant information to creditors at this stage.

2.5 Declaration of independence, relevant relationships and indemnities

Prior to our appointment we under took a proper assessment of the risks to our independence. This assessment identified no real or potential risks to our independence. We were not aware of any reasons that would prevent us from accepting this appointment. This position is unchanged as outlined in our Circular to Creditors dated 3 December 2009.

3. Company information

Please refer to the Administrator's Report to Creditors dated 3 December 2009 for details regarding the company's history, statutory information and the directors' decision to appoint Administrators.

4. Historical financial information

Please refer to the Administrators Report to Creditors dated 3 December 2009 for details regarding the Company's historical financial information which incorporates historical profit and loss results as well as historical balance sheets.

5. Statement of position

Please refer to the Administrator's Report to Creditors dated 3 December 2009 for our detailed discussion with respect to the Directors' statement about the Company's business property, affairs and financials circumstances and Administrators' estimated realisable values of the Company's asset and liabilities.

We table below our updated Statement of Position as at 10 February 2010 for your information:

	Reference	High Return (\$)	Low Return (\$)
Assets			
Cash	5.1	30,504	30,504
Assets subject to specific charges	5.2	TBD	TBD
Less: Amounts owing to the secured creditor - NAB	5.2	(19,480,000)	(20,000,000)
Net realisations from floating charge assets		Unascertained	Unascertained
Less priority claims			
Administrators' fees approved and not drawn		(51,781)	(51,781)
Estimated Administrators' future fees		(49,881)	(49,881)
Estimated Administrators' future expenses (incl legal fees)		(20,000)	(30,000)
Estimated Future Liquidators' fees and expenses		(80,000)	(80,000)
Total estimated priority claims		(201,662)	(211,662)
Total funds available after priority claims		Unascertained	Unascertained
Unsecured Creditor claims			
- Unsecured Creditor claims received to date		(901,409)	(1,000,000)
- Related party debt - SGPGPL		(375,000)	(375,000)
Total estimated unsecured creditors claim	5.3	(1,276,409)	(1,375,000)
Estimated dividend to ordinary unsecured creditors		TBD	TBD

5.1 Cash at bank

This amount presents the current cash at bank held in the Administrators' bank account.

5.2 Assets subject to specific charges and amounts owing to the secured creditor

The Property is secured and guaranteed by a combination of the following:

- Specific mortgage over the Property;
- Fixed and floating charge over the Company; and
- Joint and several directors' limited guarantee.

The debt owed to NAB as at 6 November 2009 is approximately \$19.48M. As previously noted, Brian McMaster and Mark Mentha of KordaMentha were appointed Joint and Several R&Ms on 9 November 2009 by the NAB pursuant to the duly registered fixed and floating charged in favour of the NAB.

The NAB would be entitled to prove as an unsecured creditor for any shortfall following a sale of these secured assets.

5.3 Ordinary unsecured creditors

This sum represents likely unsecured creditor claims based upon the Company's records and Informal Proof of Debts received to date. Please refer to the Administrators Report dated 3 December 2009 for a detailed breakdown of same.

We note that:

- the Administrators have not called for Formal Proof of Debts in relation to the Company; and
- the amounts in the table above provides only an indicative value of the unsecured creditors' claims. These claims are subject to the receipt and adjudication of final proofs of debt from creditors, including possible shareholder claims.

6. Causes of failure / Explanation for current financial position

Please refer to the Administrator's Report to Creditors dated 3 December 2009 for details regarding the causes of failure of the company identified by the Directors and Administrators.

7. Trading by Administrators

7.1 Overview

Please refer to the Administrators Report to Creditors dated 3 December 2009 for details regarding the trading issues dealt with by the Administrators.

There has been no specific issues regarding trading since our appointment. Given the appointment of the R&M on 9 November 2009, the R&M has been responsible for the Company's operations generally.

7.2 Summary of receipts and payments

A summary of the Administrators' receipts and payments for the period 6 November 2009 to 10 February 2010 is included within Part B of the Remuneration Report attached as **Annexure 1**.

