

MINUTES OF A MEETING OF CREDITORS OF THE FOLLOWING COMPANIES HELD AT THE OFFICES OF DELOITTE, 60 STATION STREET, PARRAMATTA NSW 2150 ON TUESDAY 16 SEPTEMBER 2014 AT 2:00 PM:

- ACN 000 237 678 PTY LTD (ADMINISTRATORS APPOINTED) (FORMERLY CUSTOM COACHES (SALES) PTY LTD) ACN 000 237 678
  - ACN 111 744 560 PTY LTD (ADMINISTRATORS APPOINTED) (FORMERLY CUSTOM COACHES PTY LTD) ACN 111 744 560
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#### PRESENT

Refer to the attached list at **Annexure A**.

#### IN ATTENDANCE

Refer to the attached list at:

- ACN 000 237 678 Pty Ltd (Administrators Appointed) (formerly Custom Coaches (Sales) Pty Ltd) ACN 000 237 678 – **Annexure B**.
- ACN 111 744 560 Pty Ltd (Administrators Appointed) (formerly Custom Coaches Pty Ltd) ACN 111 744 560 – **Annexure C**.

#### PRESENTATION SLIDES

Refer to the attached slides at **Annexure D**.

#### CHAIRPERSON

Vaughan Strawbridge, the Administrator of ACN 000 237 678 Pty Ltd (Administrators Appointed) (formerly Custom Coaches (Sales) Pty Ltd) ACN 000 237 678 (“CCSPL”) and ACN 111 744 560 Pty Ltd (Administrators Appointed) (formerly Custom Coaches Pty Ltd) ACN 111 744 560 (“CCPL”), declared the meetings open at 2:00pm.

Mr Strawbridge advised that he would act as the Chairperson of the meetings pursuant to Section 439B(1) of the Corporations Act 2001 (“the Act”) and Regulation 5.6.17(1) of the Corporations Regulations. The Chairperson advised that the Joint Administrator Timothy Norman was not present at the meeting and passed on his apologies.

The Chairperson advised that this was the second meeting of creditors for CCSPL and CCPL. Mr Strawbridge noted that the Administrator would refer to these companies separately as CCSPL and CCPL respectively and collectively as the Companies throughout the meeting.

Mr Strawbridge introduced Dan Rose and Andrew Stewart who are assisting the Administrators in the day to day management of the Companies under administration.

#### MEETINGS TO BE HELD CONCURRENTLY

The Chairperson declared the meetings for CCSPL and CCPL were being held concurrently.

Mr Strawbridge advised that any resolutions put to creditors would be done separately in respect of each company.

#### EXTENSION OF THE CONVENING PERIOD

The Chairperson advised creditors that the convening period to hold the second meeting of creditors was extended following an application to the Federal Court of Australia (“the Court”) for an extension of the convening period for a period of up to 90 days.

Mr Strawbridge confirmed that the Administrators had sought the extension to enable them sufficient time to run a full and thorough sale and marketing campaign for the business, in order to maximise the return for

creditors. The Application was heard in the Court on Wednesday 25 June 2014. The Court granted orders to extend the convening period to Monday 29 September 2014 meaning the second meeting of creditors may be held at any time up to Tuesday 7 October 2014.

#### NOTICE OF MEETING

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated Monday 8 September 2014 and that the meeting was advertised in the Australian Securities and Investments Commission ("ASIC") Insolvency Notices website <https://insolyncynotices.asic.gov.au> on Monday 8 September 2014.

#### PURPOSE OF MEETING

As set out in the agenda, the Chairperson outlined the main purpose of the meeting as follows:

1. Receive a Report from the Administrators pursuant to Section 439A of the Act ("Report to Creditors")
2. For creditors to resolve for each company:
  - a. that the company execute a Deed of Company Arrangement; or
  - b. that the administration should end; or
  - c. that the company be wound up
3. To fix the remuneration of the Joint Administrators
4. If each company is wound up, to consider appointing a Committee of Inspection
5. To fix the remuneration of the Liquidators
6. To consider the destruction of the books and records at the conclusion of the winding up
7. Any other business that may be lawfully brought forward.

#### DECLARATION OF CONVENIENCE

The Chairperson advised that the Administrators had not received any objections that the time and place was not convenient for this meeting. Therefore pursuant to Regulation 5.6.14 of the Corporations Regulations, Mr Strawbridge confirmed that the meeting was being held at a date, time and place convenient to the majority of persons entitled to receive notice of the meeting.

#### QUORUM

The Chairperson declared that a quorum was present for the meeting of creditors of CCSPL as per the requirements set out in Regulation 5.6.16(2) of the Corporations Regulations.

