

# Report to Creditors and Growers

under Section 445F of the Corporations Act 2001

## Forest Enterprises Australia Limited

(Subject to Deed of Company Arrangement)

(Receivers and Managers Appointed)

ACN 009 553 548

("FEA")

## FEA Plantations Limited

(Subject to Deed of Company Arrangement)

(Receivers Appointed)

ACN 055 969 429

("FEAP")

13 September 2012

Brian Silvia and Peter Krejci

Deed Administrators

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## TABLE OF CONTENTS

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>2</b>	<b>INTRODUCTION.....</b>	<b>4</b>
<b>3</b>	<b>SUMMARY OF MACQUARIE BANK RESTRUCTURE PROPOSALS.....</b>	<b>5</b>
<b>4</b>	<b>NOTICE OF MEETINGS OF CREDITORS .....</b>	<b>6</b>
	4.1 Proxy and Proof of Debt Forms .....	6
<b>5</b>	<b>DETAILS OF MACQUARIE BANK RESTRUCTURE PROPOSALS AND DISCUSSIONS WITH THE RECEIVERS AND BANKS .....</b>	<b>7</b>
<b>6</b>	<b>LEGAL PROCEEDINGS.....</b>	<b>9</b>
<b>7</b>	<b>OUR RECOMMENDATION .....</b>	<b>12</b>
	7.1 Alternative Recommendation .....	13
	7.2 Risk of Termination of the Deeds .....	13
<b>8</b>	<b>DEED ADMINISTRATORS' SUMMARY ACCOUNT OF RECEIPTS AND PAYMENTS ..</b>	<b>14</b>
<b>9</b>	<b>DEED ADMINISTRATORS' REMUNERATION .....</b>	<b>14</b>
<b>10</b>	<b>BRI FERRIER KEY CONTACTS .....</b>	<b>14</b>

## **1 EXECUTIVE SUMMARY**

The Administrators of the Deeds of Company Arrangement of FEA and FEAP have convened Meetings of the Creditors on 26 September 2012 for both Companies to consider extension of the respective Deeds of Company Arrangement.

The Administrators recommend that the Deeds be extended. If the Deeds are not extended, we recommend that the Companies should be wound up.

More information about the Meetings and why the Administrators recommend extension is set out in this Report.

## 2 INTRODUCTION

This is a Report by Brian Silvia and Peter Krejci, the Administrators of Deeds of Company Arrangements of FEA and FEAP. The Deeds of Company Arrangement are interim “holding” Deeds which will end on 30 September 2012 unless they are extended.

This Report relates to the affairs of both FEA and FEAP, and covers Notice of separate Meetings of the Creditors of each Company convened for Wednesday, 26 September 2012.

Two other Companies in the FEA group, FEA Carbon Pty Limited (“FEAC”) and Tasmanian Plantation Pty Limited (“TasPlan”), are also subject to holding Deeds, however these Companies do not fall under our control as Deed Administrators of FEA and FEAP.

FEA and FEAP entered into holding Deeds to allow their affairs and the associated Managed Investment Schemes (“the Schemes”), to be restructured. It is contemplated further, final Deeds of Company Arrangement will be proposed.

The Administrators seek approval from the Creditors, including Growers, of each of FEA and FEAP to extend the operation of the holding Deeds. Failure to extend the Deeds of Company Arrangements would place at risk the ability of the Schemes to be continued or restructured.

It is important that Creditors, including Grower-Investors, complete and return the Proxy forms enclosed with this Report. A Proof of Debt is also required if a Creditors and Growers have not previously provided one to the Administrators.

Since the last meeting of Creditors, the Administrators have:

- Executed a binding Heads of Agreement with Macquarie Bank Limited (“Macquarie”), to provide for the Schemes to be restructured. This agreement provides for a Macquarie entity to become the Responsible Entity (“RE”) in place of FEAP and to ensure the Ongoing Schemes (1995 to 2002) can be maintained and continued through to harvest. Please note, the appointment of Macquarie as RE is subject to certain conditions being satisfied, including final completion of due diligence and receipt of Macquarie internal approvals. Macquarie has already conducted preliminary due diligence, however for it to complete its final due diligence, they require the consent of the Receivers and Banks to access certain information controlled by the Receivers and Banks, including physical access to the forestry plantations.
- Submitted several restructuring proposals to the Receivers, the representatives of the Commonwealth Bank of Australia and ANZ Bank (“the Banks”), which would enable a restructuring to be completed, while respecting the interests of Creditors (including the Banks) and Growers. The Receivers and Banks have rejected past proposals, and are currently considering a proposal made on 31 August 2012.
- Defended the Schemes administered by FEAP as Responsible Entity and the interests of Growers in proceedings filed by the Receivers in the Supreme Court of Victoria. The Receivers have sought to terminate the lease arrangements so that they can sell the land and trees for the benefit of the Secured Creditors, to the exclusion of the interests of Growers.

- Reviewed the Receivers' revised Points of Claim (in respect of the Victorian Supreme Court Proceedings), setting out additional and alternative grounds on which they contend they ought to have unencumbered possession of the "internally leased" Plantations. We have also offered to participate in Court proposed mediation in late November 2012.
- Sought to maintain the Ongoing Schemes and pay insurance for Growers who make their contributions.

A conditional proposal made by Macquarie, as detailed in Sections 3 and 5 of this Report, provides, in our opinion, the highest overall return to all classes of Creditors. It is designed to maximise the value of the land and trees, whilst respecting the overall interests of both the Banks, the Unsecured Creditors and the Growers.

### 3 SUMMARY OF MACQUARIE BANK RESTRUCTURE PROPOSALS

The first Macquarie proposal put to the Receivers and the Banks provided for an upfront payment of cash to the Banks to acquire their secured debt for an amount believed to be at least equal to the outstanding Principal. Macquarie would then have become the beneficial owner of the land. The Ongoing Schemes (1995-2002) were to execute new leases, with Macquarie as the Responsible Entity, where over time the land would be sold together with the trees in the Terminating Schemes (2003-2009).

Ongoing Schemes would then continue to operate until harvest for the benefit of Growers in those Schemes. The Terminating Scheme Growers would receive the benefit of the recovery value of the trees in their Schemes, together with the benefit of loan book recoveries. Growers with loans would be provided a substantial discount for early repayment.

The Banks, after several months of consideration and discussions, rejected this offer. We understand that they considered the value of their security exceeded the offer made by Macquarie. The offer made by Macquarie was subject to conditions which are common in these types of negotiations, including the satisfactory completion by Macquarie of final due diligence on the FEA estate.

The second, and current, proposal put to the Receivers and the Banks provided for the Receivers to sell the land, after executing new leases with the Ongoing Schemes. This would enable the Ongoing Schemes to continue, while allowing the Receivers to sell the land at a time of their choosing. Growers in the Terminating Schemes would receive the benefit of the loan book recoveries, and would be offered a loan discount for early repayment of their loans. As noted above, this proposal is subject to conditions, including the completion of final due diligence and receipt of Macquarie internal approvals.

The latest correspondence from the Receivers' lawyers advises that they were still seeking instructions from the Receivers regarding this offer, suggesting this proposal remains under consideration at the date of preparation of this Report.

We consider this proposal provides the best overall outcome for the Banks, Unsecured Creditors and Growers. It would immediately allow the withdrawal of the proceedings currently before the Victorian Supreme Court and maximise the combined recovery from the land and trees.

The current status of the Court proceedings is outlined in Section 6 of this Report. The Administrators remain of the opinion, supported by legal advice, that the Schemes are entitled to occupy the land until harvest, without the payment of further rent. The Receivers contend that one of several rental agreements is the applicable lease agreement, and that they are entitled to or have already terminated the leases.

At the request of the Administrators, the Receivers filed their revised claims on 7 September 2012. The parties have agreed to submit to Mediation on or before 23 November 2012 in an attempt to resolve the current disputes without a formal argument or trial. If mediation is unsuccessful, it is likely that a trial will be required in 2013.

To ensure that the Administrators can continue the negotiations with the Receivers, while continuing to work with Macquarie on a restructure and defending the current Court proceedings, it is essential that Creditors and Growers vote for the extension of the DOCAs for both FEA and FEAP.

## 4 NOTICE OF MEETINGS OF CREDITORS

Separate Meetings of FEA and FEAP have been convened. The Meetings will deal with the business set out in the respective Notices of the Meetings. The Creditors of each company will consider the separate resolutions put to the respective Meetings. Audio feeds will be provided by webcast as detailed below. Telephone conference facilities will not be available at these meetings.

The Meeting of FEAP Creditors, including and Growers, has been convened as follows:

<b>Date:</b>	Wednesday, 26 September 2012
<b>Time:</b>	9:30am
<b>Location:</b>	Grand Chancellor Hotel, Launceston, TAS
<b>Webcast:</b>	<a href="http://www.brrmedia.com/event/102491">http://www.brrmedia.com/event/102491</a>

Notice of this Meeting is attached as **Annexure 1**.

The Meeting of FEA Creditors, including Growers, Growers has been convened as follows:

<b>Date:</b>	Wednesday, 26 September 2012
<b>Time:</b>	12:00pm
<b>Location:</b>	Grand Chancellor Hotel, Launceston, TAS
<b>Webcast:</b>	<a href="http://www.brrmedia.com/event/102490">http://www.brrmedia.com/event/102490</a>

Notice of this Meeting is attached as **Annexure 2**.

### 4.1 PROXY AND PROOF OF DEBT FORMS

**Annexures 3 & 4** are respectively the Proxy and Proof of Debt forms for the FEAP Creditors Meeting and **annexures 5 & 6** are the Proxy and Proof of Debt Forms for the FEA Creditors Meeting.

**Proof and Proxy forms should be returned to the offices of BRI Ferrier in Sydney by 12pm on Monday, 24 September 2012.**

Creditors need only file Proof of Debt Forms if they have not done so previously during the Administrations.

Creditors wishing to participate in the Meetings, but not attend personally, should complete the relevant Proxy form. Representatives of corporate creditors attending the Meetings should also complete the respective Proxy Forms.

The Deed Administrators ask that Creditors, including Growers, complete and return the relevant forms so that the widest possible range of views is represented at the Meetings, which will have an important influence on the Companies' future and in particular whether the terms of the current Holding Deeds of Company Arrangements ("DOCAs") should be extended.

The Deed Administrators have previously ruled that, in their view, Growers are likely to be contingent Creditors of the Companies and are entitled to submit Proxies and Proof of Debt claims against both FEA and FEAP.

Landlords, Secured and Unsecured Creditors are entitled to participate in both Meetings to the extent that they are Creditors of each of the Companies.

The first resolution proposed by the Deed Administrator as Chairman at each Meeting will be to resolve that the DOCAs be extended until 30 September 2014. Should this resolution be passed by Creditors, no further resolutions will be put to the Meetings.

In the event that Creditors do not pass the resolution to extend the DOCAs, the Chairman will then propose a resolution that the company be placed in liquidation.

The Deeds of Company Arrangement of both FEA and FEAP are due to expire on 30 September 2012. The Deed Administrators recommend that Creditors resolve to extend the operation of the Deeds of Company Arrangement to 30 September 2014.

## **5 DETAILS OF MACQUARIE BANK RESTRUCTURE PROPOSALS AND DISCUSSIONS WITH THE RECEIVERS AND BANKS**

The Administrators have continued to seek a restructuring solution that is in the interests of the Creditors and Growers of the FEA Group. For a restructuring to succeed, it needs to recognise the security interests of the Banks over the land, determine which Schemes can viably continue and to maximise the value of the overall investments. These goals must be achieved in a commercial context where Australian forestry has been affected by both the comparatively high Australian Dollar and interruption to the principal timber market following the Japanese tsunami.

To that end, the Administrators, with the approval of the FEAP Committee of Inspection and Grower representatives, have executed a binding Heads of Agreement with Macquarie Bank to enable a restructuring of the Schemes. This Agreement has been the subject of extensive and protracted negotiation by the Administrators. We believe a restructure along the lines contained in the Heads of Agreement provides Growers and Unsecured Creditors with a positive outcome while also allowing for a

return to unsecured Creditors in the FEA Group. Again we note the appointment of Macquarie as RE is subject to certain conditions being satisfied, including final completion of due diligence and receipt of Macquarie internal approvals.

The Agreement provides for the restructuring of the Schemes as follows:

- ▶ The Ongoing Schemes (1995 to 2002) - Subject to Grower resolutions, these Schemes would be restructured to include the Tasmanian estate, with all Growers in those Schemes participating equally in proportion to their woodlot holdings. Macquarie would become the Responsible Entity of these Schemes and Growers would pay ongoing contributions until harvest. We believe that this restructure will ensure sufficient funds are available to ensure the Schemes can continue to operate until harvest.
- ▶ The Terminating Schemes (2003 to 2009) - Loan book proceeds would be distributed to Growers in these Schemes together with any realisations from residual assets. Discounts would also be offered to Growers with loans in return for early repayment.
- ▶ Timberland Fund – This Scheme would be wound up and the land would be sold. Unit holders in this Scheme would receive pro rata proceeds from the sale of the land.
- ▶ Growers in the Ongoing Schemes who have made voluntary payments would receive a credit against future contributions and Growers in Terminating Schemes would receive a priority payment.
- ▶ Macquarie would issue Timber Notes for the benefit of Unsecured Creditors of FEA, allowing for a return which would be unlikely in any other form of Administration.