8. Statutory investigations

Please refer to the Administrators' Report to Creditors dated 3 December 2009 for full details regarding the Administrators' statutory investigations and potential recoveries available in a liquidation scenario.

For ease of reference, we summarise below the likely date of insolvency of the Company:

Assessment Areas	Date Relevant to Solvency Assessment
Financial Assessment	
Profitability	Not Applicable
Working Capital Deficiency	June 2007
Net Assets	No Examples
Source of Funding	
External Finance Declined	October/November 2009
Other Insolvency Indicators	
Non Compliance with Finance Facilities	March 2009
Aged Trade Payables Outside of Terms	No Examples
Payment Arrangements with Creditors	July 2009
Statutory Payments in Arrears	No Examples
Demands, Writs & Summons	November 2009
Dishonoured Cheques	No Examples
Presumption of Insolvency	6 November 2009

Our assessment as to the date of insolvency is preliminary in nature. A liquidator may perform further detailed investigations, including the benefit of public examination of officers and their parties that would provide further information.

Having regard to the above, we consider that the Company was potentially insolvent as early as March 2009 but given the defences available to the Directors it is likely that the date of insolvency was closer to the date of our appointment, being 6 November 2009.

We note again that a Liquidator would need to conduct further investigations, and possibly conduct public examinations of relevant parties, to ultimately determine this position.

9. Proposal for DOCA

9.1 Statement of proposed DOCA

No DOCA has been proposed as at the date of this report. Therefore, this option is not currently available to creditors.

As previously noted, whilst it was envisaged that a DOCA proposal was likely to be proposed, at the date of this report, no DOCA proposal has been received, and accordingly no resolution to execute a DOCA will be put to creditors.

10. Creditors' options, dividend estimates and cost estimates

Pursuant to Section 439A(4)(b) of the Act, we are required to provide creditors with a statement setting out our opinion on whether it is in the creditors' interests for the:

- Administration to end;
- Company to be wound up; or

-
- Company to execute a DOCA.

Given that no DOCA proposal has been put forward this option falls away.

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect, and the likely costs, under each option however in the current circumstances such estimates are not available or may be difficult to predict with accuracy.

We provide our comments on each alternative below:

10.1 Winding up of Company

In the absence of a DOCA proposal, the winding up of the Company is the only commercial option remaining. Given the nature, size and costs involved in determining the value of the asset and potential recoveries in a liquidation scenario it is difficult to determine with any degree of certainty the likely level of return to unsecured creditors that would arise from liquidation.

Therefore, the Administrators' opinion is that it is in the creditors' best interests for the Company to be wound up and placed into liquidation.

The costs of winding up the Company's affairs are estimated at \$80,000 although these costs would be considerably higher in the event that the potential claims referred to at Section 6 of the Administrators rep report are pursued. It is unclear as to whether there will be any assets available to meet these costs or to return/dividend to creditors.

10.2 Administration to end

Creditors may resolve that the administration should end if it appears the company is solvent or, for some other reason, control of the company should revert to its directors.

Based on our preliminary investigations and analysis of the Company's financial information, the Company is insolvent. Accordingly, there appears to be no valid commercial reason why control of the Company should revert to the directors. If the administration was to end, there is no mechanism controlling an orderly realisation of assets and distribution to creditors. We are unable to say what the Company ultimately pay creditors or what costs it might incur.

Therefore, our opinion is that it is not in the creditors' interest for the Administration of the Company to end.

11. Administrators' opinion

As stated in section 10.2 above, the option of the Administration ending is clearly not viable. The only remaining option available to creditors is to wind up the Company.

From the information set out in section 10.1 of this report, we estimate that the return to unsecured creditors should the company be wound up is likely to be nil.

Based on the above, it is our opinion that creditors should resolve that the company should be wound up.

12. Administrators' remuneration report

At a second meeting of creditors held on 11 December 2009 the creditors approved the Administrators' remuneration for the period 6 November 2009 to 30 November 2009 in the sum of \$61,781 (exclusive of GST).