Mr Strawbridge advised that whilst the Chairperson had received one proxy for CCPL, the Administrators were aware of three creditors with claims against CCPL. As a result, the Chairperson noted that the second meeting of creditors for CCPL would be adjourned for thirty minutes as no quorum was present pursuant to Corporations Regulation 5.6.16(2). Mr Strawbridge confirmed that if no quorum was present within thirty minutes, the meeting for CCPL would be adjourned to the same time and place on Tuesday 23 September 2014.

#### DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

The Chairperson advised that there had been no changes to the Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") provided with the first circular to creditors on Monday 2 June 2014. Mr Strawbridge noted that a copy of the DIRRI was also attached at Appendix A of the Report to Creditors dated Monday 8 September 2014.

Mr Strawbridge confirmed the Administrators had no conflict to continue to Act as Administrators or Liquidators for the Companies.

#### PROXIES AND ATTENDANCE REGISTER

The Chairperson confirmed that all those present at the meeting had signed the attendance register and provided proxies and requested any non-creditors to identify themselves. No additional non-creditor parties identified themselves at the meeting.

The Chairperson tabled the proxies and advised those at the meeting they were available for inspection.

Mr Strawbridge advised the Chairperson held the following proxies:

<b>Proxy Type (General / Special)</b>	<b>Amount Admitted for Voting Purposes (\$)</b>
One General Proxy	2,425.50
Two Special Proxies	87,047.88

#### TABLING OF DOCUMENTS

The Chairperson then tabled the following documents:

1. Notice of Meeting of Creditors of the Companies dated 8 September 2014
2. Advertisement on the ASIC Insolvency Notices website dated 8 September 2014
3. DIRRI dated 2 June 2014
4. Report to Creditors dated 8 September 2014 and
5. Form 530 - The Statement in Writing of Posting of Notice of Meeting dated 8 September 2014.

As there were no objections, the Chairperson took the tabled documents as being read.

#### QUESTIONS FROM CREDITORS

The Chairperson asked the meeting if there were any questions.

There were no questions from creditors at this time.

#### REPORT OF THE ADMINISTRATORS

The Administrator gave a brief presentation to creditors on the contents of the Report to Creditors (see **Annexure D**).

Mr Strawbridge outlined the purpose of the meeting was to resolve one of the following three options for each company:

- that the company execute a Deed of Company Arrangement; or
- that the administration should end; or
- that the company be wound up.

The Administrator outlined the salient matters addressed in the Report to Creditors as summarised under the following headings:

- Executive Summary
- Introduction
- Background Information
- Directors' Report as to Affairs

- Historical Financial Performance
- The Administrators' Strategy
- Investigations
- Distribution to Priority Creditors
- Fair Entitlements Guarantee
- Estimated Return from a Winding Up
- Administrators Opinion
- Other Material Information
- Remuneration
- Meeting

### RECOMMENDATION

The Administrator recommended that both CCSPL and CCPL be wound up as no Deed of Company Arrangement proposal had been received and both companies remain insolvent and unable to pay their debts. Mr Strawbridge advised that if the Voluntary Administration was to end for each company and handed back to the directors, the directors would reappoint Voluntary Administrators or appoint Liquidators and therefore this option would pose no benefit for creditors.

### INVESTIGATIONS

The Administrator advised that a preliminary investigation had been undertaken into the affairs of the Companies in relation to suspected contraventions of Section 180 - 184 of the Act regarding the general duties of directors and officers.

The Chairperson specified that the Directors had possibly contravened Section 181 of the Act by not acting with the standard of care and diligence required or in good faith by having audited annual financial reports lodged with the ASIC in respect of CCSPL. The timeframe for a large proprietary company to lodge a copy of their financial statements with the ASIC is 4 months after the end of financial year.

The Administrators advised they had reported this breach to the ASIC pursuant to Section 438D of the Act.

Mr Strawbridge noted that the Administrators had also conducted a preliminary investigation as to whether CCSPL and CCPL were trading whilst insolvent. Creditors were advised that the Administrators' investigations to date identified that both CCSPL and CCPL had access to funding from the Ultimate Parent Company, Alexander Dennis Limited ("ADL") until 23 May 2014. The Administrators advised that at this stage of their investigations, they had no reason to believe the directors had traded the Companies whilst insolvent. The Chairperson also noted that the Administrators had no evidence to suggest that ADL traded either CCSPL or CCPL whilst insolvent.

The Chairperson requested that if creditors had any further information to assist the Administrators' with their investigations to contact the Administrators' office as soon as possible.

### QUESTIONS FROM CREDITORS

The meeting was then opened for discussion. There were questions asked on the following topics:

- The rationale for Paul Davies resigning as a director of both CCSPL and CCPL during the month of April 2014
- Preliminary investigation undertaken by the Administrators with respect to insolvent trading
- Estimated return for employees of CCSPL
- Fair Entitlements Guarantee ("FEG") Scheme.

## VOTING ON THE RESOLUTIONS

The Chairperson advised that all motions were to be resolved on the voices unless a poll was demanded (Regulation 5.6.19 and 5.6.20 of the Corporations Regulations).

