



STATUTORY REPORT TO CREDITORS

RSL EX-SERVICEMEN'S CABS & CO-OPERATIVE MEMBERS LTD (IN LIQUIDATION)

ABN: 29 491 565 109

21 August 2024

**JONATHON KEENAN & PETER KREJCI
JOINT AND SEVERAL LIQUIDATORS**



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INTRODUCTION

We refer to our initial report to creditors dated 4 June 2024 in which our appointment as Liquidators of the Co-Operative was advised along with your rights as a creditor in the liquidation.

The purpose of this report is to provide creditors with information regarding the following:

- ▲ The estimated amount of asset and liabilities of the Co-Operative;
- ▲ An update on the progress of the Liquidation and further actions that may need to be undertaken;
- ▲ What happened to the business;
- ▲ The likelihood of creditors receiving a dividend before the affairs of the Co-Operative are fully wound up; and
- ▲ Possible recovery actions.

This report should be read in conjunction with our initial report. If you have any questions relating to the liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

ENTITY DETAILS

Name	RSL Ex-Servicemen's Cabs & Co-operative Members Ltd
Incorporated	03 July 1946
ABN	29 491 565 109
Registered Office	14 Sarah Street MASCOT NSW 2020
Trading Address	14 Sarah Street MASCOT NSW 2020

LIQUIDATORS

Names	Jonathon Keenan Peter Krejci
Date Appointed	21 May 2024

ADMINISTRATION CONTACT

Name	Nicole Feng
Email	nfeng@brifnsw.com.au
Name	Katherine La
Email	kla@brifnsw.com.au
Phone	02 8263 2333

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Cabcharge	Cabcharge Australia Limited
Co-Operative	RSL Ex-Servicemen's Cabs & Co-operative Members Ltd (In Liquidation)
CNL	Co-operatives National Law
Directors	Martin Passman Demetrios Moustakas Athos (Arthur) Divis David Coppleson Ross Ossama Raslan
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
Firm	BRI Ferrier NSW
GST	Goods and Services Tax
IAG	Insurance Australia Group Limited
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
Liquidators	Jonathon Keenan and Peter Krejci
Mascot Property	14 Sarah Street, Mascot NSW
POD	Proof of Debt
PPE	Plant and Equipment
PPSR	Personal Properties Securities Register
Woollahra Property	Lot 83 in Strata Plan 370 at 8-14 Fullerton Street, Woollahra NSW

EXECUTIVE SUMMARY

Peter Krejci and I were appointed Joint and Several Liquidators of the Co-Operative on 21 May 2024 pursuant to a resolution passed by the Co-Operative's members. The Liquidation is proceeding as a Members Voluntary Liquidation, which is a solvent winding up.

This Report has been prepared pursuant to section 70-40 of IPR. We note that the Co-operatives National Law adopts applied Corporations Act provisions, which in effect requires us to follow standard company liquidation procedures for the Co-Operative. You have received this report because we are aware that you may have a creditor claim and/or the books and records of the Co-Operative identified you as a creditor.

We have convened a meeting of creditors to be held on Thursday, 5 September 2024 at 11.00AM AEST. Please find attached as **Annexure "A"** the Notice of Meeting of Creditors for your information. The meeting will be held in person and virtually for convenience of creditors. The creditors' meeting is a forum to provide further information about the Co-Operative's affairs and consider necessary approvals that we require for this liquidation. Further details can be found at section 13 of this Report.

We provide below a summary of our preliminary investigations into the Co-Operative's affairs and the potential outcomes for creditors and stakeholders.

The Co-Operative was incorporated in 1946 as "Ex-Servicemen's Cabs Co-Operative Limited" until 1981, when it changed to its current name. The primary business of the Co-Operative was to provide cab/taxi services in the Sydney metropolitan area. We understand the Co-Operative operated from various locations over the years. In 2003, the Co-Operative acquired the Mascot premises, where it has operated since.

The business has declined in recent years due to the introduction of ride-sharing services, the financial effects further compounded during the Covid-19 pandemic. The Co-Operative has reported trading losses over recent years, through the reduced revenues from "RSL Cabs" branded operators on the network, which has steadily eroded the Co-Operative's reserves. Ultimately, the board determined that the business should be wound up. A special postal ballot process was put to members and the Co-Operative was placed into Liquidation.

At the time of our appointment, the Co-Operative was trading as normal. No steps had been taken to wind down operations or terminate contracts. There were around 60-70 operators in the network, plus subcontractors driving the Co-Operative's vehicles for government contracts. We conducted an urgent assessment of the various contractual arrangements in place and having regard to our obligations, we determined that the Co-Operative would have to continue trading until 30 June 2024. We worked with existing management and staff to ensure operations continued, and we thank the Co-Operative's team for their efforts. Through the continued trading we were able to collect the bulk of the trade debtors, minimise termination costs and extract value from the intellectual property of the Co-Operative.