At the second meeting of creditors, we intend seeking approval of the following remuneration:

- **Administrators' Remuneration**

- a. Administrators' remuneration for the period 1 December 2009 to 31 January 2010 in the amount of \$29,881 (exclusive of GST) in accordance with the summary set out in Annexure A.
- b. Administrators' remuneration for the period from 1 February 2010 to the date of the reconvened second meeting of creditors estimated at \$20,000 (exclusive of GST). The amount is an estimate only as it is not possible, at this stage, to state a precise amount. A summary of the anticipated tasks is set out in Annexure 1.

- **Prospective Liquidators' Remuneration**

In the event creditors vote to wind up the company, Liquidators' remuneration up to a limit of \$80,000 (exclusive of GST). A summary of the anticipated tasks is set out in Annexure 1.

The Administrators, (or, where appointed, the future Liquidators) seek approval of their remuneration on a time basis in accordance with Ferrier Hodgson's schedule of hourly rates set out in Annexure 1.

The Administrators incurred disbursements to date totalling \$3,262.14 (excluding GST) summarised as follows.

Disbursements	Amounts (\$)
Advertising	387.60
Courier	19.29
Fax	61.00
Meals	44.20
Postage	85.05
Search	903.64
Taxis and Parking	325.48
Travelling	65.78
Telephone	13.85
Photocopying	201.95
Printing	1,154.30
Total Disbursements incurred (excl GST)	\$3,262.14
Less total disbursements billed to date (excl GST)	1,634.48
Total Amount Outstanding (excl GST)	\$1,628.66

Details of the basis on which disbursements are charged are contained in Annexure 1.

13. Further queries

We will advise creditors in writing, if practicable, of any additional matter that comes to our attention after the dispatch of this report that, in our view, is material to creditors' deliberations.

In the meantime, should creditors have any queries, please do not hesitate to contact either Georgina Luck or Sandra Gauci of this office.

DATED this 10th day of February 2010.



MARTIN JONES
Joint and Several Administrator of
SAS Global Baldivis Limited

Encl.

Annexure 1

The Firm's Schedule of Hourly Rates
Administrators' Remuneration Report
Liquidators' Remuneration

CORPORATIONS ACT 2001

Section 449E

SAS GLOBAL BALDIVIS LTD ACN 120 233 490 (Administrators Appointed) (Receivers and Managers Appointed)

REMUNERATION REPORT

The Administrators' Remuneration Report, prepared pursuant to Section 449E of the Corporations Act 2001, takes the following format.

Part A

- A1 Schedule of hourly rates and general guide to staff experience.
- A2 Tasks undertaken by the Administrators and remuneration calculation for the period 1 December 2009 to 31 January 2010.
- A3 Anticipated tasks undertaken by the Administrators and remuneration calculation for the period 1 February 2010 to 18 February 2010.
- A4 Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 18 February to the conclusion of the liquidation.
- A5 Remuneration approved and drawn to date.
- A6 Resolutions regarding remuneration to be put to creditors at the reconvened second meeting to be held on 18 February 2010.

Part B

- B1 Administrators' disbursements
- B2 Summary of Receipts and Payments for the period 6 November 2009 to 10 February 2010
- B3 Other creditor information on remuneration
- B4 Initial advice to creditors

The Remuneration Report must be read in conjunction with the report to creditors dated **10 February 2010**.



PART A

A1 FERRIER HODGSON PERTH SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE

Classification	Rate (\$)	Experience
Partner/Appointee	540	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Principal/Director	460	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	390	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	325	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	285	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	255	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	230	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	185	Generally, 1 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Intermediate 2	155	0 – 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Senior Secretary	150	Appropriate skills including machine usage.
Junior/Filing	130	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time.

A2. Tasks undertaken by the Administrators and remuneration calculation for the period 1 December 2009 to 31 January 2010.

Administrators' fees, based on the tasks detailed below and covering the above period are \$29,881.00 (excl GST).

