



REPORT TO CREDITORS

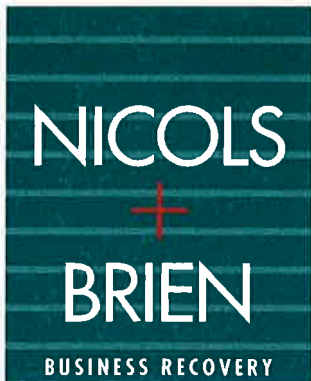
BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

ACN: 009 074 588

PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001

www.nicolsandbrien.com.au
LEVEL 2, 350 KENT STREET, SYDNEY NSW 2000
PO BOX Q191, QVB POST SHOP, SYDNEY NSW 1230
PHONE (02) 9299 2289 • FAX (02) 9299 2239
mail@nicolsandbrien.com.au

SUITE 9, LEVEL 2, 70 MARKET STREET, WOLLONGONG NSW 2500
PO BOX 5432, WOLLONGONG NSW 2520
PHONE (02) 4226 6025 • FAX (02) 4226 6360
wollongongmail@nicolsandbrien.com.au



CIRCULAR TO CREDITORS ACCOMPANYING NOTICE
OF SECTION 439A MEETING

RE: BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

ACN: 009 074 588

Enclosed is a Notice of Meeting of Creditors called pursuant to Section 439A of the Corporations Act 2001 in respect of the abovenamed company. The following is by way of brief explanation as to the matters to be dealt with at the meeting.

A meeting called pursuant to Section 439A of the Corporations Act 2001 allows creditors to resolve one of several alternatives. These alternatives will be voted on by completion of the attached form of Proxy and the indication of whether the creditors is "for" or "against" each of Resolutions 1, 2 and 3.

The alternatives are:-

i. The company execute a Deed of Company Arrangement (Resolution 1).

A deed of Company Arrangement is a proposal or an offer made by a company to its creditors with a view to providing to its creditors a result which is better than to be expected if the company was placed into liquidation. Upon completion of the terms of the Deed, the company will be released from your claim as a creditor.

ii. End the administration of the company (Resolution 2).

Creditors may resolve to remove the Voluntary Administrator already appointed to the company and return control of the company to its directors and shareholders. This option enables creditors to proceed with any actions or arrangements with the company prior to the Voluntary Administrator's appointment. In effect, the company is returned to its former position.

iii. That the Company be Wound Up (Resolution 3).

Creditors may resolve that the company be placed immediately into liquidation. The former Voluntary Administrator automatically becomes the Liquidator and the winding up proceeds as a Creditors Voluntary Liquidation. Under a liquidation scenario, the company's assets are realised and funds distributed to creditors in accordance with the provisions of the Corporations Act 2001.

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Also enclosed with this circular is:

- Notice of Meeting and Agenda.
- Form of Proxy (to vote on above resolutions).
- Proof of Debt.
- Administrator's report.

Should creditors have any questions in regards to the above alternatives open to them in relation to the company, please do not hesitate to contact this office.

DATED this 27th day of November 2013



Steven Nicols
ADMINISTRATOR

Enc



TO CREDITORS

IN THE MATTER of BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

ACN: 009 074 588

AND IN THE MATTER of THE CORPORATIONS ACT 2001

Section 439A Meeting

TAKE NOTICE that a second meeting of creditors in the above matter is to be held at the offices of Nicols + Brien, Level 2, 350 Kent Street, Sydney, on Wednesday 4th day of December 2013 at 11.00am.

A G E N D A

1. To consider the attached report of the Administrator detailing the results of his investigations to date, and to consider his recommendations in regards to the future of the company.
2. To consider and, if thought fit, resolve that the company execute a Deed of Company Arrangement; OR
3. To consider and, if thought fit, end the administration of the company; OR.
4. To consider and, if thought fit, resolve that the company be wound up, OR
5. To consider and, if thought fit, resolve the meeting convened under Section 439A be adjourned.

VOLUNTARY ADMINISTRATION REMUNERATION RESOLUTION

Full details of the basis of calculation of remuneration dealt with in the following proposed resolutions can be found at **Annexure "G"** to the attached report to creditors.

6. To consider and, if thought fit, approve the remuneration of the Voluntary Administrator, his partners and staff at Nicols + Brien, (as set out in the remuneration report attached at **Annexure "G"** hereto), for the period 30 October 2013 to 26 November 2013 to be charged on a time basis in accordance with the Nicols + Brien scale of fees in the sum of \$26,915.70 (GST inclusive).

(Details of basis and calculation of remuneration sought for approval attached at Annexure "G". Remuneration claimed may be subject to further approval being obtained and excludes disbursement costs incurred.)

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Form of Proxy is attached hereto. Proxies to be utilised at the meeting should be forwarded to this office prior to the meeting.

DATED this 27th day of November 2013



Steven Nicols
ADMINISTRATOR

IN THE MATTER of BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

AND IN THE MATTER of THE CORPORATIONS ACT 2001

SPECIAL OR GENERAL PROXY

I/We _____

of _____

a creditor of the above named Company, hereby appoint

(1) _____

or failing him/her _____

to be my/our **Special Proxy or General Proxy** * to vote at the meeting of creditors to be held in the above matter on Wednesday 4th day of December 2013 at 11.00 a.m. at the offices of Nicols + Brien, Level 2, 350 Kent Street, Sydney in the State of New South Wales, or any adjournment of same.

IF A GENERAL PROXY – yes/no (please circle)

To Vote on all matters arising at the meeting as he/she sees fit.

IF A SPECIAL PROXY – yes/no (please circle)

Resolution 1 (Item 2 on Agenda) – “That the Company execute a Deed of Company Arrangement”

For / Against (tick);

Resolution 2 (Item 3 on Agenda) – “To end the Administration of the Company”

For / Against (tick);

Resolution 3 (Item 4 on Agenda) – “That the company be wound up”

For / Against (tick);

Resolution 4 (Item 5 on Agenda) – “That the meeting convened under Section 439A be adjourned”

For / Against (tick);

Resolution 5 (Item 6 on Agenda) – “To approve the Administrator’s remuneration for the period 30 October 2013 to 26 November 2013 in the sum of \$26,915.70” (as per Annexure “G”)

For / Against (tick);

on all other matters arising at the meeting as he/she sees fit.

DATED this day of 2013

SIGNED (2) _____

Certificate of Witness

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

I _____, 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 or her before he or she signed or marked the instrument.

Dated

Signature of witness

Description

Place of residence

NOTES:

1. You can specify on the proxy form how the proxy is to vote on a particular resolution and the proxy must vote in accordance with that instruction. This is called a **“Special Proxy”**. Alternatively you can leave it to the proxy to decide how to vote on each of the resolutions put before the meeting. This is called a **“General Proxy”**.
2. The person appointed Proxy may be the Chairman or such other person as the Creditor may approve, and the Proxy Form, when signed must be lodged by the time and address named for that purpose in the Notice convening the meeting at which it is to be used
3. If a firm, sign the firm’s trading title and add, “By A.B., a Partner in the said firm”. If the appointer is a corporation, then the form of Proxy must be under the Common Seal, or under the hand of some officer duly authorised in that behalf, and the fact that the officer is so authorised must be stated thus:-

For the company
Mr/Mrs (Duly authorised under the Seal of the Company).