The Co-Operative's primary assets consist of real property, cash at bank, PPE, shares, debtors and intellectual property. We have secured cash at bank (including term deposits) of circa \$1.6M. The PPE (primarily motor vehicles) and shares have been sold for approximately \$160K (before realisation

costs), which represented a capital gain to the Co-Operative. Debtors of around \$150K have also been recovered through the continued trading of the business, with a minor balance remaining to be pursued on a commercial basis.

Creditors may recall that we ran a public sale campaign for the Co-Operative's intellectual property and associated assets. We engaged with interested parties, obtaining multiple written offers. After negotiation, we secured a sale with Black & White Cabs for \$80K, which again represented a material capital gain to the Co-Operative. With the assistance of staff, we have executed the necessary forms and documentation to transfer the intellectual property, including sundry inventory. There were complexities with the sale, which have now been completed.

We have taken steps to prepare the Mascot property for sale, however, for commercial reasons, we are unable to disclose the anticipated sale price. We expect that the Mascot property will be publicly listed for sale in the coming weeks, ahead of an auction. We are also advised the Co-Operative owns the Woollahra Property (a strata entitlement in Woollahra, NSW), however there appears to be discrepancies with title documentation. We are undertaking further enquiries, as our enquiries indicate that there could be meaningful value realised, which ought to be pursued.

During the continued trade on of the Co-Operative, we have discharged essential pre-appointment debts to facilitate the orderly winding down of the Co-Operative's affairs. This included trade debts and outstanding wages (but not accrued entitlements due to a dispute - discussed further below). All costs and expenses incurred during our appointment have been, or will be, discharged shortly. We note that there have been some delays encountered with the final accounting. We are endeavouring to pay any residual trading expenses promptly.

The remaining liabilities of the Co-Operative largely relate to employee entitlements, where certain employees have lodged substantial claims in respect of historical entitlements and termination pay, totalling approximately \$700K (plus superannuation, if applicable). Given the significant values, we have sought further information and advice from an external consultant. At this stage, these claims have not been resolved, as we are still working through the advice and may require additional evidence.

The other unsecured creditors relate to a contractual termination fee for Cabcharge, passenger levy credits owed to drivers for circa \$20K and a minor tax liability of \$14K owed to the ATO. We note that there is likely to be a significant capital gain on disposal of the Co-Operative's assets which will increase the debts owed to the ATO. Once the realisations are complete, we will seek tax advice to determine the tax liability. We are also exploring the annual reporting and auditing requirements for the Co-Operative, where there are issues that the existing auditor, Peter Varley, has ceased to hold office.

Based on our investigations and enquiries to date, the Co-Operative was solvent on our appointment and remains solvent. Our review of the Co-Operative's financial records has not identified any irregularities or material issues. Therefore, there is no insolvent trading or other voidable recoveries to pursue. Should this change, we will update creditors and/or shareholders accordingly.

The work required to be undertaken by us in this Liquidation has far exceeded the initial brief provided to us by the Directors. This has resulted in substantial gains for the Co-Operative and its members,

and similarly additional costs being incurred. Whilst the trading aspects are finalised, there remains substantial work to complete, including the property disposals, resolution of the additional employee claims, tax assessments and distribution to members. We are now seeking creditor approval for our additional professional time costs, in order to progress the matter. We also seek approval of the retainer of our lawyers, consultants and advisors on this matter, and the engagements may continue beyond three (3) months. Further information is contained in section 13.1 of this Report.

Based on recoveries to date and available information, we anticipate there will be sufficient funds to discharge all known creditor claims from the available assets and provide a significant return to the members (shareholders). The timing of the returns are subject to realising the remaining property assets and resolving various disputed employee claims. If issues can be resolved promptly, we anticipate dividends can be declared within three (3) to six (6) months, and the liquidation completed soon thereafter.

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1 BASIS OF REPORT

This report has been prepared primarily from information received from the Co-Operative's Directors, employees and advisors. The Co-Operative is an entity regulated by NSW Fair Trading. The Co-operatives National Law adopts applied Corporations Act provisions, which in effect requires us to follow standard company liquidation procedures for the Co-Operative.

In order to complete this report and in conducting our investigations, we have also utilised information from:

- ▲ ASIC;
- ▲ NSW Fair Trading;
- ▲ The books and records of the Co-Operative;
- ▲ Discussions with the Directors and advisors;
- ▲ The ROCAP completed by the Directors; and
- ▲ Extracts from public information databases.

2 DISCLAIMER

A preliminary investigation of the Co-Operative's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Directors, advisors, and from our own enquiries. This report contains information about potential actions/claims which may still be investigated and may be determined to be unviable or not pursued in due course.

Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this report.

Neither we, nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to us, or necessary estimates and assessments made for the purposes of the report.

This report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Co-Operative and must not be disclosed without the prior approval of the Liquidators.