Assets 0.90 Hours \$255.00	Sale of real property	<ul style="list-style-type: none"> ▪ Liaising with interested parties ▪ Liaising with valuers, agents and strata agent
	Creditors 77.00 Hours \$19,228.50	Creditor Enquiries
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation 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 minutes of meetings with ASIC ▪ Respond to stakeholder queries and questions immediately following meeting
	Shareholder enquires	<ul style="list-style-type: none"> ▪ General liaison with shareholders ▪ Receive and follow up shareholder enquiries via telephone and email ▪ Maintaining shareholder enquiry register ▪ Review and prepare correspondence to shareholders and their representatives via facsimile, email and post
Investigation 4.50 Hours \$1,345.50	Conducting investigation	<ul style="list-style-type: none"> ▪ Review of company books and records ▪ Review and preparation of company nature and history ▪ Conducting and summarising statutory searches ▪ Preparation of comparative financial statements ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Reviewing investor updates and summarising ▪ Preparing chronology of major events ▪ Preparation of investigation file
	Litigation / Recoveries	<ul style="list-style-type: none"> ▪ Liaising with solicitors regarding various matters
Administration 35.65 Hours \$8,982.51	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Insurance	<ul style="list-style-type: none"> ▪ Correspondence with Willis regarding initial and ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Requesting bank statements ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505 and 5011



		▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	▪ Notification of appointment
	Planning / Review	▪ Discussions regarding status/strategy of administration



A2 (cont) Tasks undertaken by the Administrators and remuneration calculation for the period 1 December 2009 to 31 January 2010.

Employee	Position	Charge Rate (\$)	Total		Assets		Creditors		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	540	4.60	2,484.00	-	-	2.10	1,134.00	-	-	2.50	1,350.00
Wayne Rushton	Manager	390	0.20	78.00	-	-	-	-	-	-	0.20	78.00
Sean Powell	Manager	390	0.20	78.00	-	-	-	-	0.20	78.00	-	-
Malcolm Field	Manager	390	6.40	2,496.00	0.30	117.00	5.70	2,223.00	0.40	156.00	-	-
Kieran Chu	Supervisor	285	34.90	9,946.50	-	-	16.70	4,759.50	3.90	1,111.50	14.30	4,075.50
Shannon Coleman	Senior 2	230	2.40	552.00	-	-	2.40	552.00	-	-	-	-
Erlyn Dale	Senior 2	230	14.80	3,404.00	-	-	14.60	3,358.00	-	-	0.20	46.00
Derek Kier	Senior 2	230	0.30	69.00	-	-	-	-	-	-	0.30	69.00
Sandra Gauci	Senior 2	230	21.20	4,876.00	0.60	138.00	14.10	3,243.00	-	-	6.50	1,495.00
Georgina Luck	Intermediate 1	185	5.60	1,036.00	-	-	3.60	666.00	-	-	2.00	370.00
Clinton Roberts	Intermediate 1	185	13.40	2,479.00	-	-	12.50	2,312.50	-	-	0.90	166.50
Sean Holmes	Intermediate 1	185	7.10	1,313.50	-	-	5.30	980.50	-	-	1.80	333.00
Adam Puddy	Intermediate 2	155	0.10	15.50	-	-	-	-	-	-	0.10	15.50
Adrian Di Menna	Intermediate 2	155	0.40	62.00	-	-	-	-	-	-	0.40	62.00
Sam Wilson	Intermediate 2	155	1.10	170.50	-	-	-	-	-	-	1.10	170.50
Melissa Kroon	Secretary	150	0.10	15.00	-	-	-	-	-	-	0.10	15.00
Jacqui Westwood	Secretary	150	2.70	405.00	-	-	-	-	-	-	2.70	405.00
Evelyn Gray	Junior	130	0.40	52.00	-	-	-	-	-	-	0.40	52.00
Kate Martin	Clerk	130	0.10	13.00	-	-	-	-	-	-	0.10	13.00
Melissa Ross	Clerk	130	0.15	19.51	-	-	-	-	-	-	0.15	19.51
Dorothy Radisich	Clerk	130	1.90	247.00	-	-	-	-	-	-	1.90	247.00
Total			118.05	29,811.51	0.90	255.00	77.00	19,228.50	4.50	1,345.50	35.65	8,982.51



A3 Anticipated tasks undertaken by the Administrators and remuneration calculation for the period 1 February 2010 to 18 February 2010

Based on the following anticipated tasks, I estimate the Administrators' fees for the above period to be \$20,000 (excl GST).