* Strike out whichever is inapplicable.

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

Date	Drawer	Acceptor	Amount	Due Date
		\$	Cents	

- (6) If proof is made by the creditor personally, strike out both clauses numbered 3.

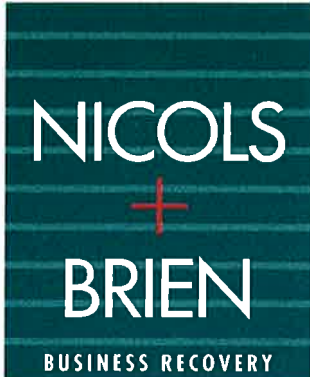
DIRECTIONS

- (1) Where the space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, that information shall be set out in an annexure.
- (2) An annexure to a form shall have an identifying mark and be endorsed with the words:
"This is the annexure of pages marked referred to in the (insert description of form) signed by me and dated

Signature(s)....."

and signed by each person signing the form to which the document is annexed.

- (3) The pages in an annexure shall be numbered consecutively.
- (4) Where a document, copy of a document, or other matter is annexed to a form, reference made in the form to the annexure shall be by its identifying mark, the number of pages in it, and a brief description of the nature of the document and its contents.
- (5) A reference to an annexure includes a document, copy of a document or any other matter accompanying, attached to or annexed to a form.



TO CREDITORS

IN THE MATTER of BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

ACN: 009 074 588

AND IN THE MATTER of THE CORPORATIONS ACT 2001

SECTION 439A MEETING

1. INTRODUCTION

As creditors are aware I was appointed Voluntary Administrator of the above named company pursuant to a director's resolution on 30 October 2013.

The purpose of the appointment of an administrator is to allow for an independent insolvency practitioner to investigate and control the affairs of an insolvent company. During that time creditors' claims are put on hold. At the end of that period I am required to provide information and recommendations to assist creditors to decide upon the company's future.

The purpose of this report is to provide creditors with sufficient information to make an informed decision about the future of the company, including:-

- Background information about the company;
- The results of my initial investigation;
- The estimated return to creditors; and
- The options available to creditors and my opinion of each of these options.

The first statutory meeting of creditors was convened and held on 11 November 2013. At this meeting there was no nominations received to replace me as Administrator nor was there a committee of creditors formed.

The second statutory meeting of creditors to be held on Wednesday, 4 December 2013 at 11.00am in my Sydney office. At this meeting creditors will be asked to make a decision by passing a resolution in respect to the options available to them. **At this present time a Deed of Company Arrangement proposal has not been received for consideration. Given the nature of the matter it is my recommendation that the meeting convened under Section 439A be adjourned for up to 45 days.**

For the sake of brevity I have dealt with the relevant matters in point form hereunder.

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2. EXECUTIVE SUMMARY

I provide the following executive summary for the administration to date:-

- The company was previously under Voluntary Administration for the period from 22 July 2013 to 29 October 2013. At a meeting of creditors held on 29 October 2013, it was resolved to end the Voluntary Administration. As a result of this, the control of the company was handed back to the Directors.
- The ex-administrators ceased trading the company's business on 30 July 2013 in order to preserve the available cash resources. The leased premises were vacated and all employees were terminated on 30 July 2013. The termination of all company employees has been confirmed by this office.
- The cause of the company's failure is primarily due to a decrease in cash position resulting from an inability to obtain further funding from either a new investor or other form of finance.
- Cash at Bank realised to date is in the sum of \$729.12.
- A computer monitor has been noted and the sole physical asset of the company. I am currently in possession of the said monitor and expect to realise this asset shortly.
- I have commenced a sale of business process and have sought expressions of interest. To date I have received an expression of interest from a number of parties for information in order to assess and formulate an offer. I will advise creditors of any positive developments.
- Some company books and records have been received and a review commenced in respect of same. To date I have not located any material issues which would require recovery action. I note that my investigations have not been finalised.
- I am not in possession of a proposed Deed of Company Arrangement (DOCA) for creditors' consideration.
- In a liquidation scenario, a dividend to creditors is unlikely and based on my investigations to date I have not identified any substantial potential recoveries that a liquidator could pursue. Further investigations and recovery action would require indemnity from creditors to pursue.
- Pursuant to Section 439A of the Corporations Act 2001, given there is no DOCA proposal for creditors consideration to date, but may be forthcoming shortly, it is my recommendation that it is in the best interests of creditors to adjourn the meeting convened under Section 439A of the Corporations Act 2001.
- The Australian Securities & Investments Commission (ASIC) has formulated various information documents to assist creditors involved in insolvency administrations. They can be found at the web address: www.asic.gov.au.

3. ADMINISTRATION PROCEDURES TO DATE

Pursuant to the provisions of the Corporations Act 2001 control of the affairs of the company has rested with this office subsequent to my appointment as Voluntary Administrator. The administration to date has included, but not been limited to, the following:

- (a) Meetings with director and the execution of the administration appointment documents and placement of advertisement.
- (b) The review and verification of the Administrator's independence. Creditors are referred to **Annexure "A"** hereto for a copy of same.
- (c) Initial review of the company affairs including assets and liabilities, company history and position with the company officers.
- (d) Realisation of cash at bank and correspondence with Westpac, BankWest and Computershare regarding trust monies.
- (e) Consideration and commencement of sale of ASX listed company.
- (f) Initial review of creditor claims against the company.
- (g) Correspondence with Landlord regarding lease and assets.
- (h) Completion of general correspondence to and from company creditors and completion of statutory obligations of the administrator's office.
- (i) Completion of statutory obligations.
- (j) The convening and conduct of the first meeting of creditors in the voluntary administration.
- (k) Preliminary investigation into the affairs of the company.
- (l) The preparation of the second voluntary administration report.

Details of the cost of the administration to date are enclosed as **Annexure "G"**.

Due to the time constraints imposed under the voluntary administration resume there was insufficient time to undertake the following:

- (m) Conduct an audit of the company's books and records.
- (m) Conclude the asset realisation process concerning the
- (o) Undertake a detailed analysis of the company records.

Whilst my investigation has been constrained to some extent, the matters noted have not prevented me from being able to provide sufficient, meaningful information in this report or from being able to form an opinion of what is in creditors' best interests.

4. ADMINISTRATORS STATEMENT OF INDEPENDENCE

Attached as **Annexure "A"** hereto is a copy of my Statement of Independence as previously attached to my first report to creditors dated 1 November 2013.

The statement deals with any former association with the company and its directors on the part of myself and/or Nicols + Brien. As noted I am completely independent of the company and the director

and thus the matters reported on hereunder are dealt with in an independent and impartial basis with the interests of creditors foremost in my considerations of the company's affairs.

As outlined in my previous report to creditors, I have not received a retainer or any indemnity for this administration.

5. STATUTORY RECORDS

A search of the ASIC data base ("company search") has shown that the company was incorporated in Western Australia on 1 September 1983 and operated from leased premises at 277-283 Lane Cove Road, North Ryde NSW. The company is a public company listed with the Australian Securities Exchange (ASX). The official listing date is the 4 September 1986, with issuer codes BGD and BGDO. The principal activities of the company are noted as being an 'emerging iron and steel producer, manufacturing of automotive components'.