Creditors should consider seeking their own independent legal advice as to their rights and options available to them.

Should any creditor have material information in relation to the Co-Operative's affairs which they consider may impact on our investigations or report, please forward details in writing as soon as possible.

3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

We confirm that our DIRRI as previously circularised does not require any update.

4 CORPORATE INFORMATION

The following information has been extracted from NSW Fair Trading records:

Date of Incorporation	3 July 1946
Type of Company	A distributing Co-operative with share capital
Class	Not Applicable
Registered Office	14 Sarah Street, MASCOT NSW 2020
Principal Place of Business	14 Sarah Street, MASCOT NSW 2020

OFFICER	START DATE	CEASE DATE	POSITION(S)
Demetrios Moustakas	27/04/2017	Current	Director
Martin Passman	19/11/2001	Current	Director
Martin Passman	16/12/2016	Current	Secretary
Athos (Arthur) Divis	29/11/2005	Current	Director
David Coppleson	29/11/2016	Current	Director
Ross Ossama Raslan	06/12/2022	Current	Director
Robert Raslan	11/02/2021	Current	Chief Exec.

SHAREHOLDERS	SHARES ON ISSUE	PRICE PAID-UP PER SHARE	TOTAL PAID-UP SHARE CAPITAL
54 shareholders	14,473	\$2.00	\$28,946

**Per the share register*

5 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, our appointment as Liquidators automatically stays any current legal proceedings against the Co-Operative.

Creditors cannot commence or continue proceedings against the Co-Operative without our written consent or without leave of the Court. We are not aware of any legal proceedings involving the Co-Operative that are currently on foot.

6 BACKGROUND AND EVENTS LEADING TO OUR APPOINTMENT

The following information was obtained from our enquiries with the Directors, employees and advisers, and our review of the Co-Operative records.

- The Co-Operative was incorporated on 3 July 1946. It was initially named “Ex-Servicemen’s Cabs Co-Operative Limited” until 1981, when its name changed to “RSL Ex-Servicemen’s Cabs & Co-Operative Members Limited”.
- The Co-Operative is registered with the NSW Fair Trading, and currently has 54 members.
- The Co-Operative primary business was to provide cab/taxi services predominantly in the Sydney metropolitan area (NSW).
- We understand that the Co-Operative operated from various locations over the years. In 2003, the Co-Operative acquired the Mascot premises from which it has operated since.
- We understand that the Co-Operative’s business declined in recent years, following disruptions to the industry due to introduction of ride-sharing services and other external factors, diminishing the underlying value of traditional taxi cab business. These issues further compounded during the Covid-19 pandemic.
- Overall, the number of “RSL Cabs” branded operators declined, as did revenues. On our appointment there was around 70 vehicles operating under the RSL Cabs brand, which is a fraction of the number of vehicles operating historically.
- The Co-Operative’s income was a function of the number of vehicles operating in their network. As such, with the reducing number of vehicles operating, the Co-Operative has reported trading losses over recent years.
- The board appears to have taken steps to reduce the back-office and overhead costs. However, there appears to have been insufficient revenues generated, such that the Co-Operative’s reserves have steadily declined.
- Ultimately, the board determined that the business should be wound up, subject to the views of the members. At the 2023 Annual General Meeting, the members were invited to express a view on the matter, and it appears that members supported the orderly winding up of the Co-Operative.
- A formal postal ballot process was undertaken with members, and on 21 May 2024, the Co-Operative was placed into liquidation and we were appointed.

7 CONDUCT OF THE LIQUIDATION

Below is a high-level summary of the key matters attended to by ourselves and our staff during the Liquidation, including various issues which were not disclosed prior to the appointment commencing:

- Assessment of financial position identified lack of contractual documentation for the operations, employment and reported financial position;
- Identified that the operator network documentation was lacking;
- Investigations identified that the accounting systems were not accurate and required extensive manual processing;
- Determined that extended trading was required until 30 June 2024, due to various obligations with account customers (concerns of duty of care) and notice with operators;
- Implemented accounting control procedures for the ongoing finances;
- Investigated the vehicles providing services which were being operated by employees and sub-contractors;
- Arranged insurance cover due to cancellation of policies resulting from liquidation defaults;
- Investigated the employee contractual arrangements, noting documentation was lacking;
- Investigated a series of disputed claims made by employees regarding alleged underpaid entitlements in excess of \$700K, and formally sought evidence and advice;
- Engaged independent valuation of the physical assets held;
- Secured and sold vehicles above valuation figures, with further assets to be sold;
- Investigated loans issued to certain operators which remain outstanding in respect of vehicle finance, insurance and cameras, and pursued recovery of those debtors;
- Investigated registered security held by Cabcharge and a dispute on ownership of the terminal equipment;
- Ran a public sale process to dispose of the Co-Operative's intellectual property and associated driver network assets, including extensive negotiation with various parties;
- Documented and completed the IP sale, creating a gain for the Co-Operative;
- Responded to various disputes with the IP purchaser regarding conduct of certain parties operating the business and competing for the assets;
- Conducted enquiries in respect of the Mascot property, and ran a competitive tender process to sell the property;
- Engaged independent valuer for the Mascot property;