Assets 9.00 Hours \$2,880.00	Sale of real property	<ul style="list-style-type: none"> ▪ Liaising with interested parties ▪ Liaising with valuers, agents and strata agent
	Creditors 22.00 Hours \$5,555.00	Creditor Enquiries
Creditor reports/circulars		<ul style="list-style-type: none"> ▪ Finalising supplementary report to creditors pursuant to section 439A of the Act
Dealing with proofs of debt		<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend
Meeting of Creditors		<ul style="list-style-type: none"> ▪ 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 minutes of meetings with ASIC ▪ Respond to stakeholder queries and questions immediately following meeting
Investigations 21.00 Hours \$5,945.00	Shareholder enquires	<ul style="list-style-type: none"> ▪ General liaison with shareholders ▪ Receive and follow up shareholder enquiries via telephone and email ▪ Maintaining shareholder enquiry register ▪ Review and prepare correspondence to shareholders and their representatives via facsimile, email and post
	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of company books and records ▪ Reconstruction of financial statements ▪ Reviewing company's books and records and Report as to Affairs ▪ Review and preparation of company nature and history ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Liaising with directors regarding certain transactions ▪ Preparation of investigation file
Administration 22.00 Hours \$5,620.00	ASIC reporting	<ul style="list-style-type: none"> ▪ Liaising with ASIC (if required)
	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Administration reviews ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Insurance	<ul style="list-style-type: none"> ▪ Correspondence with Willis regarding initial and ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Requesting bank statements ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	ASIC Form 524 and other	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505 and 5011



	forms	<ul style="list-style-type: none"> ▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ General correspondence
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage



A3 (Cont) Anticipated tasks undertaken by the Administrators and remuneration calculation for the period 1 February 2010 to 18 February 2010

Employee	Position	Charge Rate (\$)	Total		Assets		Creditors		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	540	4.00	2,160.00	-	-	-	-	2.00	1,080.00	2.00	1,080.00
Malcolm Field	Manager	390	9.00	3,510.00	3.00	1,170.00	2.00	780.00	2.00	780.00	2.00	780.00
Kieran Chu	Supervisor	285	31.00	8,835.00	6.00	1,710.00	10.00	2,850.00	10.00	2,850.00	5.00	1,425.00
Sandra Gauci	Senior 2	230	12.00	2,760.00	-	-	5.00	1,150.00	2.00	460.00	5.00	1,150.00
Sam Wilson	Intermediate 2	155	15.00	2,325.00	-	-	5.00	775.00	5.00	775.00	5.00	775.00
Jacqui Westwood	Secretary	150	1.00	150.00	-	-	-	-	-	-	1.00	150.00
Dorothy Radisich	Clerk	130	2.00	260.00	-	-	-	-	-	-	2.00	260.00
Total			74.00	20,000.00	9.00	2,880.00	22.00	5,555.00	21.00	5,945.00	22.00	5,620.00

Please note that the above is an estimate only. If costs exceed the estimate, I will advise creditors accordingly and seek further approval.



A4 Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 18 February 2010 to the conclusion of the liquidation

Based on the following anticipated tasks of the Liquidation, I estimate the Liquidators' fees to be \$80,000 (excl GST).