A poll could be demanded before or on the declaration of a result on the voices by:

- The Chairperson; or
- At least two persons present in person, by proxy or by attorney and entitled to vote at the meeting; or
- A person present in person, by proxy or by attorney and representing not less than 10% of the total voting rights of all creditors entitled to vote at the meeting.

The Chairperson advised that a resolution on a poll is carried if:

- a majority of the creditors voting (whether in person, by attorney or by proxy) vote in favour of; and
- the value of the debts owed by the corporation to those voting in favour is more than half the total debts owed to all creditors voting.

## RESOLUTIONS

The following resolutions were put to creditors of CCSPL:

### **Resolution 1**

The Chairperson referred to the Administrators' Report to Creditors in which the Administrators set out their opinions on the alternatives for CCSPL:

- a. the company execute a deed of company arrangement; or
- b. the administration end; or
- c. the company be wound up.

The Chairperson recommended that the company be wound up and moved the following resolution:

*"That the company be wound up and Vaughan Strawbridge and Timothy Norman be appointed Joint and Several Liquidators."*

The Chairperson declared the resolution carried on the voices.

The next resolutions are in respect to the Administrators' fees. In Appendix E of the Report to Creditors, the Administrators set out for creditors a summary of remuneration of the Administration period.

### **Resolution 2**

The proposed resolution for creditors to approve the Joint and Several Administrators' remuneration for the period 16 August 2014 to 31 August 2014:

*"That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 16 August 2014 to 31 August 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$184,747.00 plus GST plus disbursements equalling \$2,042.21 plus GST, and that the Administrators can draw the remuneration and disbursements as required."*

The Chairperson declared the resolution had been carried on the voices.

### **Resolution 3**

The proposed resolution for creditors to approve the Joint and Several Administrators' remuneration for the period 1 September 2014 to 16 September 2014:

*"That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 1 September 2014 to 16 September 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$181,523.50 plus GST and disbursements, and that the Administrators can draw the remuneration and disbursements as incurred. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should the fees be a greater amount, then the amount will be subject to a separate fee approval and will not be drawn until approved."*

The Chairperson declared the resolution had been carried on the voices.

In Appendix E of the Report to Creditors, the Administrators set out for creditors a summary of expected remuneration for the Liquidation period.

### **Resolution 4**

The proposed resolution for creditors to approve the Joint and Several Liquidators' remuneration for the period 17 September 2014 to 16 December 2014:

*"That the remuneration of the Liquidators, their partners and staff, for the period of the Liquidation from 17 September 2014 to 16 December 2014 is fixed at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$250,000 plus GST and disbursements, and that the Liquidators can draw the remuneration and disbursements as incurred. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should the fees be a greater amount, then the amount will be subject to a separate fee approval and will not be drawn until approved."*

The Chairperson declared the resolution had been carried on the voices.

### **Resolution 5**

The Chairperson outlined the rationale and purpose of a Committee of Inspection during a winding up of a company. The following resolution was put forward to creditors regarding a Committee of Inspection"

*"That a Committee of Inspection be appointed."*

The Chairperson declared that the resolution was not carried and that no Committee of Inspection will be appointed.

Mr Strawbridge advised that creditors and employees will be kept up to date regarding developments during the winding up of CCSPL.

### **Resolution 6**

The Chairperson advised that the next resolution for creditors to consider was for creditors to elect for the early destruction of the books and records of CCSPL.

Mr Roger Partington of Queensland Thermo King asked the Chairperson as to whether the early destruction of books and records would have any effect on legal proceedings with respect to claims on the Personal Property Securities Register.

The Chairperson advised that should creditors resolve for the early destruction of the books and records of CCSPL, this would not affect any legal proceedings as the records would not be destroyed until 6 months after the dissolution of the Company. Approval must also be sought from the ASIC.

The proposed resolution for the early books and records destruction for CCSPL:

*"That subject to obtaining the approval of the Australian Securities and Investments Commission under section 542(4) of the Corporations Act 2001, the books and records of the Company and of the Liquidation be disposed of by the Liquidators 6 months after the dissolution of the Company or earlier at the discretion of the Australian Securities and Investments Commission."*

The Chairperson declared the resolution had been carried on the voices.

#### ADJOURNMENT OF THE SECOND MEETING OF CREDITORS OF CCPL

Mr Strawbridge advised that as the thirty minute adjournment for the second meeting of creditors for CCPL had now lapsed, and no quorum was present in accordance with Corporations Regulation 5.6.16(2), the meeting for CCPL had been adjourned to the same time and place in seven (7) days for Tuesday 23 September 2014 at 2:00pm. The Chairperson advised that a notice of the adjourned second meeting of creditors would be sent to the three known creditors. The Administrator recommended that it was in creditors' best interest for CCPL to be wound up as no deed of company Arrangement proposal had been received and CCPL remains insolvent and unable to pay its debts. Mr Strawbridge advised that if the Voluntary Administration was to end and the company is handed back to the directors, the directors would reappoint Voluntary Administrators or appoint Liquidators and this option would therefore pose no benefit for creditors.