The Receivers and the Banks were offered two options:

- ▶ An upfront cash payment believed to be at least equal to the Principal outstanding on their loans; or
- ▶ A proposal that would allow the Receivers to sell and receive full market value of the land. Ongoing Schemes would be provided new market leases over the land that would continue to be occupied, and all proceeds from the land sale would be paid to the Banks.

The Banks formally rejected the cash payment option, asserting it was inadequate.

To date we have not received a formal response from the Banks in relation to the second offer. In an attempt to have the Banks accept the latest proposal, on 31 August 2012 the offer was sent again to the Receivers in a form that could be immediately accepted. We were advised by the lawyer acting for the Receivers that they were still awaiting instructions from the Receivers appointors, the Banks.

As Administrators we consider the Banks should have accepted one of the proposals. The first offer provided a certain pay out, albeit at a discount to their legal claim, but provided both the certainty and immediacy of payment; while the second offer gives the Banks the opportunity to recognise the full commercial value of the land that is their main security, with the Banks accepting market risk on the sale prices actually achieved. If the Receivers / Banks are unsuccessful in the proceedings before the Victorian Supreme Court, the assets comprising their security will be encumbered by leases paying rent at less than



commercial, or indeed no, rent, and it is highly unlikely that the Receivers and the Banks will achieve a better economic outcome than under the two proposals put forward to date.

The second proposal was structured to maximise the value of the land, which would increase the recoveries for the Banks, while preserving the value of the Ongoing Schemes for the benefit of Growers.

The Receivers have said that they would agree to a “one line” sale of the land and trees. The previous one line sale proposal discussed with the Receivers included the requirement that the Banks would receive the first \$200 million from the sale of the land and trees, and then 85% of the proceeds over this amount until their full legal claim, including interest at “penalty” rates and the costs of the Receivership and associated litigation had been repaid, which presently stands at approximately \$230 million (including interest).

This proposal does not recognise the rights of the Growers in the trees and under the lease arrangements the subject of the Victorian Supreme Court proceedings, as it provides a full priority to the Banks at the expense of Growers and other Creditors. Given the current market conditions, it is unlikely that Growers and other Creditors would receive a material recovery from a one line sale proposal along the lines proposed by the Receivers.

Our discussions with the Receivers and the Banks have been run in parallel with the litigation between the Receivers and the Administrators, so that should a settlement not be reached, the Court has the ability to make a final determination regarding the respective rights of the Banks and the Growers.

**To ensure that Schemes can continue to operate during this period, it is essential that Growers make their contributions to their Schemes.**

Under the Heads of Agreement with Macquarie, Growers will be required to pay all mandatory contributions to participate in the Schemes. Growers will be given a period of time to do so, failing which they may be forfeited out of their Schemes.

We will keep you informed of further progress as discussions continue to advance.

## 6 LEGAL PROCEEDINGS

Growers will recall that in Sections 8 and 9 of the 2011-2012 Annual Growers Report, we summarised the efforts being undertaken by the Administrators to protect the interests of the Schemes and Growers. These Reports can be found in the “Current Matters” Section of our website, [www.briferrier.com.au](http://www.briferrier.com.au). An example of one of these Annual Growers Reports can be found by accessing the following link:

<http://briferrier.com.au/downloads/ForestEnterprisesAustraliaGroupofCompanies/FEAP-Growers-Report-FY11-1999.pdf>

The legal proceedings initiated by the Receivers relate only to “internal” land, that is, land owned by a Company within the FEA Group, and not the trees planted on external land where rent continues to be payable. The failure of some Growers to continue to pay contributions due has placed stress on the ability of the RE to continue maintenance and lease payments.

The Administrators have continued their investigations into the leasing arrangements between the Schemes, FEAP, FEA and TasPlan. These investigations support the ability of Growers to contend that the

2000 Head Lease (under which the Rent due for the entire term of the lease was pre-paid) applies and continues to be the operative leasing arrangements. On this basis, the Receivers are not entitled to terminate the leases of “internal land” occupied by your respective Schemes. This proposition is supported by legal advice received by us.

Contrary to assertions made on behalf of your Schemes, the Receivers, until recently, contended that FEAP had to pay rent to FEA on the basis of a “2003 Master Lease”, which purported to have been signed in 2003. Our investigations indicate the document was drafted and signed in July 2009, around the time the Banks initiated a review of FEA’s bank facilities by Deloitte, who later became the Receivers.

The Receivers further contended that a “2009 Deed of Variation”, which was prepared with lawyers employed by the Banks in late December 2009, significantly increased the rent due under the “2003 Master Lease”.

The Administrators have now filed their Defence and Cross Claims in the proceedings. In summary, the Administrators contend:

- All internal land is covered by the 2000 Head Lease and the Forest Rights Deeds registered on the land titles. All rental obligations from FEAP to FEA have been satisfied under this lease, and the Schemes are entitled to occupy the land until harvest.
- The 2003 Master Lease relied upon by the Receivers was drafted and executed in 2009 and is therefore invalid.
- The 2009 Deed of Variation is void as the document provided no benefit to the Schemes, and its execution was therefore in contravention of the Corporations Act. We believe it immediately made FEAP insolvent, and made it unable to fulfil its duties as the RE of the Schemes.
- FEA, FEAP and TasPlan entered into a number of one year leases in 2002 and 2004. The apparent purpose of these leases was for FEA to obtain finance. These leases contained an option to extend the leases for a further period of seventeen years. We have not found any evidence in the records of FEA, FEAP or TasPlan that rent was ever paid under these leases, or that the leases were ever extended. These leases related to specific parcels of land and not the entire FEA estate.
- Historically, FEA (over-)charged FEAP for management fees in the tens of millions of dollars. This money should have been held by FEAP for the benefit of Growers. The Administrators contend that FEA must account to FEAP and the Schemes for the overcharges.
- The Schemes are entitled to Relief Against Forfeiture, meaning that should the Court assess any rent as owing by your Scheme, the Scheme would be able to act independently of other Schemes to pay rent due and continue to operate until harvest.

After receiving the Defence and Cross Claim, the Receivers advised the Court that they would seek to “substantially amend” their Application to terminate the leases. This was a significant step by the Receivers who had thus far relied on the 2003 Master Lease to deny Growers the right to their trees.

On 7 September 2012, after a number of adjournments were sought by the Receivers and after the Administrators filed motions in Court seeking to force the Receivers to produce their amended

Application, the Receivers filed their motions. The Administrators additionally filed an order that the Receivers submit to mediation. The Receivers agreed Consent Orders shortly before the matter was to be heard in Court.

In summary the Orders provide that:

- Receivers file their amended claim (Statement of Facts and Contentions “SOFAC”) by 7 September 2012.
- The Receivers produce evidence to support their SOFAC by 14 September 2012.
- The Administrators file their amended defence by 17 October 2012.
- A nominated Growers representative file his SOFAC by 2 November 2012.
- The Receivers file any amendments in response to the Administrators defence by 9 November 2012.
- The parties submit to Mediation proceeding on or before 23 November 2012.
- Should Mediation fail to produce a settlement, the parties can return to Court for a trial date to be set (likely to be around April 2013).

On 7 September 2012, the Receivers filed their amended SOFAC. The Receivers now contend that:

- The 2000 Head Lease was not a lease and that at best it creates a tenancy “at will” that the Receivers were entitled to terminate if it was still operative. Additionally, the Receivers contend the 2000 Head Lease only applies to the 2001 and 2002 Schemes.
- The 2002 and 2004 leases were binding leases and the option to extend these leases was exercised by FEA. As rent has not been paid under this lease, the Receivers were entitled to terminate the leases for default, with the effect that the Growers’ leases (and interests in trees), which were “subsidiary” interests in the land, were also terminated.
- Alternatively, whilst acknowledging that the 2003 Master Lease was signed in July 2009, the Receivers contended that it is still a binding lease as it recognised, they say, the ongoing leasing arrangements within the FEA Group.
- The 2009 Deed of Variation was binding on FEAP, despite the matters identified by the Administrators.
- As FEAP has entered into a Deed of Company Arrangement, it has entered into a “compromise with its Creditors” and has therefore defaulted on all of the leases listed above.
- That the Forestry Rights Deeds registered on the land titles to protect Growers, were merely “Ancillary Agreements” and should be terminated as the leases are in default.

Whilst the Administrators are still working with Counsel on any amendments required to the defence of these claims, the Administrators are advised that:

- The 2000 Head Lease is a binding lease. The lease specifically refers to the Schemes from 1993 to 1999 and is stated to be binding on all property subsequently acquired by FEA or TasPlan;

- The 2002 and 2004 leases were executed to enable FEA to borrow funds from two financial institutions, including the Commonwealth Bank of Australia. These leases were never implemented internally;
- The evidence indicates the option to extend the 2002 and 2004 leases beyond their initial one year period was never exercised;
- The 2003 Master Lease is not binding as it was executed in 2009; and
- The 2009 Deed of Variation is a void agreement as it provided no benefit to FEA, or FEAP and that it caused the insolvency of FEAP, if it wasn't already insolvent.

The Administrators will be seeking Orders from the Court that:

- The 2000 Head Lease is the applicable lease and therefore FEAP, and the Schemes, are entitled to occupy the land until harvest without further payment of rent.
- Should the Court determine that rent is payable in the Ongoing Schemes, that these Schemes should be granted Relief Against Forfeiture on the basis that the Schemes pay the rent due to FEA.

The Mediation proceedings provide an opportunity for the parties to seek a commercial settlement to the current dispute, under the supervision of a Court-approved Mediator. The Administrators will be approaching this mediation in good faith, with a view to resolving the matters in dispute amicably and to the common satisfaction of the parties.

Further, the Administrators have advised the Receivers that should they intend to pursue these proceedings to completion, it would be in the interests of all parties for the land and trees be sold now, with the proceeds put into trust with the Court, pending determination as to the basis of its distribution. Should the Court rule in favour of the Administrators, Growers would be entitled to the realised value of the trees. The Receivers have declined this proposal.

Whilst the Administrators are pursuing a legally supported case on behalf of the Schemes, we can only continue to do so if Growers continue making their ongoing contributions to the Schemes to fund the case and have sufficient funds on hand to demonstrate an ability to maintain the land after a judgement is handed down. These costs necessarily include non-compulsory contributions necessary to fund legal and administration costs.

**We urge all Growers to pay their contributions to support the financial viability of their Scheme and to enable the Administrators to pursue the legal case on behalf of the Schemes and the Growers.**

## 7 OUR RECOMMENDATION

As the Administrators, while we are proponents of the extension, we consider it appropriate to offer our views as to whether extension is in the interests of Creditors generally.

We separately recommend that each of FEA and FEAP should continue to be administered subject to their respective holding Deeds of Company Arrangement and Creditors should vote for the extension of them to 30 September 2014.

We have arrived at this recommendation for the following reasons:

- ▶ If given full and unqualified effect as drafted, the Companies' commitments to Growers, Unsecured Creditors and the Banks mean that the Companies are both insolvent. This would not be the case if FEAP's contentions in the Victorian Supreme Court are upheld but that position is not accepted by the Banks so that in a practical sense the Companies do not have access to assets sufficient to trade.
- ▶ It is therefore appropriate the Companies continue to be subject to external administration in some form.
- ▶ Of the two forms of external administration available, Deed of Company Arrangement and Liquidation, Deed of Company Arrangement is the less onerous. Deed of Company Arrangement avoids the operation of some "ipso facto" clauses in agreements to which the Companies are party, in particular some External Leases.
- ▶ A holding Deed of Company Arrangement allows greater flexibility in implementing a reconstruction, as a final Deed of Company Arrangement can be adopted by a sufficient majority at a Meeting of Creditors convened under Section 445F of the *Corporations Act*. If a Company proceeds into liquidation, a Deed of Company Arrangement could only be adopted after a further Voluntary Administration.
- ▶ Were the Companies to proceed to liquidation, the Liquidators would be bound to consider questions of avoidance of transactions and Insolvent Trading. While the Deed Administrators, when Voluntary Administrators, considered there were no commercially recoverable claims that would have a material bearing on the position of the Companies, we have since obtained further information that suggests there is *some* greater prospect of success, especially in terms of the manipulation of the dates borne by company documents.

Nonetheless, liquidation would also increase the risk that the affairs of the Companies will become subject to expensive, uncertain and protracted litigation which is unlikely to maximize the overall outcome for Creditors generally.

## 7.1 ALTERNATIVE RECOMMENDATION

If Creditors are unwilling to extend the Holding Deeds of Company Arrangement, we consider it would be preferable for the companies to proceed into liquidation. This would fix the "relation-back date", the date by reference to which "Insolvent Transactions" can be avoided at the earliest possible point, with the effect that an orderly and fair distribution of the Companies' assets may be achieved, albeit most likely after litigation. We consider the prospects of return to Creditors generally in a liquidation to be lower than under a Deed of Company Arrangement, but that the Companies cannot be returned to their directors because of their apparent insolvency.