- Engaged an agent and set a process for the sale of the Mascot property by public auction;
- Investigated the Woollahra property and potential saleability of the asset, including obtaining appraisal, engaged experts and insurance cover, building assessments and investigating documentation issues with the title;
- Discharged creditor claims in the ordinary course of trading, mitigating termination claims;
- Investigated the audit requirements, including issues of the cessation/resignation of the auditor and further engagement requirements;
- Investigated the tax reporting requirements, including issues of the resignation of the tax agent and further engagement requirements;
- Liaised with the Board of directors; and
- Prepared reporting to creditors and convening a meeting.

8 TRADING DURING THE LIQUIDATION

At the time of our appointment, the Co-Operative was trading as usual, no steps had been taken to wind-down the operations or terminate the contractual arrangements. The Co-Operative had approximately 60-70 operators on the road, plus there were subcontractors driving the Co-Operative's vehicles for government contracts.

We conducted an urgent assessment of the various commercial and contractual arrangements in place with customers, operators, suppliers and employees. We also liaised with key customers regarding notice and termination requirements for the various supply arrangements in place, which included special needs school-aged children and essential infrastructure (NSW Ferries).

Having regard to the various commercial factors and duty of care obligations, and with consultation with the counter-parties, we determined that the Co-Operative would have to continue full operations until 30 June 2024. We worked with the Co-Operative's management and staff to ensure that operations could continue until that date.

We note that the accounting and billing systems were antiquated and manually intensive which created additional complexities and delays. Regardless, we had to work with the existing systems to maximise the recoveries. We put in place controls and procedures for ongoing operation with staff during this period. We sought to keep ongoing supplier arrangements and discharged pre-appointment debts as payments of necessity, to ensure continued trading. All costs and expenses incurred during our appointment has been and/or will be discharged in full in due course.

Overall, revenue and recoveries during the trading period totalled approximately \$675K (excl. GST). By continuing to trade, we were able to maximise the recoveries on the Co-Operative's assets, which otherwise may have become impaired. Based on costs incurred to date and estimated projections, we anticipate net trade was around breakeven or generating a minor net trading profit. We are still working through the final accounting as costs become known and will provide an update at the forthcoming creditors meeting.

9 CURRENT FINANCIAL POSITION

Below is our analysis of the current financial position of the Co-Operative, with regard to the Directors' ROCAP, available financial records and our enquiries to date.

RSL Ex-Servicemen's Cabs & Co-operative Members Limited (In Liquidation) ABN 29 491 565 109				
	Report Reference	Book Value as at 21/05/2024 (\$)	Directors' ERV (per ROCAP) (\$)	Liquidators' ERV (\$)
Assets				
Cash and Cash Equivalents	9.1.1	1,705,057	1,648,268	1,659,100
Real Property	9.1.2	2,291,088	<i>Not disclosed</i>	<i>Withheld</i>
Trade Debtors	9.1.3	164,943	15,760	164,943
Plant & Equipment	9.1.4	78,777	142,381	111,201
Shares	9.1.5	39,509	-	48,286
Prepayments	9.1.6	39,089	-	-
Inventory and Intellectual Property	9.1.7	14,478	-	80,000
Total Assets		4,332,941	1,806,408	2,063,529
Liabilities				
Secured Creditors	9.2.1	-	-	-
Priority Creditors	9.2.2	95,134	113,242	697,700
Unsecured Creditors	9.2.3	-	-	-
Australian Taxation Office		7,625	-	14,401
Trade Creditors		109,857	34,337	20,000
Total Liabilities		212,616	147,579	732,101
Estimated Net Asset / (Deficiency)		4,120,325	1,658,829	1,331,428

9.1 ASSETS

9.1.1 Cash and Cash Equivalents

On appointment, we made enquiries with all major banks in Australia seeking details of any accounts maintained by the Co-Operative. We identified that the Co-Operative held the following amounts in bank accounts with St George Bank, which we have recovered or secured:

Account Type	Balance (\$)	Status
Cheque	130,425.43	This has been recovered in full.
Savings	205,307.88	This has been recovered in full.
Term Deposit	512,313.21	Funds to be recovered via early maturity, subject to terms.
Term Deposit	421,021.19	Funds to be recovered on maturity around November 2024.
Term Deposit	372,169.51	Funds to be recovered on maturity around September 2024.

Total	1,641,237.22	
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Based on enquiries to date, we are not aware of any other bank accounts held by the Co-Operative as at the date of our appointment.

We have also secured the cash on hand that was held at the Mascot office premises, totalling approximately \$19K.