The company search indicated the current company officers are as follows:

Current Company Officers

Role	Name	Appointment Date	Cessation Date
Director	Daniel George Owen	17 June 2013	Current
Director	Christopher Bruce Ryan	18 June 2013	Current
Secretary	Daniel George Owen	11 June 2008	Current

The company search indicated the previous company officers are as follows:

Historical Company Officers up to 2007

Role	Name	Appointment Date	Cessation Date
Director	Juergen Alexander Lang	29 May 2012	30 October 2013
Director	Montgomery John Omodei	18 June 2013	25 June 2013
Director	David John Simpson	5 April 2012	29 May 2013
Director	Detlef Karl Eberhard Sulzer	4 August 2011	22 November 2012
Director	Carl-Ulrich Mathias Moser	27 March 1992	29 June 2012
Director	Dieter Hopf	18 March 2009	19 June 2012
Director	Markus Buhl	1 March 2009	19 June 2012
Director	Richard Shubrick Martin	3 December 2008	12 May 2011
Director	Theofanis Katapodis	22 October 2008	9 March 2009
Director	Jaochim Folko Von Schnakenburg	23 January 2011	28 February 2009
Director	Abdulrahman Falaknaz	11 May 2006	28 November 2008
Director	Peter Hans Wallner	12 June 1986	22 October 2008
Director	Richard Shubrick Martin	26 August 2008	22 October 2008
Director	Helmut Pekarek	10 May 2004	30 November 2007
Secretary	Kenneth William O'Brien	2 February 1989	11 June 2008

Company Share Structure

Class	Number of Shares Issued	Total amount paid	Total amount unpaid
Ordinary	552,596,852	106,539,608.42	0.00

A search conducted at the Personal Property Securities Register (PPSR) has revealed that there are no registered security interests against the company.

Prior to my appointment, Trevor Progoske and Said Jahani were appointed joint and several Administrators of the company on 22 July 2013 pursuant to section 436A of the Corporations Act 2001. At a meeting of creditors held on 29 October 2013, it was resolved to end the Voluntary Administration. As a result of this, the control of the company was handed back to the Directors.

The company ceased trading on 30 July 2013 as result of the appointment of the Voluntary Administrators and as such all employees were terminated on 30 July 2013.

6. REPORT AS TO AFFAIRS

Section 438B(2) of the Corporations Act 2001 requires the company officers to provide a Report as to Affairs detailing the company assets and liabilities as at the date of my appointment. This report has not yet been received but this has not inhibited the administration to date. A second request will be provided to the company officers and I anticipate received this document prior to the schedule second meeting of creditors.

A listing of creditors and proofs of debt received to date is enclosed as **Annexure "B"**.

7. REALISATIONS

Since my appointment, I have realised \$ 729.12 cash at bank from the company bank accounts held with BankWest and Westpac Banking Corporation. No further realisations are expected from this source.

The previous Administrator's have informed me they will not be remitting any surplus cash at bank to me, as it has since been expended in full.

8. INVESTIGATION

The administration to date has included an initial investigation into the affairs of the company with a view to providing creditors with relevant information concerning:-

- The current financial position of the company;
- The historical activities of the company leading up to the current position;
- Relevant transactions both on a commercial basis and pursuant to relevant provisions of the Corporations Act 2001; and
- Relevant issues for the consideration of creditors.

A. Books & Records

Creditors should be aware that the Administrator is required to conduct an investigation into the position of the company. This investigation is inhibited by timing, funding and available records constraints.

Section 286 of the Corporations Act 2001 sets out the obligations of a company to keep financial records that:-

- (a) Correctly record and explain its transactions and financial position and performance; and
- (b) Would enable true and fair financial statements to be prepared and audited.

External audited financial accounts have been provided for the company up to 30 June 2012. To date I have recovered information from the company's internally maintained accounting system and various physical records for the entity.

Based on the information received to date, it is anticipated that the company records will meet the minimum requirements of Section 286 of the Corporations Act 2001. Compliance with this provision of the Act is subject to ongoing review and consideration as my investigation progresses.

B. Comparative Financial Statements

External audited financial accounts have been prepared recovered up to 30 June 2012. Subsequent to this point I have obtained internal draft accounting reports via the company's internal accounting system. Attached as **Annexure "C"** hereto are comparative financial accounts prepared from the available internal and external financial records of the company for the financial years ended 30 June 2011 through to 30 June 2013.

Other than the funding from capital raising the comparative profit and loss statements indicate that the company's sole revenue relates to interest on loans. The comparatives have identified trading losses for the financial years 2011, 2012 and 2013 of \$1.7m, \$5m and \$2.9m respectively. The considerable loss of \$5m in 2012 was affected by the sale of Euro Forming Services and subsequent forfeit of debt owing from same.

The comparative balance sheets for the company reflect a surplus of assets to liabilities for the periods noted. However, the comparatives also show a decline in the level of surplus recorded from \$10m in 2011 to \$5m in 2013. The decline in surplus appears to be due to write downs and the sale of an investment in Euro Forming Services.

C. Motor Vehicle Searches

I have conducted a motor vehicle search in the States of New South Wales and Queensland. To date I have not received a response. I will advise creditors of any positive findings.

D. Plant & Equipment

Upon my appointment as Administrator, the office of the ex-administrator's advised that the sole remaining physical asset of the company was an computer monitor. I am currently in possession of the said monitor and expect to realisation this asset shortly. The value of the monitor is noted as approximately \$600 - \$800.

E. Lease

The company held a lease for the premises at 277-283 Lane Cove Road, North Ryde, NSW. Upon my appointment, I notified the Landlord of the administration. Currently I am awaiting a response to my enquiry regarding rental bond and in what manner it has been utilised. From experience, the landlord will usually offset any arrears against these. My investigations are continuing.

F. Insolvent Transactions

Attached as **Annexure "D"** hereto is a glossary of various provisions of the Corporations Act 2001 outlining relevant provisions that would be available in a liquidation of the company for potential recovery of insolvent transactions. I note at the outset that the provisions are relevant in circumstances where it can be determined that the company is insolvent and thus the relevant point of insolvency of the company is pertinent to the timeframes for review of these provisions.

I make the following comments in relation to the provisions:-

(i) Preference Transactions

Attached as **Annexure “D”** hereto is a glossary of terms detailing the preference and voidable transaction provisions of the Corporations Act 2001.

The preference provisions of the Corporations Act 2001 outlined in Section 588FA provide for the ability of a liquidator to recover funds from a creditor who has received a priority or preference over other creditors of the company. These provisions apply to the period commencing six months prior to the administration relation back date.

A review of the available records has not located any unfair preference payments to date. My investigation into any potential preference transactions is ongoing.

Further investigation in a liquidation scenario would require indemnity from creditors.

(ii) Uncommercial/Voidable Transactions

The law requires an Administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the corporations Act 2001. This issue is relevant to creditors if they are being asked to choose between a Deed of Company Arrangement or a liquidation, because voidable transactions are only able to be challenged if a liquidation occurs. For further information in respect to the voidable transaction provisions see **Annexure “D”** hereto.