## 7.2 RISK OF TERMINATION OF THE DEEDS

If the Deeds are not extended and the Companies do not proceed into liquidation, the Companies would return to the control of their directors. That control would, of course, given the enforcement of securities by the Banks, be nominal. In reality, the directors would most likely be bound either to resign or to appoint further Voluntary Administrators. The directors may find it difficult to obtain the consent of

qualified appointees willing to accept appointment in the absence of appropriate and substantial indemnities.

## 8 DEED ADMINISTRATORS' SUMMARY ACCOUNT OF RECEIPTS AND PAYMENTS

During the Administration, there have been no Receipts and Payments for FEA; all of its known assets are the subject of charges in favour of the Banks.

A detailed analysis of FEAP's Receipts and Payments up to 31 August 2012 please refer to **Annexure 7**.

## 9 DEED ADMINISTRATORS' REMUNERATION

During the Voluntary Administration and Deed Administration the Committees of Creditors and more recently the Committees of Inspection have reviewed and approved the remuneration of the Voluntary and now Deed Administrators.

As it is possible that the Deeds of Company Arrangement may terminate shortly after these Meetings, it may be necessary for Creditors to consider fixing our remuneration at the Meetings. Consideration will be unnecessary if the operation of the Deeds of Company Arrangement is extended.

Accompanying this Report are Remuneration Approval Request Reports ("RARRs"), including Fee Matrices, for each of FEAP (**Annexure 8**) and FEA (**Annexure 9**) following the form recommended by the Insolvency Practitioners Association of Australia. The RARRs set out the amounts for which it is expected approval may be sought for the period 1 August 2012 to 26 September 2012 as well as the terms of the resolutions which may be proposed.

Should Creditors vote to extend the DOCAs, then we propose to continue to seek approval of their remuneration by the Committees of Inspection.

## 10 BRI FERRIER KEY CONTACTS

All BRI Ferrier staff can be contacted on 02 8263 2300. The principal contacts are Mr Ronnie Staub and Mr Matthew Jacobs.



**Brian Silvia**  
Co-Deed Administrator for  
Brian Silvia and Peter Krejci

## Annexure 1

FORM 529  
CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

### NOTICE OF MEETING OF CREDITORS TO VARY DEED OF COMPANY ARRANGEMENT

FEA PLANTATIONS LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
(RECEIVERS APPOINTED)  
ACN 055 969 429

NOTICE is given that a Meeting of the Creditors of the Company will be held at the Grand Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250 on Wednesday, 26 September 2012 at 9:30am.

The Meeting will also be broadcasting live on the internet from the following website:

- <http://www.brrmedia.com/event/102491>

#### AGENDA

1. To receive and discuss the Deed Administrators' Report to Creditors dated 13 September 2012.
2. To consider the following motions:
  - a) That clause 3.1.5 of the FEA Plantations Limited Deed of Company Arrangement be varied to replace "2012" with "2014".
  - b) That the remuneration of the Joint and Several Deed Administrators from the period 1 August 2012 to 31 August 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$239,412.50 plus GST and that the Deed Administrators be authorised to draw that amount.
  - c) That the remuneration of the Joint and Several Deed Administrators from the period 1 September 2012 to 12 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$93,070.00 plus GST and that the Deed Administrators be authorised to draw that amount.
  - d) That the remuneration of the Joint and Several Deed Administrators from the period 13 September 2012 to 26 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$165,050.00 plus GST and that the Deed Administrators be authorised to draw that amount.
3. If the preceding motion does not pass, to consider the following motion:
  - a) That the Company be wound up.
  - b) If Creditors resolve that the Company be wound up, that a Committee of Inspection be appointed.
4. Any other business that may be lawfully brought forward.

We attach a proxy form that should be used by Creditors in the following circumstances:

- a. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- b. Representatives of Creditors that are companies.  
In this case the Creditor company should:
  - i. Execute the proxy under its common seal; or
  - ii. Have the proxy signed by 2 directors or by a director and the secretary; or
  - iii. Have the sole director sign the proxy if applicable; or
  - iv. Have the proxy signed by someone authorised under seal, or by the directors, or sole director, as applicable to sign, and if required by the Chairman of the meeting, provide evidence that the person signing the proxy form is empowered to sign.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators.

Particulars or proofs lodged in the past are effective for this meeting. You only need to provide further particulars now if you wish to participate in this meeting and have not previously provided them.

**Creditors' proxies must be delivered to this office by 12pm on Monday, 24 September 2012.**

**Please forward your proxies to this office in the post, via email to [fea@briferrnernsw.com.au](mailto:fea@briferrnernsw.com.au) or by facsimile on (02) 8263 2399.**

DATED this 13<sup>th</sup> day of September 2012.



BRIAN SILVIA  
Deed Administrator  
BRI FERRIER (NSW) PTY LTD  
Level 30  
264 George Street  
Sydney NSW 2000



## Annexure 2

FORM 529  
CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

### NOTICE OF MEETING OF CREDITORS TO VARY DEED OF COMPANY ARRANGEMENT

FOREST ENTERPRISES AUSTRALIA LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
(RECEIVERS AND MANAGERS APPOINTED)  
ACN 009 553 548

NOTICE is given that a Meeting of the Creditors of the Company will be held at the Grand Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250 on Wednesday, 26 September 2012 at 12:00pm.

The Meeting will also be broadcasting live on the internet from the following website:

- <http://www.brrmedia.com/event/102490>

#### AGENDA

1. To receive and discuss the Deed Administrators' Report to Creditors dated 13 September 2012.
2. To consider the following motions:
  - a) That clause 3.1.5 of the Forest Enterprises Australia Limited Deed of Company Arrangement be varied to replace "2012" with "2014".
  - b) That the remuneration of the Joint and Several Deed Administrators from the period 1 August 2012 to 31 August 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$5,224.00 plus GST and that the Deed Administrators be authorised to draw that amount.
  - c) That the remuneration of the Joint and Several Deed Administrators from the period 1 September 2012 to 12 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$2,208.00 plus GST and that the Deed Administrators be authorised to draw that amount.
  - d) That the remuneration of the Joint and Several Deed Administrators from the period 13 September 2012 to 26 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$15,680.00 plus GST and that the Deed Administrators be authorised to draw that amount.
3. If the preceding motion does not pass, to consider the following motion:
  - a) That the Company be wound up.
  - b) If Creditors resolve that the Company be wound up, that a Committee of Inspection be appointed.
4. Any other business that may be lawfully brought forward.

We attach a proxy form that should be used by Creditors in the following circumstances:

- a. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- b. Representatives of Creditors that are companies.  
In this case the Creditor company should:
  - i. Execute the proxy under its common seal; or
  - ii. Have the proxy signed by 2 directors or by a director and the secretary; or
  - iii. Have the sole director sign the proxy if applicable; or
  - iv. Have the proxy signed by someone authorised under seal, or by the directors, or sole director, as applicable to sign, and if required by the Chairman of the meeting, provide evidence that the person signing the proxy form is empowered to sign.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators.

Particulars or proofs lodged in the past are effective for this meeting. You only need to provide further particulars now if you wish to participate in this meeting and have not previously provided them.

**Creditors' proxies must be delivered to this office by 12pm on Monday, 24 September 2012.**

**Please forward your proxies to this office in the post, via email to [fea@briferrnernsw.com.au](mailto:fea@briferrnernsw.com.au) or by facsimile on (02) 8263 2399.**

DATED this 13<sup>th</sup> day of September 2012.



BRIAN SILVIA  
Deed Administrator  
BRI FERRIER (NSW) PTY LTD  
Level 30  
264 George Street  
Sydney NSW 2000

**Annexure 3**

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier by 10am on Monday, 24 September 2012.  
 Email: [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au); Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

FORM 532

Regulation 5.6.29

Corporations Act 2001  
 APPOINTMENT OF PROXY

FEA PLANTATIONS LIMITED  
 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
 (RECEIVERS APPOINTED)  
 ACN 055 969 429

\*I/\*We (1)..... (Grower number if applicable .....)  
 of ..... a creditor of FEA Plantations Limited, appoint  
 (2)..... or in his or her absence .....as  
 \*my/our general/special proxy to vote at the Meeting of Creditors of the Company to be held at the Grand  
 Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250, on Wednesday, 26 September 2012 at  
 9:30am, and at any adjournment of that meeting.

To vote as follows: (3)

**(Not required if a general proxy)**

RESOLUTION		FOR	AGAINST	ABSTAIN
1	To vary clause 3.1.5 of the FEA Plantations Limited DOCA to extend the end date to 30 September 2014.			
2	That the remuneration of the Deed Administrators from 1 August 2012 to 31 August 2012 be approved.			
3	That the remuneration of the Deed Administrators from 1 September 2012 to 12 September 2012 be approved.			
4	That the remuneration of the Deed Administrators from 13 September 2012 to 26 September 2012 be approved.			
5	<i>(If Resolution 1 is not passed)</i> That the Company be wound up.			
6	If Creditors resolve that the Company be wound up, that a Committee of Inspection be appointed.			

A specific proxy operates as a general proxy in respect of any other resolution put to the meeting of creditors. **If you do not want your specific proxy to operate in this way, please tick this box.**

The person so appointed as \*my/\*our \*general/\*special proxy is herewith authorised to accept nomination as a member of the Committee of Inspection, should he or she be so nominated or appointed.

**HOW TO COMPLETE THIS FORM**

1. Insert the creditor's name, address and grower number (if applicable).
2. Insert the name of the person appointed as proxy. If left blank, the proxy will be treated as in favour of the Chairman.
3. To vote tick the box next to the desired option.

DATED ..... (4) Signature .....

(If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier, GPO Box 7079, SYDNEY NSW 2001 by **12pm on Monday, 24 September 2012.**

**CERTIFICATE OF WITNESS (5) -(to be completed only where person giving proxy is blind or incapable of writing)**

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

DATED this .....day of ..... 2012

Signature of Witness.....

Description .....

Place of Residence .....

**Annexure 4**

FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

FEA PLANTATIONS LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS APPOINTED)  
ACN 055 969 429

To the Administrators of FEA Plantations Limited

1. This is to state that the company was, on 14 April 2010 and still is, justly and truly indebted to<sup>(1)</sup>  
.....  
..... (Grower number if applicable.....) for  
.....dollars and .....cents.

Particulars of the debt are:

Date	Consideration <sup>(2)</sup>	Amount \$	GST incl \$	Remarks <sup>(3)</sup>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(4)</sup>

3.<sup>(5)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3.<sup>(5)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this      day

Signature of Signatory.....

NAME IN BLOCK LETTERS .....(Please indicated if you are a creditor, grower or landlord.)

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

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

## Annexure 4

### Directions

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

---

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

---

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

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
- (a) have an identifying mark;
  - (b) and be endorsed with the words:  
  
"This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
- (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

**Annexure 5**

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier by 10am on Monday, 24 September 2012.  
 Email: [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au); Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

FORM 532  
 Corporations Act 2001  
 APPOINTMENT OF PROXY

Regulation 5.6.29

FOREST ENTERPRISES AUSTRALIA LIMITED  
 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
 (RECEIVERS AND MANAGERS APPOINTED)  
 ACN 009 553 548

\*I/\*We (1)..... (Grower number if applicable .....)  
 of ..... a creditor of Forest Enterprises Australia Limited, appoint  
 (2)..... or in his or her absence .....as  
 \*my/our general/special proxy to vote at the Meeting of Creditors of the Company to be held at the Grand  
 Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250, on Wednesday, 26 September 2012 at  
 12:00pm, and at any adjournment of that meeting.

To vote as follows: (3)

**(Not required if a general proxy)**

RESOLUTION		FOR	AGAINST	ABSTAIN
1	To vary clause 3.1.5 of the Forest Enterprises Australia Limited DOCA to extend the end date to 30 September 2014.			
2	That the remuneration of the Deed Administrators from 1 August 2012 to 31 August 2012 be approved.			
3	That the remuneration of the Deed Administrators from 1 September 2012 to 12 September 2012 be approved.			
4	That the remuneration of the Deed Administrators from 13 September 2012 to 26 September 2012 be approved.			
5	<i>(If Resolution 1 is not passed)</i> That the Company be wound up.			
6	If Creditors resolve that the Company be wound up, that a Committee of Inspection be appointed.			

A specific proxy operates as a general proxy in respect of any other resolution put to the meeting of creditors. **If you do not want your specific proxy to operate in this way, please tick this box.**

The person so appointed as \*my/\*our \*general/\*special proxy is herewith authorised to accept nomination as a member of the Committee of Inspection, should he or she be so nominated or appointed.

**HOW TO COMPLETE THIS FORM**

1. Insert the creditor's name, address and grower number (if applicable).
2. Insert the name of the person appointed as proxy. If left blank, the proxy will be treated as in favour of the Chairman.
3. To vote tick the box next to the desired option.