9.1.2 Real Property

9.1.2.1 14 Sarah Street, Mascot NSW

The Co-Operative is the registered proprietor of the premises at 14 Sarah Street, Mascot NSW. We have secured the premises and are currently taking steps to prepare the property for sale, given that the trading has ceased.

We engaged a property specialist and have undertaken a competitive tender process for an independent valuer and agent. The independent valuer has now been engaged, and we anticipate receiving the report imminently. We have received advice and determined it was appropriate to engage Colliers for an exclusive agency period up to mid-November 2024, to run a public sale campaign. For commercial reasons, we are unable to disclose the anticipated sale price in this report.

Further, we have also instructed our lawyers, Bartier Perry, to undertake the conveyancing work including preparing the contract for sale. We anticipate that the property will be publicly listed for sale in the coming weeks, with an orderly marketing campaign ahead of an auction, to be sold as vacant possession.

Noting that the property was acquired in 2003 and the current market appraisals, we anticipate that there may be a significant capital gain on disposal. The resulting tax liability will be subject to the Co-Operative's standing as to exemptions or loss reserves. We have begun discussions with the external tax agent in this regard.

9.1.2.2 Strata Entitlement in Woollahra NSW

We are advised that the Co-Operative maintained and owns a strata entitlement at Lot 83 in Strata Plan 370 at 8-14 Fullerton Street, Woollahra NSW. The strata entitlement is a section of roof space on top of a residential building which was acquired in 1970. We are advised that the Co-Operative used the space for a radio tower, which is now redundant due to technological advances.

The documentation relating to this asset is somewhat deficient, and there are discrepancies in the owner's name registered on title. We are advised that the Co-Operative has paid the relevant operating and maintenance costs for many years.

We are undertaking further enquiries to attempt to resolve the documentation issues on title, as the property may have meaningful realisable value. In this regard, with our property specialist, we sought appraisals from independent agents, focussing on whether there was a market for this bespoke asset and potential value. In summary, there appears to be an opportunity to sell the strata entitlement,

creating windfall value for the Co-Operative and its members. We have negotiated a commercial arrangement on the agent commissions, largely derisking the sale, subject to insurance and marketing costs.

Noting that the property was acquired in 1970, we anticipate that there may be a gain on disposal. However, subject to the property not changing its tax status, it is possible that any gain may be tax-free as the property was acquired prior to CGT legislation being introduced. We have begun discussions with the external tax agent in this regard.

Again, for commercial reasons, we are unable to disclose the anticipated sale price in this report. Further, given the documentation issues mentioned above, we consider any recovery to be speculative at this stage. Further information will be provided reported in due course.

9.1.3 Trade Debtors

The Co-Operative's management accounts reported debtors owed to the Co-Operative in the amount of \$165K at the date of our appointment. Through our appointment thus far we have recovered approximately \$150K.

The debtors largely comprised of amounts owed by key customers. We continued to trade the business in order to recover these debtors, and generate further income in the orderly winding down and exit of the contractual arrangements.

Our investigations also identified that the Co-Operative had provided finance to various operators, in respect of vehicle acquisition, camera equipment and insurance arrangements, totalling around \$45K at the time of our appointment. We have subsequently recovered the majority of this finance, despite the documentation being somewhat lacking. There appears to be around \$15K remaining and we will approach the recovery on a commercial basis, and note that legal action may be required.

9.1.4 Plant & Equipment

The Co-Operative's management accounts reported PPE with a written down value of \$79K. This includes various motor vehicles and the office equipment located in the Mascot premises. We engaged an independent valuer from O'Maras to inspect the PPE and provide a valuation report. The report indicated that some of the vehicles were imported models and classic vehicles, such that the realisable value could vary widely, and the demand was unknown.

As such, by completing a bulk sale of several vehicles to a former subcontractor, derisking the process and costs, where the sale price was a marked improvement against valuation. The remaining vehicles were sold via public auction, which achieved reasonable results. Overall, the assets were sold for approximately \$111K (plus GST, before costs) which is a material improvement on the written down book value and the forced sale valuation assessment. The resulting gain on sale will be included in the overall tax assessment, mentioned above.

We are advised that the residual office equipment has minimal value, and will likely be disposed of or abandoned.

9.1.5 Shares

The Co-Operative held a small parcel of shares in listed entity, IAG. We engaged a broker and sold the shares on market for approximately \$48K (before realisation costs).

The Co-Operative will again record a gain on disposal of the shares, as compared to the written down value. This gain will form part of the tax assessment mentioned earlier.

9.1.6 Prepayments

The Co-Operative's management accounts reported prepayments, totalling circa \$40K, largely in respect of insurance and land tax expenses. These are expenses which have been capitalised for accounting purposes. Whilst not separately realisable, this asset will likely form part of the cost base for the Mascot property sale.