Assets 47.0 Hours \$14,970.00	Sale of real property	<ul style="list-style-type: none"> ▪ Preparing an information memorandum ▪ Liaising with valuers, auctioneers and interested parties ▪ Internal meetings to discuss / review offers received
	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Correspondence with committee of creditors members
Creditors 85.0 Hours \$19,335.00	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditor ▪ Responding to secured creditor's queries
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing general reports to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend ▪ Corresponding with regarding POD's when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation 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 minutes of meetings with ASIC ▪ Respond to stakeholder queries and questions immediately following meeting
	Shareholder enquires	<ul style="list-style-type: none"> ▪ General liaison with shareholders ▪ Receive and follow up shareholder enquiries via telephone and email ▪ Maintaining shareholder enquiry register ▪ Review and prepare correspondence to shareholders and their representatives via facsimile, email and post
Investigations 92.0 Hours \$21,885.00	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of company books and records ▪ Correspondence with ASIC to receive assistance in obtaining books and records ▪ Reconstruction of financial statements ▪ Reviewing company's books and records and Report as to Affairs ▪ 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 directors regarding certain transactions ▪ Liaising with directors regarding certain transactions ▪ Preparation of investigation file ▪ Lodgement of report with the ASIC pursuant to section 533 of the Act ▪ Preparation and lodgement of supplementary report if required
	Examinations	<ul style="list-style-type: none"> ▪ Preparing brief to solicitor ▪ Liaising with solicitor(s) regarding examinations ▪ Attendance at examination ▪ Reviewing examination transcripts ▪ Liaising with solicitor(s) regarding outcome of examinations



		and further actions available
	Litigation / Recoveries	<ul style="list-style-type: none"> ▪ Internal meetings to discuss status of litigation ▪ Preparing brief to solicitors ▪ Liaising with solicitors regarding recovery actions ▪ Attending to negotiations ▪ Attending to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Preparing affidavits seeking non lodgements assistance ▪ Liaising with ASIC
Administration 97.0 Hours \$23,810.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ First month, then 6 monthly administration review ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists ▪ Correspondence with Willis regarding initial and ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Requesting bank statements ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 524, and 5011 etc ▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of appointment ▪ Preparing BAS'
	Finalisation	<ul style="list-style-type: none"> ▪ Notifying ATO of finalisation ▪ Cancelling ABN / GST / PAYG registration ▪ Completing checklists ▪ Finalising WIP
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage



A4 (cont) Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and remuneration estimate from 18 February 2010 to the conclusion of the liquidation

Employee	Position	Charge Rate (\$)	Total		Assets		Creditors		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	540	18.00	9,720.00	5.00	2,700.00	-	-	3.00	1,620.00	10.00	5,400.00
Malcolm Field	Manager	390	24.00	9,360.00	6.00	2,340.00	6.00	2,340.00	6.00	2,340.00	6.00	2,340.00
Kieran Chu	Supervisor	285	75.00	21,375.00	30.00	8,550.00	10.00	2,850.00	20.00	5,700.00	15.00	4,275.00
Shannon Coleman	Senior 2	230	28.00	6,440.00	6.00	1,380.00	10.00	2,300.00	6.00	1,380.00	6.00	1,380.00
Erlyn Dale	Senior 2	230	18.00	4,140.00	-	-	6.00	1,380.00	6.00	1,380.00	6.00	1,380.00
Sandra Gauci	Senior 2	230	32.00	7,360.00	-	-	20.00	4,600.00	6.00	1,380.00	6.00	1,380.00
Georgina Luck	Intermediate 1	185	31.00	5,735.00	-	-	10.00	1,850.00	15.00	2,775.00	6.00	1,110.00
Clinton Roberts	Intermediate 1	185	25.00	4,625.00	-	-	10.00	1,850.00	12.00	2,220.00	3.00	555.00
Sean Holmes	Intermediate 1	185	21.00	3,885.00	-	-	5.00	925.00	10.00	1,850.00	6.00	1,110.00
Sam Wilson	Intermediate 2	155	22.00	3,410.00	-	-	8.00	1,240.00	8.00	1,240.00	6.00	930.00
Jacqui Westwood	Secretary	150	22.00	3,300.00	-	-	-	-	-	-	22.00	3,300.00
Dorothy Radisich	Clerk	130	5.00	650.00	-	-	-	-	-	-	5.00	650.00
Total			321.00	80,000.00	47.00	14,970.00	85.00	19,335.00	92.00	21,885.00	97.00	23,810.00

Please note that the above is an estimate only. If costs exceed the estimate, I will advise creditors accordingly and seek further approval.



A5 Remuneration approved and drawn to date.