DATED ..... (4) Signature .....

(If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier, GPO Box 7079, SYDNEY NSW 2001 by **12pm on Monday, 24 September 2012.**

**CERTIFICATE OF WITNESS (5) -(to be completed only where person giving proxy is blind or incapable of writing)**

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

DATED this .....day of ..... 2012

Signature of Witness.....

Description .....

Place of Residence .....

**Annexure 6**

FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

FOREST ENTERPRISES AUSTRALIA LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)  
ACN 009 553 548

To the Administrators of Forest Enterprises Australia Limited

1. This is to state that the company was, on 14 April 2010 and still is, justly and truly indebted to<sup>(1)</sup>  
.....  
..... (Grower number if applicable.....) for  
.....dollars and .....cents.

Particulars of the debt are:

Date	Consideration <sup>(2)</sup>	Amount \$	GST incl \$	Remarks <sup>(3)</sup>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following.<sup>(4)</sup>
- 3.<sup>(5)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.<sup>(5)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this      day

Signature of Signatory.....

NAME IN BLOCK LETTERS .....(Please indicated if you are a creditor, grower or landlord.)

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

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

## Annexure 6

### Directions

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

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

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

### Annexures

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

*"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and*
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.



Annexure 7  
FEA Plantations Limited as Responsible Entity  
Summary Receipts and Payments  
as at 31 August 2012

	Grand Total	FEAP General Fund	Scheme Total	1994	1995	1996	1997	1998	1999	2000	2001	2002	1994-2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Grower Receipts to 1 August 2012 to 31 August 2012</b>																							
Grower Receipts	19,125,026.80	-	19,125,026.80	-	154,724.09	169,189.57	400,836.12	817,096.19	8,520,062.62	1,050,998.06	662,281.85	453,200.70	12,279,796.19	387,221.35	606,117.44	1,179,904.74	1,366,904.02	1,147,520.05	2,065,075.32	202,287.69	7,045,236.60		
<b>Other Receipts</b>																							
Cash at bank at appointment	2,383,257.02	-	2,383,257.02	577,480.45	103,411.30	1,632.65	0.09	22,827.30	1,208,597.82	469,307.41	-	-	2,383,257.02	-	-	-	-	-	-	-	-	-	-
Harvest proceeds	802,564.34	-	802,564.34	-	-	-	-	-	-	-	-	-	802,564.34	-	-	-	-	-	-	-	-	-	-
Pre-appointment Grower Insurance Claim (Wind and fire damage)	407,675.36	-	407,675.36	28,724.52	-	-	-	-	107,183.76	272,017.08	-	-	407,675.36	-	-	-	-	-	-	-	-	-	-
Unallocated grower receipts	474,456.23	-	474,456.23	1,483.44	1,792.64	743.87	8,019.94	133,566.75	10,172.13	16,437.09	6,602.27	-	474,456.23	4,324.38	18,784.59	81,460.42	56,179.00	88,809.89	3,014.13	293,716.12	-	-	
Pre-appointment debtor	74,259.58	1,987.63	76,247.21	-	6,068.99	2,450.58	9,211.89	8,915.95	518.48	7,686.30	1,103.29	-	76,247.21	2,055.33	3,033.65	8,980.70	7,726.45	5,103.30	16,361.36	-	-	-	
Bank interest	171,504.69	153.27	171,657.96	10,777.08	344.55	29.12	75.74	774.80	45,048.88	3,844.38	782.58	340.05	171,657.96	5,125.47	6,813.99	18,147.45	17,542.30	15,919.16	35,240.88	1,559.70	-	-	
Recovery of solicitor trust funds	82,780.51	-	82,780.51	-	-	-	-	-	-	-	-	-	82,780.51	-	-	-	-	-	-	-	-	-	
Refund of internal rent from FEAP General Fund	47,052.00	-	47,052.00	-	-	46,802.48	284.00	-	-	-	-	-	47,052.00	-	-	-	-	-	-	-	-	-	
Refund of Administrator's Remuneration to FEAP General Fund	143,108.40	-	143,108.40	-	-	-	-	-	-	-	-	-	143,108.40	-	-	-	-	-	-	-	-	-	
Refund of Administrator's Disbursements to FEAP General Fund	15,427.37	-	15,427.37	-	-	-	-	-	-	-	-	-	15,427.37	-	-	-	-	-	-	-	-	-	
Refund of internal rent from FEAP General Fund	360,445.55	-	360,445.55	-	-	-	-	-	360,445.55	-	-	-	360,445.55	-	-	-	-	-	-	-	-	-	
Refund of internal rent from FEAP General Fund	183,139.76	-	183,139.76	3,282.28	4,864.16	820.42	2,012.19	3,030.30	-	-	-	-	183,139.76	11,020.08	19,446.20	50,259.62	37,764.57	42,200.24	110,156.22	7,027.63	278,074.54	-	
GST Refund	472,234.65	-	472,234.65	-	-	-	-	-	-	-	-	-	472,234.65	-	-	-	-	-	-	-	-	-	
GST Receivable	69.24	-	69.24	-	-	-	-	-	-	-	-	-	69.24	-	-	-	-	-	-	-	-	-	
<b>Total Other Receipts</b>	<b>5,483,456.36</b>	<b>426,596.78</b>	<b>5,909,953.14</b>	<b>1,409,064.15</b>	<b>185,380.45</b>	<b>16,828.02</b>	<b>5,282.47</b>	<b>151,867.99</b>	<b>2,028,611.81</b>	<b>539,610.60</b>	<b>24,975.21</b>	<b>8,052.64</b>	<b>4,448,573.11</b>	<b>22,475.26</b>	<b>48,278.63</b>	<b>158,651.79</b>	<b>106,094.22</b>	<b>122,024.85</b>	<b>238,909.29</b>	<b>11,601.53</b>	<b>708,456.37</b>		
<b>General Fund Receipts from Schemes on Account of</b>																							
Recovery of group GST payable	82,152.16	-	82,152.16	-	-	-	-	-	-	-	-	-	82,152.16	-	-	-	-	-	-	-	-	-	
Recovery of group GST payable - September 2011	398,831.68	-	398,831.68	-	-	-	-	-	-	-	-	-	398,831.68	-	-	-	-	-	-	-	-	-	
Rent recoveries from schemes (Cash) FY 2011	13,209.00	-	13,209.00	-	-	-	-	-	-	-	-	-	13,209.00	-	-	-	-	-	-	-	-	-	
Rent recoveries from MIS Schemes	1,074,017.14	-	1,074,017.14	-	-	-	-	-	-	-	-	-	1,074,017.14	-	-	-	-	-	-	-	-	-	
Recovery of management fees prior to 14/10/10	186,635.38	-	186,635.38	-	-	-	-	-	-	-	-	-	186,635.38	-	-	-	-	-	-	-	-	-	
Recovery of pre-appointment debtors by way of offset against funds held	348,102.24	-	348,102.24	-	-	-	-	-	-	-	-	-	348,102.24	-	-	-	-	-	-	-	-	-	
Payment of remuneration on account of rent (except for 1994 which is a direct cost of Scheme harvest)	687,748.14	-	687,748.14	-	-	-	-	-	-	-	-	-	687,748.14	-	-	-	-	-	-	-	-	-	
Payment of disbursement on account of rent (except for 1994 which is a direct cost of Scheme harvest)	104,005.74	-	104,005.74	-	-	-	-	-	-	-	-	-	104,005.74	-	-	-	-	-	-	-	-	-	
Refund of Administrator's Remuneration	46,802.48	-	46,802.48	-	-	-	-	-	-	-	-	-	46,802.48	-	-	-	-	-	-	-	-	-	
Reimbursement for refund incorrectly paid by GST to Scheme 1999	360,445.55	-	360,445.55	-	-	-	-	-	-	-	-	-	360,445.55	-	-	-	-	-	-	-	-	-	
Reimbursements of insurance to MIS Schemes to General Fund	1,507.17	-	1,507.17	-	-	-	-	-	-	-	-	-	1,507.17	-	-	-	-	-	-	-	-	-	
Reimbursements of Government Charges by MIS Schemes to General Fund	2,287.48	-	2,287.48	-	-	-	-	-	-	-	-	-	2,287.48	-	-	-	-	-	-	-	-	-	
Reimbursements of Professional Costs by MIS Schemes to General Fund	4,388.67	-	4,388.67	-	-	-	-	-	-	-	-	-	4,388.67	-	-	-	-	-	-	-	-	-	
Reimbursements of Legal Costs by MIS Schemes to General Fund	211,900.01	-	211,900.01	-	-	-	-	-	-	-	-	-	211,900.01	-	-	-	-	-	-	-	-	-	
<b>Total General Fund Receipts from Schemes</b>	<b>3,644,131.04</b>	<b>-</b>	<b>3,644,131.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,644,131.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL RECEIPTS</b>	<b>22,608,482.84</b>	<b>\$ 426,596.78</b>	<b>23,035,079.62</b>	<b>\$ 1,409,064.15</b>	<b>\$ 185,380.45</b>	<b>\$ 17,856.04</b>	<b>\$ 406,110.59</b>	<b>\$ 869,934.18</b>	<b>\$ 10,548,674.43</b>	<b>\$ 1,589,621.20</b>	<b>\$ 25,047.42</b>	<b>\$ 8,861,625.78</b>	<b>\$ 4,470,848.30</b>	<b>\$ 409,696.61</b>	<b>\$ 654,096.27</b>	<b>\$ 1,338,703.53</b>	<b>\$ 1,472,938.24</b>	<b>\$ 1,269,544.90</b>	<b>\$ 2,304,065.61</b>	<b>\$ 103,889.22</b>	<b>\$ 7,753,686.97</b>		
<b>Payments Made to 1 August 2012 to 31 August 2012</b>																							
<b>Payments Allocated to Scheme Pools</b>																							
Forestry Insurance FP001	1,635,151.99	-	1,635,151.99	10,403.00	11,409.25	13,770.58	19,137.06	38,000.00	473,990.01	89,221.00	53,814.74	21,184.51	732,930.15	39,288.06	73,969.79	149,845.91	190,528.28	168,259.67	246,338.30	34,911.84	902,221.84		
Insurance - Public Liability and Workers Compensation Insurance (No GST)	141,976.56	100.54	142,077.10	400.23	11,894.02	11,075.26	14,511.32	1,226.54	26,714.44	3,803.31	1,437.81	1,111.18	72,766.57	2,662.91	5,271.17	11,147.89	13,295.95	11,446.77	20,858.21	4,468.39	693,116.46		
External Rent	5,079.54	10.05	5,089.59	97.11	13.98	40.30	27.64	71.12	1,437.81	157.71	96.17	64.09	5,193.31	128.08	248.23	539.82	616.05	532.66	966.24	128.98	13,139.16		
Internal rent paid (Cash) FP001 via FEAP General Fund	2,192,378.72	-	2,192,378.72	-	-	-	-	-	159,506.42	680,232.41	1,158,500.62	92,782.72	82,343.45	19,033.10	-	-	-	-	-	-	-	-	-
Internal rent paid (Cash) FP001	13,209.00	-	13,209.00	-	-	-	-	-	1,841.00	5,491.00	-	-	13,209.00	-	-	-	-	-	-	-	-	-	-
Internal rent paid (Cash) FP001	9,906.55	-	9,906.55	-	-	-	-	-	-	-	-	-	9,906.55	-	-	-	-	-	-	-	-	-	-
Internal rent FP001 - paid to FEAP General Fund by schemes	1,074,017.14	-	1,074,017.14	-	-	33,026.00	-	-	1,051,329.14	-	-	-	1,074,017.14	-	-	-	-	-	-	-	-	-	-
Internal rent FP001 - applied by FEAP in respect of Administrator's Fees by exercise of Administrator's Lien	2,719,968.67	-	2,719,968.67	34,079.92	23,835.47	14,851.00	45,600.70	97,500.00	2,030,854.58	256,486.00	106,396.15	110,397.05	2,719,968.67	-	-	-	-	-	-	-	-	-	-
Internal rent FP001 - applied by FEAP in respect of Administrator's Fees by exercise of Administrator's Lien	507,955.04	-	507,955.04	30,849.96	-	2,839.93	-	-	382,343.68	90,906.86	1,015.51	-	507,955.04	-	-	-	-	-	-	-	-	-	-
Administrators Remuneration	1,036,609.37	-	1,036,609.37	-	-	-	-	-	-	-	-	-	1,036,609.37	-	-	-	-	-	-	-	-	-	-
Dead Administrator's Remuneration	3,657,924.83	440.00	3,658,364.83	1,968.37	20,220.53	4,409.63	-	-	540,663.51	187,452.25	-	-	3,658,364.83	28,830.10	54,314.55	495,157.45	419,153.15	939,888.71	116,154.37	2,861,746.73			
Forestry maintenance FP001	256,680.68	-	256,680.68	-	-	1,743.36	4,098.46	7,394.79	18,862.23	15,417.97	40,042.32	24,702.31	256,680.68	-	-	-	-	-	-	-	-	-	
Forestry maintenance FP002	134,246.18	-	134,246.18	-	-	794.60	1,028.12	16,125.57	801.91	93,100.93	10,664.84	8,726.80	134,246.18	-	-	-	-	-	-	-	-	-	
Forestry manager Fee FP001	152,400.24	-	152,400.24	3,935.34	4,111.48	4,239.57	5,560.42	10,196.27	89,498.75	18,811.06	-	-	152,400.24	-	-	-	-	-	-	-	-	-	
Forestry assessment FP002	58.49	-	58.49	-	-	-	-	-	-	-	-	-	58.49	-	-	-	-	-	-	-	-	-	
<b>Total Payments Allocated to Scheme Pools</b>	<b>13,938,093.39</b>	<b>550.59</b>	<b>13,938,643.98</b>	<b>\$ 11,406.23</b>	<b>\$ 11,849.68</b>	<b>\$ 6,362.85</b>	<b>\$ 270,729.69</b>	<b>\$ 866,5</b>															