9.1.7 Inventory and Intellectual Property

The Co-Operative reported that it held sundry inventory, including uniform apparel and stationery with logo and livery. The unreported component was the Co-Operative's intellectual property associated with the branding, trading names, website and other. The total written down value in the balance sheet was \$14K.

Creditors may recall that we ran a public sale campaign and competitive bid process for the Co-Operative's intellectual property and associated assets, which included the business names, website and telephone numbers. We sought binding offers from interested parties and, after engaging with five (5) interested parties, we obtained three (3) written offers.

Following further negotiation, we secured a sale with Black and White Cabs for \$80K. Our lawyers, Bartier Perry, prepared a formal sale agreement. With the assistance of staff, we have worked with Black & White Cabs to execute necessary forms and documentation to transfer the intellectual property, including the sundry inventory. We note that the sale had complexities, as some of the contractual arrangements and registrations were not in place. There were further complications, with some of the competing parties taking different views on the process.

Regardless, we have now completed the sale. As a result, the Co-Operative has made a further capital gain on disposal, which will also form part of the tax assessment mentioned earlier.

9.2 LIABILITIES

9.2.1 Secured Creditors

Searches of PPSR indicate there was one (1) security interest registered by Combined Communications Pty Limited over the Co-Operative prior to our appointment. We have not received any correspondence, however we are advised that this security interest may relate to merchant terminals owned by Cabcharge.

As the Co-Operative ceased trading on 30 June 2024, we have been in contact with Cabcharge regarding the merchant terminals which were largely installed in the operators' vehicles. These terminals had to be reprogrammed if the operator joined a new taxi network or returned to Cabcharge.

We have worked with Black & White Cabs and the operators, to identify the new network or recover the equipment. We note that Cabcharge have advised they will charge a fee of \$1,850 per terminal not recovered. The existence of the contract and penalty provisions does not appear to have been known to the management. We have again encountered discrepancies in the available documentation, however, the majority of the equipment has been returned to Cabcharge or reprogrammed to another network. Any residual charges will be pursued from operators, including via deductions, or otherwise paid by the Co-Operative.

9.2.2 Priority Creditors

As mentioned previously, we continued to trade the Co-Operative for a number of weeks as we worked through the orderly termination of contractual arrangements. We continued to employ staff during this time, and the management at head office were instrumental to the orderly cessation of trade and realisation of assets. We thank the staff for their assistance.

All employees were provided formal notice of the termination of their employment as the trading ceased, and they continued to work during their notice period to assist us with finalising the orderly trading affairs. The final employee is anticipated to finish work in the coming days.

We note that certain employees have lodged substantial claims in respect of historical employee entitlements and termination pay, which are not reflected in the Co-Operative's financial records. The total of those claims is around \$700K, and our enquiries with the Directors indicate that there is a material dispute. Given the significant values involved, we have had to follow a formal adjudication process, and sought further evidence from the employees and advice from an external consultant. The claims that were not contested have been settled. We are still working through the contested claims and will likely require legal advice before finalising our assessment.

We confirm that we are required to follow the relevant legal framework. As such, to the extent that the advice and legal position supports that the claims are valid, they will be paid as the Co-Operative has sufficient funds available.

Given the varied potential outcomes, we have provided below a high-low range of the claims:

Employee Entitlements	Pessimistic \$	Optimistic \$
Wages / Overtime / Time-in-lieu	360,000	Nil
Annual Leave	70,900	70,000
Long Service Leave	44,500	45,000
Redundancy	222,300	Nil
Total	697,700	115,000

We make the following observations on these claims:

- Wages / Overtime / Time-in-lieu – the claims appear to relate to allegations of historic underpayment and penalty rates applicable for additional work performed going back several years in some circumstances. The initial advice is that the bulk of the claims may not be valid,

due to the lack of contractual documents supporting such entitlements. However, this is subject to further review.

- ▲ Annual Leave – the annual leave claims are largely in-line with the payroll records and could be settled soon, subject to objections.
- ▲ Long Service Leave – the long service leave claims are largely in-line with the payroll records, based on the years of service. These claims could be settled soon, and subject to objections.
- ▲ Redundancy – the Co-Operative may be subject to the small business exemption rules, which excludes redundancy entitlements where an entity has less than 15 employees (plus other conditions and requirements) at the relevant time. This appears to be a contested issue, and further review is needed to determine the final position.
- ▲ Superannuation – the superannuation claims are yet to be quantified, where the total exposure may be driven by the remainder of the entitlements.

Employees of the Co-Operative have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. The Co-Operative is solvent and there is anticipated to be sufficient funds to discharge to full extent of the claims on a high and low basis.

We will provide the employees with relevant information to support our adjudication in due course. We note that should the employees dispute our adjudication, they may lodge an appeal with the Courts. Should this occur, it may delay distribution of funds to creditors and shareholders (members).