#### OTHER BUSINESS

The Chairperson asked if there were any other questions.

Sean Morgan of the Australian Manufacturing Workers Union asked the Administrator as to when FEG would recognise CCSPL being in Liquidation.

The Chairperson advised that the Liquidators would be lodging a notice with the ASIC regarding the liquidation of CCSPL shortly following the closure of the meeting.

No further business was brought forward at this time.

#### CLOSURE

There being no further business, the Chairperson thanked those present for attending declared the meeting closed at 2:40pm.

Signed as a correct record.

DATED this 26th day of September 2014.



**VAUGHAN STRAWBRIDGE**  
CHAIRPERSON

**ADMINISTRATORS' STAFF IN ATTENDANCE**

ACN 000 237 678 PTY LTD (ADMINISTRATORS APPOINTED)  
(FORMERLY CUSTOM COACHES (SALES) PTY LTD) ACN 000 237 678

ACN 111 744 560 PTY LTD (ADMINISTRATORS APPOINTED)  
(FORMERLY CUSTOM COACHES PTY LTD) ACN 111 744 560

<b>Staff</b>	<b>Organisation</b>
Vaughan Strawbridge	Deloitte Touche Tohmatsu
Dan Rose	Deloitte Touche Tohmatsu
Andrew Stewart	Deloitte Touche Tohmatsu
Paul Bennett	Deloitte Touche Tohmatsu
Chris Wollinski	Deloitte Touche Tohmatsu
Emma Henderson	Deloitte Touche Tohmatsu
Muhammad Satti	Deloitte Touche Tohmatsu



**Deloitte.**



ACN 000 237 678 Pty Ltd  
(Formerly Custom Coaches (Sales) Pty Ltd)  
ACN 000 237 678

ACN 111 744 560 Pty Ltd  
(Formerly Custom Coaches Pty Ltd)  
ACN 111 744 560

(All Administrators Appointed)

**Second Meeting of Creditors**  
**Tuesday 16 September 2014 2:00pm EST**

## **Second Creditors' Meetings**

ACN 000 237 678 Pty Ltd  
(Formerly Custom Coaches (Sales) Pty Ltd)  
ACN 000 237 678 ("CCSPL")

ACN 111 744 560 Pty Ltd  
(Formerly Custom Coaches Pty Ltd)  
ACN 111 744 560 ("CCPL")

(All Administrators Appointed)

Opening of the meeting by the Chairperson  
Vaughan Strawbridge, Deloitte – Joint Administrator

## **Second Creditors' Meetings**

### **Extension to the convening period**

Application made to Court on 25 June to extend convening period for up to 90 days.

Extension sought to run proper sale and marketing campaign.

Court extended convening period to Tuesday, 7 October 2014 to hold second meeting.

Meeting being held as early as possible following the sale of the business.

A copy of the Court Order published on Deloitte website:  
[www.deloitte.com/au/custom-coaches](http://www.deloitte.com/au/custom-coaches).

# Agenda

- Purpose
- Actions by the Administrators
- Summary of 439A Report
- Estimated Statement of Position for Creditors
- Questions from the floor
- Voting / resolutions / Creditors' Committee Appointment
- Questions and any other business
- Closure

# Purpose

**The process has four distinct phases:**

- Administrators' appointment & First Meeting
- Investigation and trading period (including the sale of business)
- Second (439A) Meeting of creditors
- Implementation of the agreed course of action

# Purpose

## The Second (439A) Meeting:

The Administrators have conducted an investigation into the affairs of the companies.

Purpose of the meeting is to resolve one of the following for CCSPL and CCPL:

- The company enter into a Deed of Company Arrangement
- The administration end and control returned to the directors, or
- The administration end and the company be wound up.

Creditors have the benefit of the Administrators' report and must resolve which of the options they wish the companies to adopt.

**We recommend that both CCSPL and CCPL be wound up as there are no proposals for a DOCA and both companies remain insolvent.**

## **Actions by the Administrators**

**CCSPL – all trading conducted through this entity**

**CCPL – non-trading entity which held lease of Royal Park SA property**

### **Decision to trade the business**

On appointment, we took control of all operations and affairs of the companies. We continued to trade the business whilst undertaking an urgent assessment of CCSPL's financial position.

Achieving a going concern sale of the business was in the creditors' best interests:

- maximises realisations of CCSPL's assets
- minimises creditors' claims.

### **Issues on appointment**

- CCSPL's significant trading losses
- Securing support of key customers
- High level of ROT claims per PPSR.