My investigation to date has not identified any uncommercial transactions. My investigation into these transactions has not been finalised

Further investigation in a liquidation scenario would require indemnity from creditors.

(iii) Insolvent Trading

Information about possible insolvent trading is relevant to creditors when making a decision about the future of the company as directors of a company may generally only be sued for insolvent trading if the company is in liquidation. Details of the provisions of the Corporations Act 2001 dealing with insolvent trading are referred to on the glossary attached as **Annexure “D”**.

To undertake an insolvent trading claim the liquidator must first determine the point in time at which the company is deemed to be insolvent and further, to quantify the value of creditor claims that arise subsequent to same.

I note the following initial comments in regards to the potential right of claim pursuant to the insolvent trading provisions of the Corporations Act 2001:-

Cash flow Analysis

A review of the available books and records identifies in large, that the company was able to pay its debts as and when they fell due. Furthermore, when the company established that they were unable to raise further capital the company sought financial advice and subsequently placed the company in to Voluntary Administration

Balance sheet Analysis

A review of the company's balance sheet indicates that the company maintained a positive net current asset position. A company's net current asset position indicates whether the company is liquid or not which is an indicator used in determining whether or not a company has the ability to pay its creditors as and when they fall due. In this instance it appears that the company did not suffer from a lack of liquidity in the months prior to my appointment.

Statutory Liabilities

To date the Australian Taxation Office has not indicated that whether there are any outstanding claims against the company. I have requested a copy of the company historical RBA account to further consider same.

Winding up Applications

A review of the available information has not identified any previous applications made to wind up the company.

Banking and Financial Support

The company appears to have only sought funding via raising capital.

Given the above I am not of the opinion that the insolvent trading provisions of the Corporations Act 2001 are of relevant consideration.

Further investigation into the above would only be relevant in a liquidation scenario with indemnity required from creditors.

G. Associated Party Transactions

A review of the available records has not located any recoverable associated transactions to date. My investigation into any potential preference transactions is ongoing.

H. Offences

Section 438D of the Corporations Act 2001 states that an Administrator must report to ASIC the existence of offences committed by any past or present officers or members of the company. This report is currently being prepared.

I. Other Potential Matters

My enquires into the affairs of the company have been limited to available information and records in my possession. If there is a particular matter you believe should be investigated it would be greatly appreciated if you could forward all relevant information concerning same to this office. Attached for your assistance in this regard is a "*Potential Matters to Investigate*" Form which can be completed and returned to this office. It is important that you provide all relevant documents or other evidence that you have if returning this form as it will assist us in properly dealing with the matters raised.

Should any creditor wish to provide indemnity for the cost of additional review into the affairs of the company they should contact this office accordingly.

9. RECEIPTS & PAYMENTS

A summary of receipts and payments is attached as **Annexure "E"**.

10. ESTIMATED DIVIDEND TO CREDITORS

It is currently unclear if there will be any dividend to creditors of the company. A dividend to creditors is dependent on the successful sale of the company's business and or the ASX Listed "Shell".

11. PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT (DOCA)

There is no proposal for a Deed of Company Arrangement for creditors' consideration to date.

12. ADMINISTRATOR'S OPINION

Attached as **Annexure "F"** is the statement of Administrators opinion. Pursuant to the provisions of Section 439A of the Corporations Act 2001, I am required to form an opinion and advise creditors as to the relevant resolutions that creditors might consider when dealing with the future of the company. The relevant matters are noted at points 2 to 4 on the Agenda.

As noted at the outset, my formal recommendation to creditors under the alternatives available, in circumstances of no current proposal from the directors to date, but maybe forthcoming shortly, I recommend to adjourn the meeting convened under Section 439A of the Corporations Act 2001 for up to 45 days. Furthermore, I note there are several outstanding investigation issues that require explaining and clarification which I envisage to resolve shortly.

13. MEETING OF CREDITORS AND FURTHER ACTION

The meeting of creditors to consider the matters dealt with in this report is to be convened on Wednesday, 4 December 2013 at 11.00 a.m.

Creditors wishing to attend or vote at the meeting would need to lodge a completed proxy and proof of debt prior to the commencement of same.

It is envisaged that at this meeting of creditors will resolve that the meeting be adjourned.

Should creditors have any queries in regards to the administration to date, or the above report, please do not hesitate to contact Julia Hristovski of my Sydney office.

DATED this 27th day of November 2013



Steven Nicols
ADMINISTRATOR

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “A”

**ADMINISTRATOR’S
STATEMENT OF INDEPENDENCE**

NICOLS + BRIEN
DECLARATION OF INDEPENDENCE, RELEVANT
RELATIONSHIPS AND INDEMNITIES

BOULDER STEEL LIMITED
(VOLUNTARY ADMINISTRATOR APPOINTED)
ACN 009 074 588

This document requires the practitioner appointed to an insolvent entity to make Declarations as to:

- A. their independence generally;
- B. relationships including
 - i. the circumstances of the appointment
 - ii. any relationship with the Insolvent and others within the previous 24 months
 - iii. any prior professional services for the Insolvent within the previous 24 months
 - iv. that there are no other relationships to declare
- C. any indemnities given, or up front payments made, to the Practitioner.

This declaration is made in respect of myself and Nicols + Brien.

Independence

I, Steven Nicols, of Nicols + Brien, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Administrator of Boulder Steel Limited (“the company”) in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

Relevant Relationships

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

I confirm that I have not had any prior professional or advisory relationship with any dominant creditor of the company.

The matter was referred to this office by HLB Newhouse Wollongong whom have referred three matters to my firm in the last 24 months.

There are no other prior professional or personal relationships for Boulder Steel Limited.

Prior Engagements with the Insolvent

Neither I, nor my firm, have undertaken any prior engagements for Boulder Steel Limited.

The only prior professional relationship or engagement that should be disclosed is my consent to act as Deed Administrator dated 28 October 2013 which did not proceed. As it did not proceed and as I was not paid anything, I do not consider this creates a conflict.

Pre Appointment Contact

Pre appointment contact with the insolvent company, its officers, and their advisers prior to my appointment is as follows:

- In early August 2013 I received a call and emails from the previous Administrators office advising the ASX Shell was for sale.
- On 19 September 2013 HLB Newhouse Wollongong contacted me about the insolvent company, as his client was the operations manager and wanted advice about dealing with an ASX Listed Shell.
- On 25 September 2013 I met the operations manager, and
- On 26 September 2013 I met the operations manager and an ex-director whom resigned in April 2013.
- We had some 5 meetings over the next month discussing the process of using a Deed of Company Arrangement in tandem with recapitalising an ASX Listed Shell.
- On 9 October 2013 I received contact from various groups in Queensland and Canberra seeking information on the process of using a Deed of Company Arrangement in tandem with recapitalising an ASX Listed Shell. No meetings were held with them and I did not receive any payment.
- On the 28 October 2013 I consented to act as Deed Administrator and sent this to the then current Voluntary Administrators office. Nothing eventuated and my consent lapsed.
- On the 29 October 2013 I attended the creditors meeting called by the then current Administrator, Said Jahani. I met two current directors, Mr Chris Ryan and Mr Daniel Owen, and several creditors, for the first time on 29 October 2013. The company was released from Voluntary Administration by a creditors resolution passed at the said meeting
- On the 30 October 2013 I had 3 telephone conversations with current directors, Mr Chris Ryan, Mr Daniel Owen and Mr Juergen Alexander Lang, and sent then draft Voluntary Administration appointment documents. The documents were signed later that afternoon by 2 directors as Mr Juergen Alexander Lang had resigned, appointing myself as Voluntary Administrator.