# Remuneration Approval Request Report

FEA Plantations Limited  
(Subject to Deed of Company Arrangement)  
(Receivers Appointed)  
ACN 055 969 429

13 September 2012

Brian Silvia  
Peter Krejci  
Deed Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848  
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## TABLE OF CONTENTS

<b>1</b>	<b>DECLARATION</b> .....	<b>3</b>
<b>2</b>	<b>DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED</b> .....	<b>3</b>
	2.1 Remuneration for the period 1 August 2012 to 31 August 2012 .....	3
	2.2 Remuneration for the period 1 September 2012 to 12 September 2012.....	6
<b>3</b>	<b>FURTHER REMUNERATION – DESCRIPTION OF WORK TO BE COMPLETED</b> .....	<b>9</b>
	3.1 Remuneration for the period 13 September 2012 to 26 September 2012.....	9
<b>4</b>	<b>LIQUIDATORS’ REMUNERATION</b> .....	<b>12</b>
<b>5</b>	<b>PAST REMUNERATION</b> .....	<b>12</b>
<b>6</b>	<b>CALCULATION OF REMUNERATION</b> .....	<b>12</b>
	6.1 Remuneration Matrix .....	12
	6.2 Disbursements.....	12
<b>7</b>	<b>SUPPORTING INFORMATION</b> .....	<b>13</b>
	7.1 Summary of Receipts and Payments .....	13
	7.2 Statement of Remuneration Claim.....	13
	7.3 Queries .....	14
<b>8</b>	<b>INFORMATION SHEET</b> .....	<b>14</b>
<b>9</b>	<b>REMUNERATION MATRIX</b> .....	<b>15</b>

## 1 DECLARATION

We, Brian Silvia and Peter Krejci of BRI Ferrier NSW have undertaken a proper assessment of this remuneration claim for our appointment as the Deed Administrators of FEA Plantations Limited in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed or to be properly performed, in the conduct of the Administration.

## 2 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED

The tasks which the Deed Administrators undertake can be broadly divided into seven categories. These are:

- Administration
- Creditors
- Growers Correspondence, Reports and Contribution
- Harvesting, Thinning and Maintenance for 1995 To 2002 Schemes
- Lease and Legal Proceedings
- MIS Administration and Restructure
- Section 445F Report to Creditors and Meeting Preparation

Information on the seven categories is summarised below to enable creditors to understand the type and purpose of work being undertaken.

<b>Company</b>	FEA Plantations Limited	<b>Period From</b>	1 August 2012	<b>To</b>	26 September 2012
<b>Practitioner</b>	Brian Silvia Peter Krejci	<b>Firm</b>	BRI Ferrier NSW		
<b>Administration Type</b>	Deed Administration				

### 2.1 REMUNERATION FOR THE PERIOD 1 AUGUST 2012 TO 31 AUGUST 2012

We provide the details of work undertaken and remuneration incurred for the period 1 August 2012 to 31 August 2012 as follows:

Task Area	General Description	Includes
<b>Administration</b>	Correspondence	General correspondence.
	Document maintenance/file review/checklist	File management.

Task Area	General Description	Includes
<b>3.33 hours</b> <b>\$1,084.80</b>	Banking	Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking and custody arrangements. Prepare Statement of Receipts and Payments FEAP.
	Insurance	Correspondence with insurer regarding renewal of workers compensation and public liability insurance.
	ATO and other statutory reporting	Preparation and lodgement of BASs.
<b>Creditors</b> <b>1.06 hours</b> <b>\$430.74</b>	Creditors Report	Drafting Section 445F Report to Creditors.
	Growers Correspondence, Reports and Contribution	Meeting with legal advisor regarding debt collection proceedings and other issues. Prepare for settlement with debtors. Record and account for funds received from Growers of each scheme by cheque payment, EFT and credit card payments. Review cash position and various liabilities of each scheme and calculate funding requirement for each scheme. Dissection of funds received to maintenance, leases, insurance and other administration expenses. Respond to a large number of Growers' enquiries by telephone, email and letters. Prepare Summary Receipts and Payments for each scheme and FEAP as Responsible Entity. Investigate payments received without reference number and ascertain details of payees. Process Growers' payments on a daily basis. Continual update of the debtors schedule with separate receipt categories. Liaise with Custodian and St George Bank in relation to funds received, credit card transfers and transfer of Growers' contribution to the correct scheme accounts. Account for reallocation of funds to correct accounts and Growers and maintain proper books and records.
<b>Managed Investment Schemes ("MIS")</b> <b>646.81 hours</b> <b>\$237,896.96</b>		

Task Area	General Description	Includes
		Correspondence with solicitors and debt collection companies.
	Harvesting, Thinning, and Maintenance for Scheme 1995 to 2002	<p>Prepare maintenance appointment documents.</p> <p>Correspondence with the Receivers regarding maintenance on leased properties.</p> <p>Review plantation health report.</p> <p>Correspondence with maintenance subcontract regarding maintenance preparation and issues.</p> <p>Dealing with Growers' enquiries regarding harvesting proposal and issues.</p>
	Leases and Legal Proceedings	<p>Prepare further freehold property review for the ongoing internal lease proceedings.</p> <p>Correspondence and telephone discussion with external land owners regarding Default Notices and Forestry Right and caveat removal.</p> <p>Review legal proceedings documents and prepare affidavits.</p> <p>Various meetings with legal advisors with ongoing litigation and the documents to be filed with the Court.</p> <p>Prepare and lodgement of various legal documents with the Court.</p> <p>Calculate External Rent funding shortfall and updated Projected Cash Flow to preserve funding.</p> <p>Arrange payment for external rent.</p> <p>Review and respond to external lease default notices.</p> <p>Respond to external land owners enquiries by email, telephone or letters.</p> <p>Maintain landowner default notice register.</p> <p>Internal meeting regarding litigation status, strategy following extension of time.</p>
	Scheme Administration and Restructure	<p>Finalise Heads of Agreement.</p> <p>Attend Receivers and the Banks regarding their response to the Proposal.</p> <p>Internal meeting regarding Macquarie Heads of Agreement, Restructure Plan B, status of restructure and the Bank's response to the restructure proposals.</p> <p>Conduct cash flow analysis and compare Woodstock data.</p> <p>Prepare lease income analysis.</p> <p>Collection of loan book information for the Macquarie restructure proposal.</p>

Task Area	General Description	Includes
		<p>Commence preparation of Section 445F Report to Creditors.</p> <p>Various correspondence with the Receivers and the Banks regarding scheme restructure.</p> <p>Compare scheme financial model and break even analysis.</p> <p>Various meetings with Macquarie Bank regarding restructure proposals and Restructure Plan B.</p> <p>Discussion and meeting with legal advisors regarding restructure issues.</p> <p>Draft term sheet for proposed Plan B.</p> <p>Continually monitoring scheme financial position including cash at bank, projected cash flow and expense budget.</p> <p>Draft the Twentieth Committee of Inspection (“COI”) Report.</p> <p>Prepare and lodge Twentieth COI meeting minutes.</p> <p>Prepare for and convene the Twentieth COI meeting.</p> <p>Allocate scheme expenses and arrange payments.</p> <p>Prepare bank transfer documents to Custodian for scheme expenses, with corresponding internal accounting entries for each scheme.</p> <p>Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking.</p> <p>Dealing with and responding to general enquiries from Growers, their financial advisors and legal advisors by telephone, email and letters in relation to the Growers meetings and scheme restructure.</p>

## 2.2 REMUNERATION FOR THE PERIOD 1 SEPTEMBER 2012 TO 12 SEPTEMBER 2012

We provide the details of work undertaken and remuneration incurred for the period 1 September 2012 to 12 September 2012 as follows:

Task Area	General Description	Includes
Administration	Correspondence	General correspondence.
	Document maintenance/file review/checklist	File management.

Task Area	General Description	Includes
<b>0.15 hour</b> <b>\$35.29</b>	Banking	Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking and custody arrangements. Prepare Statement of Receipts and Payments FEAP.
	ASIC Form 524 and other forms	Preparing ASIC forms 524 for the schemes and FEAP as the Responsible Entity.
	ATO and other statutory reporting	Preparation and lodgement of BASs. Correspondence with the Australian Taxation Office (“the ATO”) in relation to GST refund.
<b>Creditors</b> <b>1.99 hours</b> <b>\$882.77</b>	Creditor reports	Draft Section 445F Report to Creditors. Prepare Annexures for Section 445F Report to Creditors, including the Summary Receipts and Payments for FEAP as the Responsible Entity and each Scheme.
<b>Managed Investment Schemes (“MIS”)</b> <b>216.26 hours</b> <b>\$92,151.94</b>	Growers Correspondence, Reports and Contribution	Record and account for funds received from Growers of each scheme by cheque payment, EFT and credit card payments. Dissection of funds received to maintenance, leases, insurance and other administration expenses. Review cash position and various liabilities of each scheme and calculate funding requirement for each scheme. Discussion with legal advisor regarding debt collection legal proceedings. Respond to Growers’ enquiries by telephone, email and letters. Prepare Summary Receipts and Payments for each scheme and FEAP as Responsible Entity. Investigate payments received without reference number and ascertain details of payees. Continual update of the debtors schedule with separate receipt categories. Liaise with Custodian and St George Bank in relation to funds received, credit card transfers and transfer of Growers’ contribution to the correct scheme accounts. Account for reallocation of funds to correct accounts and Growers and maintain proper books and records. Correspondence with solicitors and debt collection companies.



Task Area	General Description	Includes
	Harvesting, Thinning, and Maintenance for Scheme 1995 to 2002	Discussion with independent forester regarding the status of forest.
	Leases and Legal Proceedings	<p>Prepare Counter claim.</p> <p>Review Receiver’s part of Counter Claim.</p> <p>Meeting with legal advisors regarding cross claim and consider legal precedents.</p> <p>Review Receiver’s amended Statement of Facts and Contention.</p> <p>Correspondence with the Australian Taxation Office (“the ATO”) regarding Tax Ruling and Freedom of Information request.</p> <p>Correspondence with external land owners regarding trees on properties and request for removal of Forestry Right.</p> <p>Review and respond to external lease default notices.</p> <p>Respond to external land owners enquiries by email, telephone or letters.</p> <p>Maintain landowner default notice register.</p> <p>Respond to lease default notices.</p> <p>Discussion and meeting with legal advisors regarding the extension of time issues.</p> <p>Internal meeting regarding litigation status, strategy following extension of time.</p>
	Scheme Administration and Restructure	<p>Draft Section 445F Report to Creditors.</p> <p>Prepare Annexures for Section 445F Report to Creditors, including the Summary Receipts and Payments for FEAP as the Responsible Entity and each Scheme.</p> <p>Continual correspondence with legal advisors, Macquarie Bank, the Banks and the Receivers regarding restructure proposal.</p> <p>Continual comparison of Woodstock models.</p> <p>Continually monitoring scheme financial position including cash at bank, projected cash flow and expense budget.</p> <p>Allocate scheme expenses and arrange payments.</p> <p>Prepare bank transfer documents to Custodian for scheme expenses, with corresponding internal accounting entries for each scheme.</p> <p>Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking.</p>

Task Area	General Description	Includes
		Dealing with and responding to general enquiries from Growers, their financial advisors and legal advisors by telephone, email and letters in relation to the Growers meetings and scheme restructure.

### 3 FURTHER REMUNERATION – DESCRIPTION OF WORK TO BE COMPLETED

#### 3.1 REMUNERATION FOR THE PERIOD 13 SEPTEMBER 2012 TO 26 SEPTEMBER 2012

We provide the details of work undertaken and remuneration incurred for the period 13 September 2012 to 26 September 2012 as follows:

Task Area	General Description	Includes
<b>Administration</b>  <b>2 hours</b>  <b>\$765.00</b>	Correspondence	General correspondence.
	Document maintenance/file review/checklist	File management.
	Banking	Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking and custody arrangements. Prepare Statement of Receipts and Payments FEAP.
	ATO and other statutory reporting	Preparation and lodgement of BASs. Correspondence with the Australian Taxation Office (“the ATO”) in relation to GST refund.
	Creditor reports	Receive and respond to creditor enquiries by telephone and email Review and prepare correspondence to creditors and their representatives by facsimile, email and post.
<b>Creditors</b>  <b>9.00 hours</b>  <b>\$2,625.00</b>	Creditors reports	Finalise Section 445F Report to Creditors. Finalise Annexures for Section 445F Report to Creditors, including the Summary Receipts and Payments for FEAP as the Responsible Entity and each Scheme. Distribute Section 445F Report to Creditors by email and post. Prepare the Twenty-first Report to Committee of Inspection.
	Dealing with proofs of debt	Receive and register proxies and proof of debt forms for meeting purpose.