9.2.3 Unsecured Creditors

As we have continued to trade on the Co-Operative, we have discharged essential pre-appointment debts as they became due and payable, to progress the winding down in an orderly manner. All costs and expenses incurred during our appointment have been or will be discharged shortly.

At this stage, the only pre-appointment debts that we are aware of relate to passenger levy credits owed to drivers for circa \$20K and a minor tax liability of \$14K owed to the ATO for the BAS period up to our appointment. However, as mentioned earlier, the total tax exposure is likely to significantly increase once all assets are sold and capital gains are realised.

We understand the passenger levy credits have been historically carried forward for some time and the documentation maintained by the Co-Operative is lacking. The little information to hand shows that many of the balances owed to over 300 drivers appear to be less than \$100 each. Regardless, we have included this total liability in our reporting for completeness.

Should creditors, who have not already done so, wish to lodge their claim with this office, please complete the Formal Proof of Debt form, attached as **Annexure “2”**, and return same together with documentary evidence to support your claim.

10 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidators, we are required to review certain transactions to determine whether or not claims for statutory recoveries may be made for the benefit of creditors and members. Attached as “**Annexure F**” is the ARITA creditor information sheet on Offences, Recoverable Transactions and Insolvent Trading.

Whilst a potential claim may be identified having regard to the Co-Operative’s records, any net recovery ultimately depends upon:

- ▲ The costs involved in pursuing a claim; and
- ▲ The capacity of the defendant to meet such a claim.

10.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, we have:

- ▲ Made enquiries with the Directors and management regarding the Co-Operative’s financial affairs;
- ▲ Reviewed the financial statements and management accounts maintained by the Co-Operative;
- ▲ Reviewed other Co-Operative records made available to us;
- ▲ Carried searches in relation to the Co-Operative; and
- ▲ Made enquiries with the external auditor and tax agent in respect of reporting requirements.

10.2 BOOKS AND RECORDS

Section 286 of the Act requires a company is to keep written financial records that:

- ▲ correctly record and explain its transactions, financial position and performance; and
- ▲ would enable true and fair financial statements to be prepared and audited.

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the entity was insolvent throughout the period the books and records were not maintained (Section 588E of the Act).

Following a review of the Co-Operative’s books and records available to us, we are of the view that the Co-Operative has kept books and records in compliance with Section 286 of the Act.

10.3 INSOLVENCY & POTENTIAL INSOLVENT TRADING

Pursuant to Section 588G of the Act, a director may be personally liable for insolvent trading by a company where:

- ▲ A person is a director at the time a company incurs a debt;
- ▲ The company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;

- ▲ At the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- ▲ The director was aware such grounds for suspicion existed; and
- ▲ A reasonable person in a like position would have been so aware.

For the purposes of our analysis, the Co-Operative is to be assessed as a company, and the relevant provisions of the Act apply. The Act provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

Our assessment has been based on the information available to us from the Co-Operative's records and on the basis of our separate investigations of the Co-Operative's affairs.

Based on our investigations conducted to date, our preliminary view is that the Co-Operative was solvent on our appointment and remains solvent. Therefore, there is no insolvent trading claim or other antecedent recoveries to pursue.

Should the situation change, we will update creditors and/or shareholders in future reports (if necessary).

10.4 VOIDABLE TRANSACTIONS & OFFENCES

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Liquidators.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however, in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into with related parties with the intention of fraud.

As mentioned above, it appears that the Co-Operative is solvent, and therefore most of the voidable recovery actions are not available. We anticipate that the outcome of the orderly liquidation, will be the significant surplus assets being distributed to members.

Our review of the Co-Operative's financial records has not identified any material issues, including unaccounted for assets or excessive liabilities. We have not been advised of any irregular transactions or alleged offences, by creditors, members or other parties.

Therefore, we have not identified any offences or recovery actions to be pursued at this time. Should that position change, we will update creditors and members in due course.

11 RECEIPTS AND PAYMENTS

Attached as **Annexure "D"** is a summary of receipts and payments during the Liquidation period to the date of this Report.

We are required to lodge a statement of account with NSW Fair Trading annually during the Liquidation. To date, our appointment has not exceeded (12) twelve months and as such, we are not required to lodge same but will do so if necessary, in accordance with the statutory timeframe.

12 REMUNERATION OF LIQUIDATORS

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure “E”** which details the major tasks that have been and will be conducted in this Liquidation. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure “F”**.

To date, our remuneration has been calculated on this “Time-Cost” basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors’ information, ASIC information sheets (**Annexure “I”**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- ▲ <http://www.asic.gov.au/insolvencyinfosheets>
- ▲ https://arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx

The work required to be undertaken by us in this Liquidation has far exceeded the initial brief provided to us by the Directors. This has resulted in substantial gains for the Co-Operative and its members, and similarly additional costs being incurred. Whilst the trading aspects are finalised, there remains substantial work to complete, including the property disposals, resolution of the additional employee claims, tax assessments and distribution to members. We are now seeking creditor approval for our additional professional time costs in order to progress the matter.