These relationships do not result in a conflict of duty as I did not initially have any contact with the company, nor its directors. Furthermore, my discussions were essentially to explain the intricacies of dealing with ASX Listed Public Companies to persons, none of whom have, or will, influence me in my duties as Voluntary Administrator of the company.

These meetings do not affect my independence for the following reasons:

- the Courts and the IPA's Code of Professional Practice specifically recognize the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.
- The nature of the advice provided to the company is such that it would not be subject to review and challenge during the Voluntary Administration; and
- The pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the company in an objective and impartial manner

Indemnities

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

DATED:

1/11/13



.....
Steven Nicols

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

Any relationships, indemnities or up front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of the above is to disclose relationships that, whilst they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “B”

LISTING OF CREDITORS

Creditor Listing

BO026 - Boulder Steel Limited (Administrator Appointed)

All Creditors

PRIORITY CREDITORS

Creditor Name	RATA	Advised	Claimed	Trans ID
Daniel Owen	0.00	216,079.65	0.00	<u>74001</u>
David Simpson	0.00	4,654.16	0.00	<u>74002</u>
Joy Fotopoulos	0.00	196,933.00	196,933.00	<u>74003</u>
Petra Gerboth	0.00	37,070.12	40,819.14	<u>74004</u>
Totals for Priority Creditors	4	0.00	454,736.93	237,752.14

UNSECURED CREDITORS

Creditor Name	RATA	Advised	Claimed	Trans ID
Alexander Lang	0.00	6,875.00	0.00	<u>73981</u>
All Security Technology	0.00	0.00	0.00	
Aptus Business Services Pty Ltd	0.00	4,598.00	0.00	<u>73982</u>
Ashurst Lawyers	0.00	32,527.00	0.00	<u>73983</u>
ASX Settlement Pty Ltd	0.00	207.13	0.00	<u>73984</u>
Berlin Mining & Investment	0.00	110,690.03	110,690.03	<u>73985</u>
Capital Office Supplies	0.00	153.34	0.00	<u>73986</u>
Carney Associates	0.00	22,203.58	0.00	<u>73987</u>
Commander	0.00	0.00	0.00	
Computershare Investor Services	0.00	0.00	0.00	
Cooper McKenzie Marketing	0.00	550.00	0.00	<u>73988</u>
CQ Consulting	0.00	79,209.80	0.00	<u>73989</u>
Deiter Hopf	0.00	18,342.00	18,342.00	<u>73990</u>
Dibbs Barker	0.00	0.00	0.00	
Dr. Peter H Wallner	0.00	6,121.43	5,686.12	<u>73994</u>
Energy Australia	0.00	3,345.07	0.00	<u>73992</u>
Glasshouse Cafe	0.00	0.00	0.00	
Johnson Consulting (Aust) Pty Ltd	0.00	24,271.32	24,271.32	<u>73993</u>
M2 Commander Pty Ltd	0.00	0.00	843.22	<u>74033</u>
M5 Network Services	0.00	0.00	0.00	
Marque Lawyers	0.00	0.00	4,400.00	<u>74205</u>
Mitronics Corporation Pty Ltd	0.00	0.00	0.00	
Netcare Helpdesk	0.00	0.00	0.00	
Pirasta Pty Ltd	0.00	31,889.06	0.00	<u>73995</u>
Vodafone Pty Ltd	0.00	0.00	0.00	
Westchester Financial Services Pty Ltd	0.00	8,250.00	0.00	<u>73996</u>
Wong and Mayes	0.00	13,200.00	0.00	<u>73997</u>
Totals for Unsecured Creditors	27	0.00	362,432.76	164,232.69
Totals for All Creditors:	31	0.00	817,169.69	401,984.83

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “C”

**COMPARATIVE
FINANCIAL STATEMENTS**

Boulder Steel Pty Ltd
(Administrator Appointed)

Comparative Balance Sheets

	S.C.B.P.A.F *	Draft Year End 30 June 2013	Year End 30 June 2012	Year End 30 June 2011
Current Assets				
Cash	322,425	440,290	41,316	359,495
Receivables	18,789	8,899	1,022	841
Loan - Associated Entity	-	-	3,089,471	-
GST Refundable	-	-	17,092	68,342
Security Deposit	-	27,943	27,943	105,353
Total Current Assets	341,214	477,132	3,176,844	534,031
Non-Current Assets				
Plant & Equipment	14,795	14,795	-	17,129
Loan - Associated Company	-	-	-	5,738,019
Shares - Euro Forming Services GmbH	-	-	1,544,734	1,789,883
Capitalised Project Expenditure	5,161,118	5,133,176	4,120,919	3,077,002
Total Non-Current Assets	5,175,913	5,147,971	5,665,653	10,622,033
Total Assets	5,517,127	5,625,103	8,842,497	11,156,064
Current Liabilities				
Creditors	355,947	-	393,173	230,258
Deposits - Sale of Interest in Associate	-	-	611,686	-
Provision - Employee Benefits	456,875	306,851	304,962	254,060
Total Current Liabilities	812,822	306,851	1,309,821	484,318
Non-Current Liabilities				
Interest Bearing Liabilities	-	(20,865)	-	-
Other	-	160,177	-	-
Total Non-Current Liabilities	-	139,312	-	-
Total Liabilities	812,822	446,163	1,309,821	484,318
Net Assets / (Liabilities)	4,704,305	5,178,940	7,532,676	10,671,746

* S.C.B.P.A.F =

'Statement about the Company's Business, Property, Affairs and Financial Circumstances' as provided by the Directors to the previously appointed Administrators on 30 July 2013

Boulder Steel Pty Ltd
(Administrator Appointed)

Comparative Profit and Loss Statements

	Draft Year End 30 June 2013		Year End 30 June 2012		Year End 30 June 2011	
	\$	%	\$	%	\$	%
Income						
Interest	20,585	100.00%	10,518	100.00%	33,616	100.00%
Total Income	20,585	100.00%	10,518	100.00%	33,616	100.00%
Expenses						
Salaries	-	0.00%	682,670	6490.49%	515,628	1533.88%
Depreciation	1,587	7.71%	17,128	162.84%	66,212	196.97%
Consulting	480,357	2333.53%	773,615	7355.15%	636,937	1894.74%
Corporate	-	0.00%	287,715	2735.45%	292,788	870.98%
Office	-	0.00%	294,182	2796.94%	251,902	749.35%
Provision - Non-recovery of Loans	-	0.00%	2,188,440	20806.62%	-	0.00%
Provision - Diminution of Investment	-	0.00%	861,372	8189.50%	-	0.00%
Share Based Expense	-	0.00%	-	0.00%	55,542	165.22%
Share of profit/loss of Associate	-	0.00%	(894,427)	-8503.77%	(558,248)	-1660.66%
Borrowing	-	0.00%	-	0.00%	39	0.12%
Administration	1,759,936	8549.60%	-	0.00%	-	0.00%
Environment Impact Statement	301,940	1466.80%	-	0.00%	-	0.00%
Total Expenses	2,543,820	12357.64%	4,210,695	40033.23%	1,260,800	3750.59%
Other Income						
Foreign Currency Translation	(392,156)	-1905.06%	(809,393)	-7695.31%	(475,193)	-1413.59%
Total Other Income	(392,156)	-1905.06%	(809,393)	-7695.31%	(475,193)	-1413.59%
Net Profit / (Loss)	(2,915,391)	-14162.70%	(5,009,570)	-47628.54%	(1,702,377)	-5064.19%