Task Area	General Description	Includes
<p><b>Managed Investment Schemes ("MIS")</b></p> <p><b>415.00 hours</b></p> <p><b>\$161,660.00</b></p>	<p>Meeting of Creditors</p>	<p>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.</p> <p>Prepare PowerPoint presentation for the forthcoming Meeting of Creditors.</p> <p>Set up web casting facility and meeting venue for the forthcoming Meeting of Creditors.</p> <p>Convene and coordinate Committee of Creditors meeting.</p> <p>Convene and coordinate the forthcoming Meeting of Creditors.</p> <p>Prepare for and attend the Twenty-first Committee of Inspection meeting.</p>
	<p>Growers Correspondence, Reports and Contribution</p>	<p>Record and account for funds received from Growers of each scheme by cheque payment, EFT and credit card payments.</p> <p>Dissection of funds received to maintenance, leases, insurance and other administration expenses.</p> <p>Review cash position and various liabilities of each scheme and calculate funding requirement for each scheme.</p> <p>Discussion with legal advisor regarding debt collection legal proceedings.</p> <p>Respond to Growers' enquiries by telephone, email and letters.</p> <p>Prepare Summary Receipts and Payments for each scheme and FEAP as Responsible Entity.</p> <p>Investigate payments received without reference number and ascertain details of payees.</p> <p>Continual update of the debtors schedule with separate receipt categories.</p> <p>Liaise with Custodian and St George Bank in relation to funds received, credit card transfers and transfer of Growers' contribution to the correct scheme accounts.</p> <p>Account for reallocation of funds to correct accounts and Growers and maintain proper books and records.</p> <p>Correspondence with solicitors and debt collection companies.</p>
	<p>Leases and Legal Proceedings</p>	<p>Meeting with legal advisors regarding cross claim and consider legal precedents.</p>

Task Area	General Description	Includes
		<p>Correspondence with external land owners regarding external lease issues.</p> <p>Review and respond to external lease default notices.</p> <p>Respond to external land owners enquiries by email, telephone or letters.</p> <p>Maintain landowner default notice register.</p> <p>Respond to lease default notices.</p> <p>Discussion and meeting with legal advisors regarding the extension of time issues.</p> <p>Internal meeting regarding litigation status, strategy following extension of time.</p>
	<p>Scheme Administration and Restructure</p>	<p>Finalise Section 445F Report to Creditors.</p> <p>Finalise Annexures for Section 445F Report to Creditors, including the Summary Receipts and Payments for FEAP as the Responsible Entity and each Scheme.</p> <p>Continual correspondence with legal advisors, Macquarie Bank, the Banks and the Receivers regarding restructure proposal.</p> <p>Prepare the Twenty-first Report to Committee of Inspection.</p> <p>Receipting and filing POD's when not related to a dividend.</p> <p>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.</p> <p>Prepare PowerPoint presentation for the forthcoming Meeting of Creditors.</p> <p>Set up web casting facility and meeting venue for the forthcoming Meeting of Creditors.</p> <p>Convene and attend Committee of Creditors meeting.</p> <p>Convene and attend the forthcoming Meeting of Creditors.</p> <p>Prepare for and attend the Twenty-first Committee of Inspection meeting.</p> <p>Continually monitoring scheme financial position including cash at bank, projected cash flow and expense budget.</p> <p>Allocate scheme expenses and arrange payments.</p> <p>Prepare bank transfer documents to Custodian for scheme expenses, with corresponding internal</p>

Task Area	General Description	Includes
		accounting entries for each scheme. Banking attendances, including recording receipts and payments on account of the MIS schemes; reconciliation and management of banking. Dealing with and responding to general enquiries from Growers, their financial advisors and legal advisors by telephone, email and letters in relation to the Growers meetings and scheme restructure.

## 4 LIQUIDATORS' REMUNERATION

We do not intend to seek creditor approval of the Liquidators' (if appointed) future remuneration at the forthcoming meeting. Approval would be sought at a later point from a committee of inspection (if formed), creditors generally or failing that, court.

## 5 PAST REMUNERATION

To date remuneration totalling \$11,825,619.10 has been approved in this Deed Administration. A total of \$2,469,472.75 has not been paid.

## 6 CALCULATION OF REMUNERATION

### 6.1 REMUNERATION MATRIX

The remuneration request is summarised by employee and by area of activity on the attached Remuneration Matrix for the period 1 August 2012 to 31 August 2012, 1 September 2012 to 12 September 2012 and the estimated Remuneration Matrix for the period 13 September 2012 to 26 September 2012.

### 6.2 DISBURSEMENTS

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

A disbursements are all externally provided professional services. These are recovered at cost. An example of an A disbursement is legal fees.

B1 disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost.

B2 disbursements are internally provided non-professional costs such as photocopying, printing and postage. B2 disbursements are generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

As the Deed Administrators we are not required to seek creditor approval for disbursements, but must account to creditors. For internal assistance, or B2 type disbursements, this includes providing to

creditors as part of the remuneration report details of the basis of charging for these types of disbursements.

Creditors have the right to question the incurring of the disbursements and can challenge disbursements in court.

Detailed below is a summary of the disbursements incurred for the period 1 August 2012 to 31 August 2012:

Item	1 August 2012 to 31 August 2012	Expense Type
Custodian Fees	6,250.00	A
Document Storage	195.72	B1
Insurance - GST	3,307.08	A
Insurance - No GST	39,490.38	A
Legal Fees - GST	14,674.94	A
Postage	7.50	B2
Printing & Photocopying	880.50	B2
Printing & Postage	466.05	B1
Room Hire	51.34	B1
Travel Expenses	3,520.07	B1
<b>Total</b>	<b>\$68,843.58</b>	

Having reviewed these disbursements, I declare that the disbursements were necessary and proper.

## 7 SUPPORTING INFORMATION

### 7.1 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of receipts and payments to and from the external Administration bank account has been prepared for the period 14 April 2010 to 31 August 2012 and attached as Annexure 7 of this Committee Report.

### 7.2 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Committee of Inspection for the Deed Administrators' Remuneration for the period 1 August 2012 to 31 August 2012:

- Deed Administrators' Remuneration for the period 1 August 2012 to 31 August 2012

*"That the remuneration of the Joint and Several Deed Administrators from the period 1 August 2012 to 31 August 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$239,412.50 plus GST and that the Deed Administrators be authorised to draw that amount."*

- Deed Administrators' Remuneration for the period 1 September 2012 to 12 September 2012

*“That the remuneration of the Joint and Several Deed Administrators from the period 1 September 2012 to 12 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$93,070.00 plus GST and that the Deed Administrators be authorised to draw that amount.”*

- ▲ Deed Administrators' Remuneration for the period 13 September 2012 to 26 September 2012

*“That the remuneration of the Joint and Several Deed Administrators from the period 13 September 2012 to 26 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$165,050.00 plus GST and that the Deed Administrators be authorised to draw that amount.”*

### 7.3 QUERIES

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Deed Administrators' office to seek further information concerning the remuneration claim if they so need.

## 8 INFORMATION SHEET

The IPA has produced a document entitled: “Creditors Information Sheet: Approving Remuneration in External Administrations” which can be downloaded from the IPA Website [www.ipaa.com.au](http://www.ipaa.com.au) or can be obtained from this office.

## **9 REMUNERATION MATRIX**

**1 AUGUST 2012 TO 31 AUGUST 2012**

**1 SEPTEMBER 2012 TO 12 SEPTEMBER 2012**

**13 SEPTEMBER 2012 TO 26 SEPTEMBER 2012**



FEA Plantations Limited  
 (Subject to Deed of Company Arrangements) (Receivers Appointed)  
 Summary of Deed Administrators' Remuneration  
 1 August 2012 to 31 August 2012

Title	Name	Rate	General Fund						Scheme Fund										Grand Total				
			Administration		s445F Creditors Report and Meeting Preparation		General Fund Total		Growers Correspondence, Reports and Contribution		Harvesting, Thinning and Maintenance for 1995 to 2002 Schemes		Leases and Legal Proceedings		MIS Administration and Restructure		s445F Creditors Report and Meeting Preparation				Scheme Fund Total		
			Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$			Hour	\$	Hour
Appointee	Brian Silvia	640.00	-	-	-	-	-	-	4.40	2,816.00	-	-	-	1.50	960.00	8.60	5,504.00	-	-	14.50	9,280.00	14.50	9,280.00
	Peter Krejci	640.00	-	-	-	-	-	-	-	-	-	-	-	-	-	6.40	4,096.00	-	-	6.40	4,096.00	6.40	4,096.00
			-	-	-	-	-	-	4.40	2,816.00	-	-	-	1.50	960.00	15.00	9,600.00	-	-	20.90	13,376.00	20.90	13,376.00
Principal	Ian Ferrier	640.00	-	-	-	-	-	-	-	-	-	-	-	-	1.00	640.00	-	-	1.00	640.00	1.00	640.00	
			-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	640.00	-	-	1.00	640.00	1.00	640.00
Director	Philip Armstrong	525.00	0.37	194.56	0.38	200.74	0.75	395.30	-	-	-	-	27.00	14,175.00	75.33	39,547.94	6.12	3,211.76	108.45	56,934.70	109.20	57,330.00	
	Peter Sheppard	525.00	-	-	-	-	-	-	-	-	-	-	-	-	0.30	157.50	-	-	0.30	157.50	0.30	157.50	
	David Diamond	500.00	-	-	-	-	-	-	13.00	6,500.00	13.00	6,500.00	-	-	31.50	15,750.00	-	-	57.50	28,750.00	57.50	28,750.00	
			0.37	194.56	0.38	200.74	0.75	395.30	13.00	6,500.00	13.00	6,500.00	27.00	14,175.00	107.13	55,455.44	6.12	3,211.76	166.25	85,842.20	167.00	86,237.50	
Manager	Jonathan Yee	420.00	-	-	-	-	-	-	0.20	84.00	-	-	2.80	1,176.00	-	-	-	-	3.00	1,260.00	3.00	1,260.00	
			-	-	-	-	-	-	0.20	84.00	-	-	2.80	1,176.00	-	-	-	-	3.00	1,260.00	3.00	1,260.00	
Supervisor	Ronnie Staub	340.00	1.21	410.00	0.68	230.00	1.89	640.00	78.00	26,520.00	-	-	-	-	30.79	10,470.00	10.82	3,680.00	119.61	40,670.00	121.50	41,310.00	
	Caine Hemsworth	340.00	-	-	-	-	-	-	-	-	-	-	17.50	5,950.00	76.50	26,010.00	-	-	94.00	31,960.00	94.00	31,960.00	
	Alva Zeng	340.00	0.32	108.00	-	-	0.32	108.00	-	-	-	-	-	-	52.18	17,742.00	-	-	52.18	17,742.00	52.50	17,850.00	
	David Cocker	340.00	-	-	-	-	-	-	-	-	-	-	17.90	6,086.00	-	-	-	-	17.90	6,086.00	17.90	6,086.00	
	Sonya Sethi	340.00	0.31	104.00	-	-	0.31	104.00	-	-	-	-	-	-	4.89	1,664.00	-	-	4.89	1,664.00	5.20	1,768.00	
			1.84	622.00	0.68	230.00	2.52	852.00	78.00	26,520.00	-	-	35.40	12,036.00	164.36	55,886.00	10.82	3,680.00	288.58	98,122.00	291.10	98,974.00	
Senior Accountant 2	Matthew Jacobs	240.00	1.12	268.24	-	-	1.12	268.24	96.50	23,160.00	-	-	5.00	1,200.00	29.48	7,075.76	-	-	130.98	31,435.76	132.10	31,704.00	
			1.12	268.24	-	-	1.12	268.24	96.50	23,160.00	-	-	5.00	1,200.00	29.48	7,075.76	-	-	130.98	31,435.76	132.10	31,704.00	
Intermediate 1	Sam Hyles	220.00	-	-	-	-	-	-	-	-	-	-	18.20	4,004.00	-	-	-	-	18.20	4,004.00	18.20	4,004.00	
			-	-	-	-	-	-	-	-	-	-	18.20	4,004.00	-	-	-	-	18.20	4,004.00	18.20	4,004.00	
Senior Administration	Jingbo Ren	180.00	-	-	-	-	-	-	-	-	-	-	-	-	17.80	3,204.00	-	-	17.80	3,204.00	17.80	3,204.00	
			-	-	-	-	-	-	-	-	-	-	-	-	17.80	3,204.00	-	-	17.80	3,204.00	17.80	3,204.00	
Junior Administration	Phoebe Fisk	130.00	-	-	-	-	-	-	-	-	-	-	-	-	0.10	13.00	-	-	0.10	13.00	0.10	13.00	
			-	-	-	-	-	-	-	-	-	-	-	-	0.10	13.00	-	-	0.10	13.00	0.10	13.00	
Grand Total			3.33	1,084.80	1.06	430.74	4.39	1,515.54	192.10	59,080.00	13.00	6,500.00	89.90	33,551.00	334.87	131,874.20	16.94	6,891.76	646.81	237,896.96	651.20	239,412.50	
GST			-	108.48	-	43.07	151.55	-	5,908.00	-	650.00	-	3,355.10	-	689.18	-	13,187.42	-	689.18	23,789.70	23,941.25	23,941.25	
Total (including GST)			-	1,193.28	-	473.81	1,667.09	-	64,988.00	-	7,150.00	-	36,906.10	-	145,061.62	-	7,580.94	-	7,580.94	261,686.66	263,353.75	263,353.75	
Average hourly rate (GST Exclusive)			-	325.77	-	406.36	345.23	-	307.55	-	500.00	-	373.20	-	393.81	-	406.83	-	406.83	367.80	367.80	367.65	

Note:  
 It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.  
 A judgment is made by the staff member as to the most appropriate allocation of that time.