# **Actions by the Administrators**

## **The Administrators' Strategy (cont'd)**

Immediate steps taken to stabilise business and minimise trading losses:

- Rationalisation process across all operating sites (NSW, SA, QLD, VIC)
- Successful negotiations with key customers and suppliers.

Key actions included:

- Staff redundancies
- Streamlining stock ordering
- Review of inventory and raw materials
- Improved working capital management
- Agreements with OEMs to continue producing buses.



# Actions by the Administrators

## Administrators' Trading (cont'd)

Below is a summary of the key dates and events in respect of our trading period:

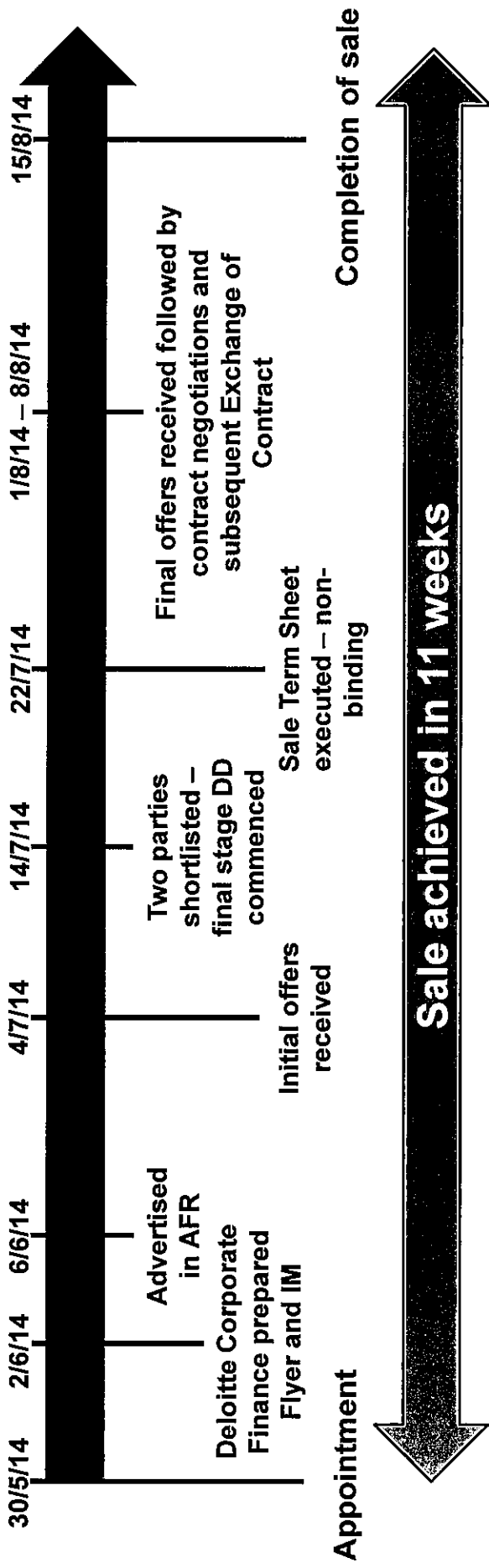
<b>Date</b>	<b>Event</b>
30 May 2014	Number of buses in WIP on appointment: 31
3 June 2014	Number of employees on appointment: 281
	First round of redundancies. A total of 51 employees made redundant across four states:
	- 30 in NSW
	- 19 in SA
	- 1 in Victoria
	- 1 in Queensland
17 July 2014	Announcement made to SA employees regarding intended closure of the site at Royal Park (details of the closure are in Section 6.2.1 below).
15 August 2014	Number of buses completed by Administrators: 43
	Number of buses in WIP sold to the Purchaser: 19
29 August 2014	Final buses completed and delivered in Royal Park. 23 staff made redundant.
1 September 2014	The aftermarket operation in Arundel Queensland was closed.
2 September 2014	Online auction of excess plant and equipment in Royal Park SA site is finalised.
9 September 2014	Closure date of Royal Park SA site.

# Actions by the Administrators

## Sale of Business to Custom Bus Australia Pty Ltd (“CBA”)

Given the historic and continuing trading losses as well as limited external funding available to us to trade the business, a fast-track sale of the business was necessary to be implemented.

Below is the timeline of the sale process:



# Actions by the Administrators

**Sale of Business to Custom Bus Australia Pty Ltd (“CBA”)** (cont’d)  
Business sale flyer and Information Memorandum circulated throughout the Deloitte network.

We contacted parties we believed could be interested in the business:

- Trade buyers in Australia and overseas
- Financial buyers
- Manufacturers where synergies could be capitalised within their existing businesses.