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “D”

**GLOSSARY OF
INSOLVENCY TERMS**

NICOLS + BRIEN

GLOSSARY OF INSOLVENCY TERMS

INSOLVENT

Section 98A of the Corporations Act 2001 provides that a person/company who is not solvent is insolvent. A person is solvent if, any only if, the person is able to pay all the person's debts as and when they become due and payable.

VOIDABLE TRANSACTIONS

Voidable transactions are transactions entered into by a company prior to its liquidation which might be overturned by a liquidator leading to recoveries by the liquidator for the benefit of creditors. The relevant timing trigger for a voidable transaction is a term called the "*relation back day*". The relation back day for court liquidations is:

"The date of presentation of the petition to wind up the company and after that to the date of the winding up of the company";

and for voluntary liquidations is:

"The date of the resolution placing the company into liquidation".

The following provisions relate to voidable transactions:

UNFAIR PREFERENCES – SECTION 588FA

An unfair preference is a transaction which results in the creditor receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would receive from the company in respect of that debt if the transaction was set aside and the creditor had to prove in the winding up of the company for a dividend. That is, they have received a priority or an advantage over other unsecured creditors of the company in the perspective of the dividends that are otherwise payable in the liquidation of the company.

The timing consideration for unfair preferences is 6 months prior to the "relation back day" through to the date of the actual liquidation of the company. If the preference transaction involves a related entity to the company then the period for review can be up to 4 years prior to the relation back day.

It must be determined that the company is insolvent at the time of the transaction for these provisions to be relevant.

UNCOMMERCIAL TRANSACTIONS – Section 588FB

An uncommercial transaction is a transaction entered into by the company which it might be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to:

- (a) the benefits, if any, to the company of entering into the transaction; and
- (b) the detriment to the company of entering into the transaction; and
- (c) the respective benefits to other parties to the transaction of entering into it; and
- (d) any other relevant matter.

Essentially if the transaction in question has provided no commercial benefit to the company and in the alternative has provided significant benefit to other third parties at the company's loss then it may be considered an uncommercial transaction. The timing for review of uncommercial transaction is up to 2 years prior to the relation back day and 4 years prior to the relation back day if the transaction concerns a related party. It must be determined that the company is insolvent at the time of the transaction for these provisions to be relevant.

UNFAIR LOANS TO A COMPANY – SECTION 588FE

A loan to a company is unfair if, and only if;

- (a) the interest on the loan was extortionate when the loan was made or has since become extortionate because of the variation; or
- (b) charges in relation to the loan were extortionate when the loan was made, or has since become extortionate because of the variation, even if the interest is or the charges are no longer extortionate.

In determining whether a loan is unfair regard must be had to:

- the risk to which the lender was exposed;
- the value of any security in respect of the loan;
- the term of the loan;
- the schedule of payments of interest and charges and repayments of principal;
- the amount of the loan.

UNREASONABLE DIRECTOR RELATED TRANSACTIONS – SECTION 588FDA

In general terms an unreasonable director-related transaction relates to a payment, a conveyance transfer or other disposition by the company or property, issue of securities by the company or the incurring by the company of an obligation in favour of the director of the company a close associate of a director of the company or to a third party for or on behalf of a director or close associate of the company. The transaction to be subject to review under these provisions must be a transaction that a reasonable person in the company's circumstances would not have entered into having regard to:

- (a) the benefits to the company of entering into the transaction; and
- (b) the detriment to the company of entering into the transaction; and
- (c) respective benefits to other parties to the transaction.

The timing for review of such a transaction or any transactions entered into is 4 years prior to the relation back day. It is not necessary to prove that the company was insolvent at the time of the transaction for these provisions to be relevant.

TRANSACTIONS TO DEFEAT CREDITORS

Transactions to DEFEAT creditors essentially tie back to both preference transactions and uncommercial transactions. There must be an intent to defeat, delay or interfere with the rights of any or all of the creditors on a winding up of the company. The relevance of these provisions are that such transaction can be reviewed up to 10 years prior to the relation back day.

INSOLVENT TRADING

The provisions of Section 588G of the Corporations Act provide that it is the directors duty to prevent insolvent trading by the company. Insolvent trading occurs at a time when a company incurs a debt and the company is insolvent at that time or becomes insolvent by incurring that debt and at the time there are reasonable grounds for suspecting that the company is insolvent or would so become insolvent as the case may be.

If liabilities are continued to be incurred when a company is insolvent then there is an offence committed by directors pursuant to Section 588G. The provisions of Section 588M of the Act provide that where a director has contravened subsection 588G in relation to the incurring of a debt by a company and the person to whom the debt is owed has suffered loss or damage in relation to that debt (that is they have not been paid) then on a winding up of the company a liquidator may recover from the director as a debt due to the company an amount equal to the amount of the loss or damage.

The primary issues are:

- that the company has incurred a debt which has not been paid; and
- that the company was insolvent at the time the debt was incurred.

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “E”

SUMMARY OF RECEIPTS & PAYMENTS

Receipts and Payments Summary By Account: B0026 - Boulder Steel Limited (Administrator Appointed)

Bank, Cash and Cash Investment Accounts: To: 26/11/2013 (Gross Method)

Type	Account	GST	Total
NON-TRADING RECEIPTS			
	Cash at Bank		729.12
		0.00	729.12
NON-TRADING PAYMENTS			
	Advertising		(145.00)
	ASX Fees	(18.83)	(207.13)
	Bank Charges		(165.00)
	Searches		(21.00)
		(18.83)	(538.13)
	Net Non-Trading Receipts and Payments	(18.83)	190.99
	Net Receipts (Payments)	(18.83)	190.99

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “F”

ADMINISTRATOR’S OPINION

ANNEXURE "F"

STATEMENT OF ADMINISTRATOR'S OPINION

RE: BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)

ACN: 009 074 588

Pursuant to Section 439A(4)(b) of the Corporations Act 2001, I am required to make a statement and give reasons for my opinion in relation to the following matters:

- (1) Whether it would be in the creditors' interests for the company to execute a Deed of Company Arrangement.
- (2) Whether it would be in the creditors' interests for the administration to end.
- (3) Whether it would be in the creditors' interests for the company to be wound up.

I recommend the creditors meeting be adjourned to get clarity on outstanding investigation issues and to receive a firm Deed of Company Arrangement proposal.