Set out below is a summary of remuneration approved and drawn to date:

Period	Amount Approved (\$)	Amount Drawn (\$)
6 November 2009 to 30 November 2009	60,781.00	10,000.00
Total	60,781.00	10,000.00

Please refer to the Administrators' Remuneration Report dated 3 December 2009 for a detailed summary of actual cost incurred and tasks undertaken for the period referred to above.

A6 Resolutions to be put to creditors at the meeting convened for 11 December 2009.

At the meeting of creditors convened for 11 December 2009, creditors will be asked to consider the following resolutions:

"The Administrators' remuneration, as set out in the Administrators' remuneration report dated 10 February 2010 for the period 1 December 2009 to 31 January 2010 be fixed in accordance with the hourly rates of Ferrier Hodgson in the sum of \$29,881.00 (exclusive of GST)."

"The Administrators' further remuneration for the period 1 February 2010 to 18 February 2010 be fixed in accordance with the hourly rates of Ferrier Hodgson up to the sum of \$20,000 (exclusive of GST)."

If the company is placed into Liquidation:

"The Liquidators' remuneration be fixed in accordance with the Ferrier Hodgson hourly rates up to the sum of \$80,000 (exclusive of GST) and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration."

PART B

B1 Administrators' Disbursements

Disbursements are divided into three types **D1**, **D2** and **D3**.

- D1 Disbursements are all externally provided professional services and are recovered at cost. An example of a D1 disbursement is legal fees.
- D2 Disbursements are externally provided non professional costs such as travel, accommodation and search fees. D2 disbursements are recovered at cost.



- D3 Disbursements are internally provided non professional costs such as photocopying and document storage. D3 disbursements are charged at cost except for photocopying, printing and telephone calls which are charged at a rate which is intended to recoup both variable and fixed costs. The relevant rates are set out below.

Disbursements	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Photocopying	35 cents per copy
Facsimile	\$1.00 per page
File Set Up	At cost
Advertising	At cost
Storage – Per Box	At cost
Storage – Per File	At cost
Couriers	At cost

Disbursements incurred by the Administrators for the period 6 November 2009 to 31 January 2010 are set out below.

Disbursements	Amounts (\$)
Advertising	387.60
Courier	19.29
Fax	61.00
Meals	44.20
Postage	85.05
Search	903.64
Taxis and Parking	325.48
Travelling	65.78
Telephone	13.85
Photocopying	201.95
Printing	1,154.30
Total Disbursements incurred (excl GST)	\$3,262.14
Less total disbursements billed to date (excl GST)	1,634.48
Total Amount Outstanding (excl GST)	\$1,628.66

As at the date of this report, disbursements totalling \$1,634.48 (excluding GST) have been drawn by the Administrators. Creditor approval for the payment of disbursements is not required, however the Administrators must account to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.



B2 Summary of Receipts and Payments for the period 6 November 2009 to 10 February 2010.

Summary of Receipts and Payments	\$
Receipts	
Related Party Recovery	48,128.30
Bank Interest	3.54
TOTAL RECEIPTS	48,131.84
Payments	
Appointee Costs	1,634.48
Appointee Fees	11,000.00
Bank Charges	20.90
Legal Fees	4,972.00
TOTAL PAYMENTS	17,627.38
Cash at Bank	\$30,504.46

B3 Other creditor information on remuneration

The partners of Ferrier Hodgson Western Australia are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

B4 Initial Advice to Creditors

Remuneration Methods

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

1. **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.
2. **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.
3. **Percentage**
The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
4. **Contingency**
The practitioner's fee is structured to be contingent on a particular outcome being achieved.

**Method chosen**

Given the nature of this administration we propose that our remuneration be calculated on time based hourly rates.

This method was selected as it is the most practical method, and provides the most transparency to creditors given the nature of this administration.

Queries regarding remuneration should be directed to Clinton Roberts of this office.

Dated this 10th day of February 2010.

A handwritten signature in black ink, appearing to read 'MARTIN JONES', with a large, sweeping flourish underneath.

MARTIN JONES
Joint and Several Administrator of
SAS Global Baldivis Ltd