<b><u>Key Statistics for Sale of Business Campaign</u></b>	
Interested parties listing	50
Expressions of interest received	25
Confidentiality Agreements executed	19
Short-listed due diligence parties	9
Formal offers for the business	2

## **Actions by the Administrators**

### **Sale of Business to Custom Bus Australia Pty Ltd (“CBA”) (cont’d)**

Two formal offers received to purchase the business

1. The eventual purchaser, CBA, conducted extensive due diligence on the business for approximately one month.

Non-binding asset sale term sheet executed on 21 July 2014.

2. The second party was less favoured as they were not interested in the NSW or SA sites. A sale to this party would have resulted in the retention of only 50 jobs in NSW and none in SA or QLD.

## **Actions by the Administrators**

### **Sale of Business to Custom Bus Australia Pty Ltd (“CBA”) (cont’d)**

Completion of the sale of business occurred on 15 August 2014.

Key terms of the sale:

- Business and assets included NSW production and Custom Care and Custom Care SA
- Included raw materials (NSW and SA), all WIP, all plant and equipment in NSW and some in SA
- Purchaser assumed liabilities for 120 employees and all prepayments received on WIP
- 120 employees transferred (107 NSW, 13 SA)
- Key contracts novated to the purchaser
- Leases on NSW property and NAB equipment assigned over
- Performance bonds and bank guarantees returned
- Licence agreement for Royal Park SA site to complete production.

# **Actions by the Administrators**

## **Other actions by the Administrator**

### **Statutory compliance**

- ASIC filings / Statutory advertising
- Convening first and second meetings / Notices to creditors and employees
- Holding Committee of Inspection meetings.

### **Employees**

- Calculation of employee entitlements
- Paid an interim distribution of \$1.18m to employees for annual leave and long-service leave
- Successfully transferred 120 employees to purchaser of the business.

### **Investigations**

- The Administrators have conducted their preliminary investigations into the affairs of the companies and their findings have been documented in the 439A Report to creditors dated 8 September 2014.

# **Actions by the Administrators**

## **Other actions by the Administrator (cont'd)**

### **Assets**

- Realised stock buses and collected significant portion of pre-appointment debtors ledger
- Converted raw materials and WIP to finished buses
- Sold the majority of assets of the business to CBA
- Sold surplus excluded assets in SA via an online auction
- Disclaimed leased assets and property in QLD and SA.

### **Creditors**

- Continued to trade with suppliers and pay for ongoing supply of goods and services provided to the Administrators
- Adjudicated majority of ROT claims
- Collated informal proofs of debt from creditors.

# Summary of 439A Report dated 8 September 2014

## Key findings regarding CCSPL:

- Ongoing support from ADL up to 23 May 2014
- No evidence that Directors of CCSPL traded the company whilst insolvent
- No evidence to suggest ADL traded CCSPL whilst insolvent.
- Not identified any letters of support that may enable a claim against ADL
- Have not identified any voidable transactions which may be recoverable by a liquidator
- Directors possibly contravened Section 181 of the Act by not by failing to lodge audited annual financial reports with the ASIC.



# Summary of 439A Report dated 8 September 2014

## Key findings regarding CCPL:

- All trading for the Custom Coaches business was undertaken by CCSPL.
- Creditors are advised that CCPL was non-trading, whose sole function was to hold the lease for the Royal Park SA premises
- No evidence to support that the Directors of CCPL traded the company whilst insolvent
- When CCSPL was placed into Administration, there was no longer any means for CCPL to remain solvent.

# Trading and Asset Realisations

	Book Value	Liquidation ERV	Realised to 15/08/14	Trading & Sale of Business Future ERV	Total
<b>Realisation of Assets</b>					
Cash at Bank on appointment	1,147,196	1,147,092	1,147,092	-	1,147,092
Plant & Equipment	3,851,490	1,310,045	1,494,688	125,000	1,619,688
Goodwill and IP	-	-	-	-	-
Inventory and WIP	12,329,051	-	-	-	-
Raw materials					
less ROT	(3,656,485)		(2,356)	(280,000)	(282,356)
less obsolete stock	(1,300,885)				
less allowance for existence and shrinkage	7,371,681	867,257	4,355,484		4,355,484
Work in Progress (WIP) less deposits received	2,504,854	300,147	(1,363,434)		(1,363,434)
Less assumed liabilities (excl. employee entitlements)					
Guarantees / Bonds	1,614,139	-	501,697	-	501,697
Lease guarantees	2,250,000	500,000	1,000,000	250,000	1,250,000
Customer guarantee/ performance bond					
Debtors	6,996,422	3,148,390	5,056,694	770,723	5,827,417
<b>Total expected realisation of assets</b>		<b>7,272,931</b>	<b>12,189,865</b>	<b>865,723</b>	<b>13,055,588</b>
<b>Trading position</b>					
Sales			6,901,026	4,416,082	11,317,108
Less provision for credits			6,901,026	(220,804)	(220,804)
Trading liabilities					
Materials			(3,057,972)	(2,091,438)	(5,149,410)
Employment costs			(2,650,000)	(1,111,938)	(3,761,938)
Rent and premises costs			(490,546)	(20,000)	(510,546)
Insurance			(177,332)	65,000	(112,332)
Other overheads				(71,500)	(71,500)
Contingency			(6,375,850)	(3,729,876)	(10,105,726)
<b>Expected trading position</b>			<b>525,176</b>	<b>465,402</b>	<b>990,578</b>
<b>Administration Costs</b>					
VA fees and disbursements to date		(728,969)	(857,611)	(561,203)	(1,418,814)
VA fees non-circulating assets allocation				(125,000)	(125,000)
VA fees & disbursements estimate to 2nd meeting				(365,000)	(365,000)
Legal fees		(75,000)	(150,000)	(100,000)	(250,000)
Agent and valuation fees		(222,627)	(26,120)	(16,500)	(42,620)
<b>Estimated Liquidation costs</b>		<b>(1,026,596)</b>	<b>(1,033,731)</b>	<b>(1,167,703)</b>	<b>(2,201,434)</b>
Liquidators fees		(500,000)		(500,000)	(500,000)
Legal fees		(75,000)		(75,000)	(75,000)
Contingency for other costs		(100,000)		(100,000)	(100,000)
		<b>(675,000)</b>		<b>(675,000)</b>	<b>(675,000)</b>
<b>Estimated Assets Available to Creditors</b>		<b>5,571,335</b>			<b>11,169,731</b>