In satisfaction of this obligation I note the following:-

1. EXECUTION OF DEED OF COMPANY ARRANGEMENT

The company directors have not proposed a Deed of Company Arrangement to creditors at this time. This option is therefore not relevant for creditors' consideration at this point in time.

2. ADMINISTRATION TO END

In the circumstances of the company's position it is not in the interest of creditors that the administration of the company simply end, as it does not resolve the financial status of the company and leaves creditors in a position of having to instigate action for recovery of their debts. As dealt with in the attached report, it is the recommendation of the Administrator that the meeting be adjourned.

3. COMPANY TO BE WOUND UP

There is no Deed of Company Arrangement for creditors' consideration at this time. The liquidation of the company will enable an investigation into the company's historical affairs. As dealt with in the attached report, it is the recommendation of the Administrator that the meeting be adjourned for up to 45 days.

4. VOIDABLE TRANSACTIONS

I refer you to paragraph 8 of my Report to Creditors for information on Voidable Transactions.

DATED this 27th day of November 2013



Steven Nicols
ADMINISTRATOR

**BOULDER STEEL LIMITED
(ADMINISTRATOR APPOINTED)**

ANNEXURE “G”

**ADMINISTRATOR’S
REMUNERATION REPORT**

NICOLS + BRIEN
ANNEXURE "G"
CALCULATION OF REMUNERATION

Statement concerning Remuneration
Re: Boulder Steel Limited (Administrator Appointed)

1. Basis of Remuneration – Time Cost Method:

A time cost based method for calculation of remuneration is the most common method utilised by professional practices involved in insolvency as it allows for adequate cost recovery in the conduct of the practice generally.

The total fee charged is based on the hourly rate charged for each person who carried out work in the conduct of the administration multiplied by the number of hours spent by each person on each of the tasks performed.

Given the nature of the administration we propose that the remuneration cost of the firm of Nicols + Brien in acting as Administrators of Boulder Steel Limited Ltd (Administrator Appointed) will be calculated on a "*time cost basis*" utilising the Nicols + Brien scale of fees. A copy of the Nicols + Brien scale of fees detailing hourly rates per person at the time of writing is attached hereto at **Annexure "Fee G1"**. The rates specified are inclusive of G.S.T. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage. The employees, their positions and their respective hourly rates are subject to periodic change. Updated rates will be provided in future circulars where relevant.

Other methods of calculation of fees are as follows:

Fixed Fee

The total fee charged is normally quoted at the commencement of the insolvency assignment and is the total cost for the administration. The practitioner will finalise the insolvency assignment for a fixed fee.

Percentage

The total fee charge is based on a percentage of a successful outcome, such as the gross proceeds of assets realisations or collection of debtors.

Contingency

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

The nature of this administration does not allow for a fixed sum to be determined for the conduct of the matter as the extent of work to be undertaken to complete all relevant requirements cannot be estimated at this stage. In relation to the other alternatives again they are not relevant in circumstances of the affairs of the company.

2. Remuneration to be approved

Remuneration previously approved by creditors and paid in the administration is \$Nil.

Remuneration currently sought for approval as per Item 6 of the attached Agenda is in the sum of \$26,915.70 for the period 30 October 2013 to 26 November 2013. If approved by creditors this will bring total approved remuneration for the administration to 26 November 2013 to \$26,915.70.

Attached for your information are:

- A summary description of the work completed for the period of remuneration currently sought for approval – (Annexure “Fee G2”)
- Summary calculation of remuneration currently sought for approval – (Annexure “Fee G3”)

More detailed information concerning the remuneration sought will be tabled at the meeting of creditors. Should any creditor require a copy of this information prior to the meeting they should contact this office.

3. Estimated Future Remuneration

Not applicable at this point in time.

4. Retainer for costs of the Administration

I advise that the directors of the company have not paid a retainer to this office.

5. Creditor Information Sheet on Remuneration

Creditors are advised that further information concerning approving remuneration in external administrations can be obtained from the website of the Insolvency Practitioners Association (IPA) at:

www.ipaa.com.au

Enter Tab – “The Profession”

Enter Tab – “Creditor Assistance”

Enter Tab – “Creditor Information”

6. Disbursement Costs

Disbursement costs incurred by Nicols + Brien during the course of the Administration will be charged to the matter. Internal disbursement costs are as follows:

	\$
Postage –	at cost
Meeting Room Hire (Internal)	\$90.00
Meeting Room Hire (External)	at cost
Printing/Photocopying (internal) – per page	\$0.30
Printing/Photocopying (external)	at cost
Fax – per page	\$2.00

During the course of the Administration there may be additional disbursement costs incurred by way of professional services provided by third parties for e.g. legal services and valuers/auctioneers. These costs will be payable by the Administration at cost. At the date hereof I cannot provide estimates as to what these costs will be.

Any substantial external disbursement costs which are not obliged to be incurred in undertaking my Statutory duties, such as litigations costs, will not be incurred without first advising creditors.

Creditor approval for the payment of disbursements is not required. As Administrators or as prospective Deed Administrators and/or Liquidators we will not incur disbursements unless they are necessary and proper in order for us to carry out our respective duties in the best interests of creditors.

We will account to creditors for any disbursements incurred during the course of the administration. Creditors have the right to question the incurring of disbursements and can challenge disbursements in Court.

7. Queries

Creditors who require further information regarding the information provided concerning the remuneration sought for approval can contact Julia Hristovski of my Sydney office.

Annexure "Fee G1"

NICOLS + BRIEN

REMUNERATION

Notes regarding remuneration charge out rates used by Nicols + Brien:

Our firm uses the final Insolvency Practitioners Association of Australia guide to hourly rates, since withdrawn, as at December 1997, plus C.P.I, plus G.S.T. The current policy of the IPAA (now IPA) is that the IPA will not issue a new scale. The IPA does not validate rates any more. The old IPAA rate is not an official document of the IPA any more.

The guide to hourly rates used to be issued by the Insolvency Practitioners Association of Australia indicating a methodology which had been widely accepted by the various Courts and regulatory bodies as being an appropriate method of seeking creditors approval for remuneration. The last suggested rates as at December 1997, since withdrawn, published by the Insolvency Practitioners Association of Australia, together with our rates including C.P.I. and G.S.T. since December 1997, are set out below:

IPAA (now IPA) Designation & Qualification	Staff Member	Nicols + Brien Rate
Partner/Appointee – B.Com; CPA; Official Liquidator; Registered Trustee	Steve Nicols	565
Director/Consultant – B.Bus; CA.	Richard Brien	471
Manager 1		394
Manager 2 –B.Com; CPA; FIPA	Ryan Bradbury	355
Manager 2 – B.Com; FIPA	Gavin Jonathan	355
Manager 2 – B.Bus; CPA; FIPA	Corey Burke	355
Supervisor – B.Com	Julia Hristovski	279
Senior 2 – B.Com (Studying)	Gregory Pearce	209
Intermediate 1 – B.Com	Troy Terpens	201
I.T. /Senior Secretary	Elizabeth Charleston	168
Intermediate 2 - B.Com	Daniel Dekleva	165
Secretary/wpo	Irena Velcek	149
Secretary/wpo	Audrey Doyle	149
Receptionist/Junior Secretary	Lauren Smith	79
Student – B.Com/Law (Studying)	Shahil Sawjani	89
Student – B.Applied Finance/Actuarial Studies (Studying)	Shailen Shah	79

The above rates include G.S.T.