FEA Plantations Limited  
 (Subject to Deed of Company Arrangements) (Receivers Appointed)  
 Summary of Deed Administrators' Remuneration  
 1 September 2012 to 12 September 2012

Title	Name	Rate	General Fund						Scheme Fund												Grand Total	
			Administration		s445F Creditors Report and Meeting Preparation		General Fund Total		Growers Correspondence, Reports and Contribution		Harvesting, Thinning and Maintenance for 1995 to 2002 Schemes		Leases and Legal Proceedings		MIS Administration and Restructure		s445F Creditors Report and Meeting Preparation		Scheme Fund Total			
			Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$		
Appointee	Brian Silvia	640.00	-	-	0.39	252.24	0.39	252.24	0.80	512.00	-	-	6.50	4,160.00	-	-	6.31	4,035.76	13.61	8,707.76	14.00	8,960.00
			-	-	0.39	252.24	0.39	252.24	0.80	512.00	-	-	6.50	4,160.00	-	-	6.31	4,035.76	13.61	8,707.76	14.00	8,960.00
Director	Philip Armstrong	525.00	-	-	-	-	-	-	4.40	2,310.00	-	-	13.20	6,930.00	26.40	13,860.00	-	-	44.00	23,100.00	44.00	23,100.00
	Peter Sheppard	525.00	-	-	0.48	253.24	0.48	253.24	-	-	-	-	15.00	7,875.00	-	-	7.72	4,051.76	22.72	11,926.76	23.20	12,180.00
	David Diamond	500.00	-	-	-	-	-	-	3.00	1,500.00	6.00	3,000.00	-	-	21.00	10,500.00	-	-	30.00	15,000.00	30.00	15,000.00
			-	-	0.48	253.24	0.48	253.24	7.40	3,810.00	6.00	3,000.00	28.20	14,805.00	47.40	24,360.00	7.72	4,051.76	96.72	50,026.76	97.20	50,280.00
Supervisor	Ronnie Staub	340.00	-	-	0.88	300.00	0.88	300.00	27.50	9,350.00	-	-	-	-	-	-	14.12	4,800.00	41.62	14,150.00	42.50	14,450.00
	Caine Hemsworth	340.00	-	-	-	-	-	-	-	-	-	-	16.00	5,440.00	16.00	5,440.00	-	-	32.00	10,880.00	32.00	10,880.00
	Alva Zeng	340.00	-	-	0.19	66.00	0.19	66.00	-	-	-	-	-	-	-	-	3.11	1,056.00	3.11	1,056.00	3.30	1,122.00
	David Cocker	340.00	-	-	-	-	-	-	-	-	0.50	170.00	4.60	1,564.00	-	-	-	-	5.10	1,734.00	5.10	1,734.00
				-	-	1.07	366.00	1.07	366.00	27.50	9,350.00	0.50	170.00	20.60	7,004.00	16.00	5,440.00	17.23	5,856.00	81.83	27,820.00	82.90
Senior Accountant 2	Matthew Jacobs	240.00	0.15	35.29	0.05	11.29	0.20	46.58	16.00	3,840.00	-	-	-	-	2.35	564.71	0.75	180.71	19.10	4,585.42	19.30	4,632.00
			0.15	35.29	0.05	11.29	0.20	46.58	16.00	3,840.00	-	-	-	-	2.35	564.71	0.75	180.71	19.10	4,585.42	19.30	4,632.00
Intermediate 1	Sam Hyles	220.00	-	-	-	-	-	-	-	-	-	-	2.80	616.00	-	-	-	-	2.80	616.00	2.80	616.00
			-	-	-	-	-	-	-	-	-	-	-	-	2.80	616.00	-	-	-	-	2.80	616.00
Senior Administration	Jingbo Ren	180.00	-	-	-	-	-	-	-	-	-	-	-	-	2.20	396.00	-	-	2.20	396.00	2.20	396.00
			-	-	-	-	-	-	-	-	-	-	-	-	-	2.20	396.00	-	-	2.20	396.00	2.20
<b>Grand Total</b>			0.15	35.29	1.99	882.77	2.14	918.06	51.70	17,512.00	6.50	3,170.00	58.10	26,585.00	67.95	30,760.71	32.01	14,124.23	216.26	92,151.94	218.40	93,070.00
GST			-	3.53	-	88.28	-	91.81	-	1,751.20	-	317.00	-	2,658.50	-	3,076.07	-	1,412.42	-	9,215.19	-	9,307.00
<b>Total (including GST)</b>			-	38.82	-	971.05	-	1,009.87	-	19,263.20	-	3,487.00	-	29,243.50	-	33,836.78	-	15,536.65	-	101,367.13	-	102,377.00
<b>Average hourly rate (GST Exclusive)</b>			-	235.27	-	443.60	-	429.00	-	338.72	-	487.69	-	457.57	-	452.70	-	441.24	-	426.12	-	426.14

**Note:**  
 It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.  
 A judgment is made by the staff member as to the most appropriate allocation of that time.

FEA Plantations Limited  
(Receivers & Managers Appointed) (Subject to Deed of Company Arrangement)  
Summary of Estimated Deed Administrators' Remuneration  
for the period 13 September 2012 to 26 September 2012

Title	Name	Rate	General Fund				Scheme Fund								Grand Total							
			Administration		s445F Creditors Report and Meeting Preparation		General Fund Total		Growers Correspondence, Reports and Contribution		Harvesting, Thinning and Maintenance for 1995 to 2002		Leases and Legal Proceedings		MIS Administration and Restructure		s445F Creditors Report and Meeting Preparation		Scheme Fund Total			
			Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$	Hour	\$		
Appointee	Brian Silvia	640.00	-	-	-	-	-	-	12.00	7,680.00	-	-	-	-	14.00	8,960.00	8.00	5,120.00	34.00	21,760.00	34.00	21,760.00
	Peter Krejci	640.00	-	-	-	-	-	-	2.00	1,280.00	-	-	-	-	2.00	1,280.00	1.00	640.00	5.00	3,200.00	5.00	3,200.00
			-	-	-	-	-	-	14.00	8,960.00	-	-	-	-	16.00	10,240.00	9.00	5,760.00	39.00	24,960.00	39.00	24,960.00
Director	David Diamond	500.00	-	-	-	-	-	-	4.00	2,000.00	8.00	4,000.00	-	-	10.00	5,000.00	-	-	22.00	11,000.00	22.00	11,000.00
	Peter Sheppard	525.00	1.00	525.00	-	-	1.00	525.00	2.00	1,050.00	-	-	10.00	5,250.00	4.00	2,100.00	6.00	3,150.00	22.00	11,550.00	23.00	12,075.00
	Phillip Armstrong	525.00	-	-	1.00	525.00	1.00	525.00	12.00	6,300.00	-	-	-	-	36.00	18,900.00	8.00	4,200.00	56.00	29,400.00	57.00	29,925.00
			1.00	525.00	1.00	525.00	2.00	1,050.00	18.00	9,350.00	8.00	4,000.00	10.00	5,250.00	50.00	26,000.00	14.00	7,350.00	100.00	51,950.00	102.00	53,000.00
Manager	Jonathan Yee	420.00	-	-	-	-	-	-	-	-	1.00	420.00	8.00	3,360.00	-	-	16.00	6,720.00	25.00	10,500.00	25.00	10,500.00
			-	-	-	-	-	-	-	-	1.00	420.00	8.00	3,360.00	-	-	16.00	6,720.00	25.00	10,500.00	25.00	10,500.00
Supervisor	Alva Zeng	340.00	-	-	2.00	680.00	2.00	680.00	16.00	5,440.00	-	-	-	-	8.00	2,720.00	20.00	6,800.00	44.00	14,960.00	46.00	15,640.00
	Caine Hemsworth	340.00	-	-	-	-	-	-	12.00	4,080.00	-	-	-	-	28.00	9,520.00	10.00	3,400.00	50.00	17,000.00	50.00	17,000.00
	Ronnie Staub	340.00	-	-	2.00	680.00	2.00	680.00	14.00	4,760.00	1.00	340.00	4.00	1,360.00	10.00	3,400.00	30.00	10,200.00	59.00	20,060.00	61.00	20,740.00
			-	-	4.00	1,360.00	4.00	1,360.00	42.00	14,280.00	1.00	340.00	4.00	1,360.00	46.00	15,640.00	60.00	20,400.00	153.00	52,020.00	157.00	53,380.00
Senior 2	Matthew Jacobs	240.00	1.00	240.00	2.00	480.00	3.00	720.00	26.00	6,240.00	-	-	2.00	480.00	12.00	2,880.00	38.00	9,120.00	78.00	18,720.00	81.00	19,440.00
			1.00	240.00	2.00	480.00	3.00	720.00	26.00	6,240.00	-	-	2.00	480.00	12.00	2,880.00	38.00	9,120.00	78.00	18,720.00	81.00	19,440.00
Intermediate 1	Sam Hyles	195.00	-	-	-	-	-	-	-	-	-	6.00	1,170.00	2.00	390.00	6.00	1,170.00	14.00	2,730.00	14.00	2,730.00	
			-	-	-	-	-	-	-	-	-	6.00	1,170.00	2.00	390.00	6.00	1,170.00	14.00	2,730.00	14.00	2,730.00	
Junior Administration	Phoebe Fisk	130.00	-	-	2.00	260.00	2.00	260.00	-	-	-	-	-	4.00	520.00	2.00	260.00	6.00	780.00	8.00	1,040.00	
			-	-	2.00	260.00	2.00	260.00	-	-	-	-	-	4.00	520.00	2.00	260.00	6.00	780.00	8.00	1,040.00	
Grand Total			2.00	765.00	9.00	2,625.00	11.00	3,390.00	100.00	38,830.00	10.00	4,760.00	30.00	11,620.00	130.00	55,670.00	145.00	50,780.00	415.00	161,660.00	426.00	165,050.00
GST				76.50		262.50		339.00		3,883.00		476.00		1,162.00		5,567.00		5,078.00		16,166.00		16,505.00
Total (including GST)				841.50		2,887.50		3,729.00		42,713.00		5,236.00		12,782.00		61,237.00		55,858.00		177,826.00		181,555.00
Average hourly rate (GST Exclusive)				382.50		291.67		308.18		388.30		476.00		387.33		428.23		350.21		389.54		387.44

Note:  
It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.  
A judgment is made by the staff member as to the most appropriate allocation of that time.

# Remuneration Approval Request Report

Forest Enterprises Australia Limited  
(Subject to Deed of Company Arrangement)  
(Receivers & Managers Appointed)  
ACN 009 553 548

13 September 2012

Brian Silvia  
Peter Krejci  
Deed Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848  
Level 30, Australia Square, 264 George Street, Sydney NSW 2000  
GPO Box 7079, Sydney NSW 2001  
Phone (02) 8263 2300  
Facsimile (02) 8263 2399  
Email: [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)



**TABLE OF CONTENTS**

<b>1</b>	<b>DECLARATION.....</b>	<b>3</b>
<b>2</b>	<b>DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED .....</b>	<b>3</b>
	2.1 Remuneration for the period 1 August 2012 to 31 August 2012 .....	3
	2.2 Remuneration for the period 1 September 2012 to 12 September 2012.....	4
<b>3</b>	<b>FURTHER REMUNERATION – DESCRIPTION OF WORK TO BE COMPLETED .....</b>	<b>4</b>
	3.1 Remuneration for the period 13 September 2012 to 26 September 2012.....	4
<b>4</b>	<b>LIQUIDATORS’ REMUNERATION.....</b>	<b>5</b>
<b>5</b>	<b>PAST REMUNERATION .....</b>	<b>5</b>
<b>6</b>	<b>CALCULATION OF REMUNERATION .....</b>	<b>5</b>
	6.1 Remuneration Matrix .....	5
	6.2 Disbursements.....	5
<b>7</b>	<b>SUPPORTING INFORMATION.....</b>	<b>6</b>
	7.1 Summary of Receipts and Payments .....	6
	7.2 Statement of Remuneration Claim.....	6
	7.3 Queries .....	7
<b>8</b>	<b>INFORMATION SHEET .....</b>	<b>7</b>
<b>9</b>	<b>REMUNERATION MATRIXES .....</b>	<b>8</b>

## 1 DECLARATION

We, Brian Silvia and Peter Krejci of BRI Ferrier NSW have undertaken a proper assessment of this remuneration claim for our appointment as the Deed Administrators of FEA Plantations Limited in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed or to be properly performed, in the conduct of the Administration.