\$5.6 million improvement in asset realisations

# Estimated Statement of Position for Creditors

Estimated Statement of Position	Book Value	Liquidation ERV	Realised to 15/08/14	Tracing & Sale of Business Future ERV	Total
<b>Non-circulating assets &amp; assets subject to security</b>					
Cash at Bank on appointment	1,147,092	1,147,092	1,147,092	-	1,147,092
PP&E	3,851,490	1,310,045	1,494,688	125,000	1,619,688
Landlord guarantees	1,614,139	-	501,697	-	501,697
OEM performance bonds	2,250,000	500,000	1,000,000	250,000	1,250,000
Less cost of realisation		(347,627)	(26,120)	(141,500)	(167,620)
<b>Secured creditor debt position</b>	8,862,825	2,609,510	4,117,357	233,500	4,350,857
Leased equipment	(1,165,000)	(1,165,000)	(1,165,000)	-	(1,165,000)
Landlord guarantees	(1,614,139)	(1,614,139)	(1,614,139)	-	(1,614,139)
OEM performance bonds	(2,250,000)	(2,250,000)	(2,250,000)	-	(2,250,000)
	(5,029,139)	(5,029,139)	(5,029,139)	-	(5,029,139)
<b>Surplus / deficit secured creditor</b>	3,833,686	(2,419,629)	(911,782)	-	(678,282)
Return cents in the dollar		52			87
<b>Circulating assets</b>					
Inventory	7,371,681	867,257			4,355,484
Net WIP	2,504,854	300,147			(1,363,434)
Less assumed liabilities (excl. employee entitlements)					(282,356)
Less ROT					5,827,417
Debtors	6,996,422	3,148,390			990,578
Less stock buses discounts and rework					(2,033,814)
Trading position					(675,000)
Less costs of realisation		(857,611)			-
Less liquidation costs		(675,000)			6,818,874
Surplus after repayment of secured creditor	3,833,686	-			(1,992,050)
Less employee entitlements assumed					4,826,825
<b>Assets available to priority creditors</b>	20,706,643	2,783,183			
<b>Priority Creditors</b>					
Annual leave / LSL and PDO	(3,427,627)	(3,498,027)		1,622,072	(1,875,955)
Sick leave	(844,489)	(887,842)		369,978	(517,865)
Redundancy		(6,515,062)		2,957,350	(3,557,713)
Notice	(14,290)	(1,490,354)		659,960	(830,395)
Superannuation	(4,286,406)	(71,026)		-	(6,781,927)
<b>Surplus / (deficit) priority creditors</b>	16,420,237	(9,679,129)		5,609,359	(1,955,102)
Return cents in the dollar		22			71
<b>Unsecured creditors</b>					
Trade creditors	(5,963,231)	(5,963,231)			(5,963,231)
Landlords	-	not quantified			not quantified
Statutory liabilities	(79,839)	(79,839)			(79,839)
Related party creditors	(54,333,754)	(54,333,754)			(54,333,754)
	(60,376,824)	(60,376,824)			(60,376,824)
<b>Surplus / (deficit) unsecured creditors</b>	(43,956,587)	(70,055,953)			(62,331,926)
Return cents in the dollar		NII			NII

**Improved outcome from trading and achieving a sale of the business**

Secured creditor	\$ 1,741,347
Priority creditors	7,724,027
Unsecured creditors	NII
<b>Total</b>	<b>9,465,373</b>

# Questions about 439A Report

- From the floor

# Voting/Resolutions

## Resolutions

Motions to be resolved on the voices, unless a poll is demanded (Regulation 5.6.19, 5.6.20)

### **A poll could be demanded by:**

- The Chairperson; or
- At least two persons entitled to vote; or
- A person representing not less than 10%.