NICOLS + BRIEN**Remuneration Report Description of Work Completed****Part 1. Declaration**

I, Steven Nicols of Nicols + Brien have undertaken a proper assessment of this remuneration claim for my appointment as administrator of Boulder Steel Limited (Administrator Appointed) in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the Administration.

Part 2: Executive Summary

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount
Current remuneration approval sought:		
<i>Voluntary Administration</i>		
Period from 30 October 2013 to 26 November 2013	Annexure "G" Item 6 on the Agenda	\$26,915.70
Total – Voluntary Administration		\$26,915.70

Part 3: Description of work completed to 26 November 2013

** Task Area description in italics represents Nicols + Brien Cost Ledger Codes*

Company	Boulder Steel Limited (Administrator Appointed)	Period From	30/10/2013	To	26/11/2013
Practitioner	Steven Nicols	Firm	Nicols + Brien		
Administration Type	Voluntary Administration				

Task Area	General Description	Includes
ASSETS [14.40 hours] [\$6,048.20] Includes N+B Codes - <i>ASSETS</i> - <i>DEBT</i> - <i>SITE</i> - <i>RATA</i>	Sale of Business as a Going Concern	Sale of ASX Listed Shell Preparing information for potential purchasers review Liaising with potential purchasers Internal meetings to discuss status sale
	Plant and Equipment	Not Applicable
	Sale of Real Property	Not Applicable
	Assets subject to specific charges	Not Applicable
	Debtors	Not Applicable
	Stock	Not Applicable
	Other Assets	Tasks associated with realising other assets
	Leasing	Liaising with owners/lessors Tasks associated with disclaiming leases
CREDITORS and EMPLOYEES	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Retention of Title Claims	Not Applicable for this period

Task Area	General Description	Includes
[26.50 hours] [\$8,042.70] Includes N+B Codes <ul style="list-style-type: none"> - MEET - REP - ENQ - EESS - PROOF - DIVCALC 	Secured creditor reporting	Not Applicable
	Creditor reports	Preparing initial creditor report Preparing 439A, investigation, meeting and report to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD's when not related to a dividend
	Meeting of Creditors	Preparation meeting notices, proxies and advertisements for 1 st and 2 nd creditor meetings Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting regarding 1 st meeting of creditors. Preparation and lodgement minutes of 1 st creditor meeting with ASIC Respond to stakeholder queries and questions immediately following meeting
	Shareholder enquires	Responding to any shareholder enquires
	Employees enquiry	Receive and follow up employee enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	GEERS	Not Applicable for this period
	Calculation of entitlements	Reviewing employee files and company's books and records
	Employee dividend	Not Applicable for this period
	Workers compensation claims	Not Applicable
	Other employee issues	Not Applicable
TRADE ONS [0 hours] [\$0.00] Includes N+B Codes <ul style="list-style-type: none"> - T/ON - OH&S 	Trade On Management	Not Applicable
	Processing receipts and payments	Not Applicable
	Budgeting & financial reporting	Not Applicable
INVESTIGATION [23.50 hours] [\$7,706.90] Includes N+B Codes <ul style="list-style-type: none"> - LEG - INVE - REV - INTV - AAFR 	Conducting investigation	Receive some company books and records Reviewing available company books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Review of transactions Commence investigation file
	Examinations	Not Applicable for this period
	Litigation / Recoveries	Not Applicable for this period
	ASIC reporting	Prepare Section 438D report to ASIC
DIVIDEND [3.40 hours] [\$1,363.40] Includes N+B Codes <ul style="list-style-type: none"> - PROOF - DIVCALC 	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of PODs
	Dividend procedures	Not Applicable for this period

Task Area	General Description	Includes
<ul style="list-style-type: none"> - <i>DIVCHECK</i> - <i>DIVPAY</i> 		
ADMINISTRATION [10.70 hours] [\$3,754.50] Includes N+B Codes <ul style="list-style-type: none"> - <i>CASH</i> - <i>STAT</i> - <i>GST</i> - <i>BOX</i> - <i>FIL</i> - <i>SET</i> 	Correspondence	General correspondence
	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Insurance	Correspondence with AON regarding initial insurance requirements
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Processing receipt and payment transactions
	ASIC Form 505 and other forms	Preparing and lodging ASIC forms including 505, 5011 etc
	ATO & other statutory reporting	Notification of appointment Requesting BAS'
	Finalisation	Not Applicable for this period
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage

NICOLS + BRIEN - REMUNERATION SUMMARY REPORT

Annexure "Fee G3"

Client Name: BOULDER STEEL LIMITED (ADMINISTRATOR APPOINTED)
 Fee Calculation Dates: 30 OCTOBER 2013 TO 26 NOVEMBER 2013
 Total Remuneration Previously Approved and Paid: \$NIL

Employee	Position	\$/hr*	Combined Total		Task Area Assets		Task Area Creditors		Task Area Trade On		Task Area Investigation		Task Area Dividend		Task Area Admin	
			\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours
S Nicols	Appointee	565.00	14,690.00	26.00	4,011.50	7.10	2,825.00	5.00	-	-	4,237.50	7.50	1,017.00	1.80	2,599.00	4.60
R Brien	Director/Manager1	471/394	118.20	0.30	-	-	39.40	0.10	-	-	78.80	0.20	-	-	-	-
R Bradbury	Manager 2	355.00	35.50	0.10	-	-	35.50	0.10	-	-	-	-	-	-	-	-
G Jonathan	Manager 2	355.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C Burke	Manager 2	355.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J Hristovski	Supervisor	279.00	9,820.80	35.20	2,036.70	7.30	4,715.10	16.90	-	-	1,980.90	7.10	306.90	1.10	781.20	2.80
G Pearce	Senior 2	209.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E Charleson	Senior Secretary	168.00	252.00	1.50	-	-	151.20	0.90	-	-	-	-	-	-	100.80	0.60
D Dekleva	Intermediate 2	165.00	1,501.50	9.10	-	-	-	-	-	-	1,386.00	8.40	-	-	115.50	0.70
A Doyle	Secretary	149.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I Velcek	Secretary	149.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Junior Secretary	Junior Secretary	79.00	497.70	6.30	-	-	276.50	3.50	-	-	23.70	0.30	39.50	0.50	158.00	2.00
Sydney Junior	Junior	79/69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wollongong Junior	Junior	79/69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FOR PERIOD			26,915.70	78.50	6,048.20	14.40	8,042.70	26.50	-	-	7,706.90	23.50	1,363.40	3.40	3,754.50	10.70
LESS: PREVIOUSLY APPROVED & PAID THIS PERIOD			-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE FOR APPROVAL			26,915.70	-	-	-	-	-	-	-	-	-	-	-	-	-

* Rate per hour may have changed during the period of calculation.

AVERAGE HOURLY RATE

342.88

303.50

327.95

401.00

350.89



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

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

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.