## 2 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED

The tasks which Deed Administrators undertake can be broadly divided into seven categories. These are:

- Administration
- Creditors

Information on the above categories is summarised below to enable creditors to understand the type and purpose of work being undertaken.

<b>Company</b>	Forest Enterprises Australia Limited	<b>Period From</b>	1 August 2012	<b>To</b>	26 September 2012
<b>Practitioner</b>	Brian Silvia Peter Krejci	<b>Firm</b>	BRI Ferrier NSW		
<b>Administration Type</b>	Deed Administration				

### 2.1 REMUNERATION FOR THE PERIOD 1 AUGUST 2012 TO 31 AUGUST 2012

We provide the details of work undertaken and remuneration incurred for the period 1 August 2012 to 31 August 2012 as follows:

Task Area	General Description	Includes
<b>Administration</b> 1.20 hours \$308.00	Correspondence	Correspondence with Receivers and their legal advisors.
	Insurance	Renew QLD and TAS workers compensation insurance.
	ASIC Form 524 and other forms	Preparing and lodging ASIC Forms 524.
<b>Creditors</b> 14.90 hours \$4,916.00	Books and records / storage	General documentation and filing of case paper work.
	Creditor enquiries	Review and prepare correspondence to creditors and their representatives by facsimile, email and post. Correspondence with Committee of Inspection ("COI") members.
	Meeting of Creditors	Prepare and Finalise 445F Report to Creditors.

Task Area	General Description	Includes
		Prepare the Twentieth COI Report and annexures. Prepare for and convene the Twentieth COI meeting. Prepare meeting minutes and lodge with ASIC.

## 2.2 REMUNERATION FOR THE PERIOD 1 SEPTEMBER 2012 TO 12 SEPTEMBER 2012

We provide the details of work undertaken and remuneration incurred for the period 1 September 2012 to 12 September 2012 as follows:

Task Area	General Description	Includes
<b>Administration</b>  0.70 hours \$168.00	Correspondence	Correspondence with Receivers and their legal advisors.
	ASIC Form 524 and other forms	Bookkeeping.
	Books and records / storage	General documentation and filing of case paper work.
<b>Creditors</b>  6.00 hours \$2,040.00	Creditor enquiries	Review and prepare correspondence to creditors and their representatives by facsimile, email and post. Correspondence with Committee of Inspection ("COI") members.
	Meeting of Creditors	Prepare and Finalise 445F Report to Creditors.

## 3 FURTHER REMUNERATION – DESCRIPTION OF WORK TO BE COMPLETED

### 3.1 REMUNERATION FOR THE PERIOD 13 SEPTEMBER 2012 TO 26 SEPTEMBER 2012

We provide the details of work undertaken and remuneration incurred for the period 13 September 2012 to 26 September 2012 as follows:

Task Area	General Description	Includes
<b>Administration</b>  20.00 hours	Correspondence	Correspondence with Receivers and their legal advisors.
	ASIC Form 524 and other forms	Bookkeeping.

Task Area	General Description	Includes
<b>\$5,800.00</b>  <b>Creditors</b>  <b>32.00 hours</b>  <b>\$9,880.00</b>	Books and records / storage	General documentation and filing of case paper work.
	Creditor enquiries	Review and prepare correspondence to creditors and their representatives by facsimile, email and post. Correspondence with Committee of Inspection (“COI”) members. General correspondence with Creditors regarding 445F Report and meeting attendance.
	Meeting of Creditors	Distribute 445F Report to Creditors. Prepare the Twenty-first COI Report and annexures. Prepare for and convene 445F Creditors meeting. Prepare meeting minutes and lodge with ASIC.

## 4 LIQUIDATORS’ REMUNERATION

We do not intend to seek creditor approval of the Liquidators’ (if appointed) future remuneration at the forthcoming meeting. Approval would be sought at a later point from a committee of inspection (if formed), creditors generally or failing that, court.

## 5 PAST REMUNERATION

To date remuneration totalling \$377,945.00 has been approved in this Deed Administration. This remuneration has not been paid.

## 6 CALCULATION OF REMUNERATION

### 6.1 REMUNERATION MATRIX

The remuneration request is summarised by employee and by area of activity on the attached Remuneration Matrix for the period 1 August 2012 to 31 August 2012, 1 September 2012 to 12 September 2012 and the estimated Remuneration Matrix for the period 13 September 2012 to 26 September 2012.

### 6.2 DISBURSEMENTS

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

A disbursements are all externally provided professional services. These are recovered at cost. An example of an A disbursement is legal fees.

B1 disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost.

B2 disbursements are internally provided non-professional costs such as photocopying, printing and postage. B2 disbursements are generally charged at cost; though some expenses such as



telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

As the Deed Administrators we are not required to seek creditor approval for disbursements, but must account to creditors. For internal assistance, or B2 type disbursements, this includes providing to creditors as part of the remuneration report details of the basis of charging for these types of disbursements.

Creditors have the right to question the incurring of the disbursements and can challenge disbursements in court.

Detailed below is a summary of the disbursements incurred for the period 1 August 2012 to 31 August 2012:

Item	1 August 2012 to 31 August 2012	Expense Category
Document Storage	221.24	B1
Insurance	1,714.89	A
<b>Total</b>	<b>\$1,936.13</b>	

Having reviewed these disbursements, I declare that the disbursements were necessary and proper.

## 7 SUPPORTING INFORMATION

### 7.1 SUMMARY OF RECEIPTS AND PAYMENTS

There were no receipts and payments to and from the external Administration bank account. All administration expenses were funded by BRI Ferrier (NSW) Pty Ltd as client disbursements.

### 7.2 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from Creditors for the Deed Administrators' Remuneration for the period 1 August 2012 to 26 September 2012:

- ▲ *Deed Administrators' Remuneration for the period 1 August 2012 to 31 August 2012*

*"That the remuneration of the Joint and Several Deed Administrators from the period 1 August 2012 to 31 August 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$5,224.00 plus GST and that the Deed Administrators be authorised to draw that amount."*

- ▲ *Deed Administrators' Remuneration for the period 1 September 2012 to 12 September 2012*

*"That the remuneration of the Joint and Several Deed Administrators from the period 1 September 2012 to 12 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$2,208.00 plus GST and that the Deed Administrators be authorised to draw that amount."*

- ▲ *Deed Administrators' Remuneration for the period 13 September 2012 to 26 September 2012*

*“That the remuneration of the Joint and Several Deed Administrators from the period 13 September 2012 to 30 September 2012 be fixed and approved in accordance with the rates of charge issued from time to time by BRI FERRIER to a limit of \$15,680.00 plus GST and that the Deed Administrators be authorised to draw that amount.”*

### 7.3 QUERIES

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Deed Administrators’ office to seek further information concerning the remuneration claim if they so need.

## 8 INFORMATION SHEET

The IPA has produced a document entitled: “Creditors Information Sheet: Approving Remuneration in External Administrations” which can be downloaded from the IPA Website [www.ipaa.com.au](http://www.ipaa.com.au) or can be obtained from this office.

## 9 REMUNERATION MATRIX

1 AUGUST 2012 TO 31 AUGUST 2012

1 SEPTEMBER 2012 TO 12 SEPTEMBER 2012

13 SEPTEMBER 2012 TO 26 SEPTEMBER 2012

**Forest Enterprises Australia Limited**  
**(Subject to Deed of Company Arrangement) (Receivers & Managers Appointed)**  
**Summary of Deed Administrators' Remuneration**  
**for the period 1 August 2012 to 31 August 2012**

Title	Name	Rate	Administration		Creditors		Total	
			Hour	\$	Hour	\$	Hour	\$
Supervisor	Ronnie Staub	340.00	-	-	12.50	4,250.00	12.50	4,250.00
	Alva Zeng	340.00	0.20	68.00	0.90	306.00	1.10	374.00
			<b>0.20</b>	<b>68.00</b>	<b>13.40</b>	<b>4,556.00</b>	<b>13.60</b>	<b>4,624.00</b>
Senior Accountant 2	Matthew Jacobs	240.00	1.00	240.00	1.50	360.00	2.50	600.00
			<b>1.00</b>	<b>240.00</b>	<b>1.50</b>	<b>360.00</b>	<b>2.50</b>	<b>600.00</b>
<b>Grand Total</b>			<b>1.20</b>	<b>308.00</b>	<b>14.90</b>	<b>4,916.00</b>	<b>16.10</b>	<b>5,224.00</b>
<b>GST</b>				<b>30.80</b>		<b>491.60</b>		<b>522.40</b>
<b>Total (including GST)</b>				<b>338.80</b>		<b>5,407.60</b>		<b>5,746.40</b>
<b>Average hourly rate (GST Exclusive)</b>				<b>256.67</b>		<b>329.93</b>		<b>324.47</b>

Note:

It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.

A judgment is made by the staff member as to the most appropriate allocation of that time.

**Forest Enterprises Australia Limited**  
**(Subject to Deed of Company Arrangement) (Receivers & Managers Appointed)**  
**Summary of Deed Administrators' Remuneration**  
**for the period 1 September 2012 to 12 September 2012**

Title	Name	Rate	Administration		Creditors		Total	
			Hour	\$	Hour	\$	Hour	\$
Supervisor	Ronnie Staub	340.00	-	-	6.00	2,040.00	6.00	2,040.00
			-	-	6.00	2,040.00	6.00	2,040.00
Senior Accountant 2	Matthew Jacobs	240.00	0.70	168.00	-	-	0.70	168.00
			0.70	168.00	-	-	0.70	168.00
<b>Grand Total</b>			<b>0.70</b>	<b>168.00</b>	<b>6.00</b>	<b>2,040.00</b>	<b>6.70</b>	<b>2,208.00</b>
<b>GST</b>				<b>16.80</b>		<b>204.00</b>		<b>220.80</b>
<b>Total (including GST)</b>				<b>184.80</b>		<b>2,244.00</b>		<b>2,428.80</b>
<b>Average hourly rate (GST Exclusive)</b>				<b>240.00</b>		<b>340.00</b>		<b>329.55</b>

Note:

It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.

A judgment is made by the staff member as to the most appropriate allocation of that time.

**Forest Enterprises Australia Limited**  
**(Subject to Deed of Company Arrangement) (Receivers & Managers Appointed)**  
**Summary of Deed Administrators' Remuneration**  
**for the period 13 September 2012 to 26 September 2012**

Title	Name	Rate	Administration		Creditors		Total	
			Hour	\$	Hour	\$	Hour	\$
Appointee	Brian Silvia	640.00	-	-	5.00	3,200.00	5.00	3,200.00
			-	-	<b>5.00</b>	<b>3,200.00</b>	5.00	3,200.00
Executive Director	Philip Armstrong	525.00	-	-	5.00	2,625.00	5.00	2,625.00
			-	-	<b>5.00</b>	<b>2,625.00</b>	<b>5.00</b>	<b>2,625.00</b>
Supervisor	Ronnie Staub	340.00	10.00	3,400.00	8.00	2,720.00	18.00	6,120.00
	Caine Hemsworth	340.00	-	-	4.00	1,360.00	4.00	1,360.00
	Alva Zeng	340.00	-	-	10.00	3,400.00	10.00	3,400.00
				<b>10.00</b>	<b>3,400.00</b>	<b>22.00</b>	<b>7,480.00</b>	<b>32.00</b>
Senior Accountant 2	Matthew Jacobs	240.00	10.00	2,400.00	10.00	2,400.00	20.00	4,800.00
					<b>10.00</b>	<b>2,400.00</b>	<b>10.00</b>	<b>2,400.00</b>
<b>Grand Total</b>			<b>20.00</b>	<b>5,800.00</b>	<b>32.00</b>	<b>9,880.00</b>	<b>52.00</b>	<b>15,680.00</b>
<b>GST</b>				<b>580.00</b>		<b>988.00</b>		<b>1,568.00</b>
<b>Total (including GST)</b>				<b>6,380.00</b>		<b>10,868.00</b>		<b>17,248.00</b>
<b>Average hourly rate (GST Exclusive)</b>				<b>290.00</b>		<b>308.75</b>		<b>301.54</b>

Note:

It should be noted that, whilst all care is taken to correctly allocate the time spent, there will be occasions on which the allocation is somewhat arbitrary.

A judgment is made by the staff member as to the most appropriate allocation of that time.