## **Resolutions under 439A**

## **CCSPL**

**Resolution 1 – To place CCSPL into liquidation  
ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

**“That the Company be wound up and Vaughan Strawbridge and Timothy Norman be appointed Joint and Several Liquidators.”**

## **Administrators' Remuneration**

## **CCSPL**

### **Resolution 2 – To approve the Administrators' current remuneration of CCSPL**

#### **ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

“That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 16 August 2014 to 31 August 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$184,747.00 plus GST plus disbursements equalling \$2,042.21 plus GST, and that the Administrators can draw the remuneration and disbursements as required.”

## **Administrators' Remuneration**

## **CCSPL**

### **Resolution 3 – To approve the Administrators' future remuneration of CCSPL**

#### **ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

“That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 1 September 2014 to 16 September 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$181,523.50 plus GST and disbursements, and that the Administrators can draw the remuneration and disbursements as incurred. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should the fees be a greater amount, then the amount will be subject to a separate fee approval and will not be drawn until approved.”



## **Liquidators' Remuneration**

## **CCSPL**

### **Resolution 4 – To approve the Liquidators' future remuneration of CCSPL ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

“That the remuneration of the Liquidators, their partners and staff, for the period of the Liquidation from 17 September 2014 to 16 December 2014 is fixed at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$250,000 plus GST and disbursements, and that the Liquidators can draw the remuneration and disbursements as incurred. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should the fees be a greater amount, then the amount will be subject to a separate fee approval and will not be drawn until approved.”

## **Creditors' Committee Appointment**

## **CCSPL**

**Resolution 5 – Should creditors resolve that CCSPL be wound up, that a Committee of Inspection be appointed  
ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

“That a Committee of Inspection of the Company be appointed in accordance with section 439A of the Corporations Act 2001, comprising the following members...”

### **Note:**

Ideally all groups of creditors should be represented on the Committee, including:

- Trade creditors
- Landlords
- Employees

## **Early destruction of books and records**

**CCSPL**

**Resolution 6 – Should creditors resolve that CCSPL be wound up, to approve the early destruction of the books and records of the company ACN 000 237 678 Pty Ltd (Formerly Custom Coaches (Sales) Pty Ltd)**

“That subject to obtaining the approval of the Australian Securities and Investments Commission under section 542(4) of the Corporations Act 2001, the books and records of the Company and of the Liquidation be disposed of by the Liquidators 6 months after the dissolution of the Company or earlier at the discretion of the Australian Securities and Investments Commission.”

## **Resolutions under 439A**

## **CCPL**

### **Resolution 1 – To place CCPL into liquidation ACN 111 744 560 Pty Ltd (Formerly Custom Coaches Pty Ltd)**

**“That the Company be wound up and Vaughan Strawbridge and Timothy Norman be appointed Joint and Several Liquidators.”**

# **Administrators' Remuneration**

# **CCPL**

## **Resolution 2 – To approve the Administrators' current remuneration of CCPL**

### **ACN 111 744 560 Pty Ltd (Formerly Custom Coaches Pty Ltd)**

“That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 30 May 2014 to 31 August 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$14,656.50 plus GST plus disbursements equalling \$213.00 plus GST, and that the Administrators can draw the remuneration and disbursements as required.”

# Administrators' Remuneration

## CCPL

### **Resolution 3 – To approve the Administrators' future remuneration of CCPL**

#### **ACN 111 744 560 Pty Ltd (Formerly Custom Coaches Pty Ltd)**

“That the remuneration of the Administrators, their partners and staff, for the period of the Administration from 1 September 2014 to 16 September 2014 is fixed at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 8 September 2014 of fees equalling \$5,995.00 plus GST and disbursements, and that the Administrators can draw the remuneration and disbursements as incurred. Should a lesser amount be actually incurred, only the lesser amount will be drawn. Should the fees be a greater amount, then the amount will be subject to a separate fee approval and will not be drawn until approved.”

## **Early destruction of books and records      CCPL**

**Resolution 4 – Should creditors resolve that CCPL be wound up, to approve the early destruction of the books and records of the company ACN 111 744 560 Pty Ltd (Formerly Custom Coaches Pty Ltd)**

“That subject to obtaining the approval of the Australian Securities and Investments Commission under section 542(4) of the Corporations Act 2001, the books and records of the Company and of the Liquidation be disposed of by the Liquidators 6 months after the dissolution of the Company or earlier at the discretion of the Australian Securities and Investments Commission.”

# Closure

- Any other business
- Meeting closed



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