Please note that if our professional fees are not approved by creditors, then we may approach the Court for those approvals. We note that this will likely incur additional costs, which will be borne from the available assets, and delays in the distribution of funds to creditors and members.

13 MEETING OF CREDITORS

A Meeting of Creditors of the Co-Operative will be held on Thursday, 5 September 2024 at 11:00AM (AEST). The formal Notice of Meeting is attached as **Annexure “A”** for your reference. The meeting is being held in person and virtually for convenience of creditors.

To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZltdeCqgD0sH9Xse7vI8PCAxERQ0p9WEsBv>

A link and telephone dial-in details to access the virtual meeting will be emailed to you separately.

To participate as a Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor and/or employee Creditor. Proofs of Debt are enclosed as **Annexure “B”**. If you have previously provided a proof of debt and wish to supplement it, you may do so. **Otherwise, Creditors who have already lodged a proof of debt are not required to re-lodge for the Meeting of Creditors.**
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which is attached as **Annexure “C”**, must be in accordance with Form 532. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each proposal. Proxy forms must be lodged by 4:00PM (AEST) one (1) business day prior to the meeting by email.

13.1 APPROVAL OF ENGAGEMENTS

Pursuant to Section 477(2B) of the Act, we are required to seek approval from creditors, COI or the Court to enter agreements which have a duration of more than three (3) months. As mentioned previously, we have necessarily retained various parties where we expect these retainers may exceed this timeframe, and therefore require approval by creditors.

A brief summary of these engagements are as follows:

Bartier Perry

We have engaged Bartier Perry to assist with providing legal advice on various aspects of the Liquidation, including general advice requirements, the sale of the Intellectual Property, dispute on the Woollahra Property title and sale of the Mascot Property. The costs of the engagement are charged on a time cost basis and include disbursements, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

“That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Statutory Report to Creditors dated 21 August 2024 pursuant to Section 477(2B) of the Corporations Act.”

We estimate costs may be between \$20,000 and \$30,000 for the legal work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Bartier Perry.

Robin Human Capital

We have engaged Robin Human Capital to assist with providing advice on entitlement claims received from certain employees. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

“That the Liquidators be authorised to enter into an agreement with Robin Human Capital as disclosed in the Statutory Report to Creditors dated 21 August 2024 pursuant to Section 477(2B) of the Corporations Act.”

We estimate costs may be between \$5,000 and \$10,000 for these professional services. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Robin Human Capital.

APS

We have engaged APS, a property specialist, to assist with managing part of the real property sale process. The engagement terms are a commercial arrangement subject to successful sale of the real property, which we believe is appropriate.

Whilst we anticipate this engagement will exceed three (3) months, there is no cost outlay to the Co-Operative. This retainer is disclosed here for transparency only, and we have not sought approval in respect of this engagement.

Colliers

We have engaged Colliers (Mascot branch) to market and sell the Mascot property. The costs of the engagement are standard commission basis, being 2% (plus GST) of the sale price, and marketing disbursements. We believe these to be reasonable market rates.

Further, if we are able to resolve the title issue for the Woollahra strata entitlement, Colliers (Sydney branch) will be instructed to market and sell this property. The costs of the engagement are higher than usual commission rates, being 8% (plus GST) of the sale price, due to the bespoke nature of the asset. We believe this to be a reasonable cost in these circumstances.

We do not anticipate these engagements will exceed three (3) months each. The engagements are disclosed here for transparency only, and we have not sought approval in respect of these engagements.

14 ESTIMATED RETURN TO CREDITORS

Attached as **Annexure “G”** is an analysis of the advised estimated return to creditors and shareholders that may be available in the Liquidation.

Based on the recoveries to date, we anticipate there are sufficient funds to discharge all known creditor claims from the available assets, and there should be significant funds available to distribute

to members (shareholders). The timing of the returns is subject to several factors, including resolving the employee entitlement claims, completing the sale of real property and tax/audit reporting requirements. We anticipate dividends can be declared within three (3) to six (6) months assuming a prompt completion of those matters.

We encourage any creditors who have not already done so, to lodge a POD together with relevant supporting documentation. A copy of the POD is attached as **Annexure “B”** in this regard.

15 TASKS REQUIRED IN THE LIQUIDATION

We anticipate that the following matters will be dealt with during the Liquidation moving forward:

- Finalising collection of trade debtors, on a commercial basis;
- Resolve employee entitlements claims, including seeking further information and legal advice;
- Resolve issue with title discrepancy for Woollahra strata entitlement and explore sale options;
- Complete sale of Mascot property;
- With assistance from the external tax agent, prepare tax lodgements and determine potential tax liability on disposal of assets;
- Attend to audit requirements for financial statements, if applicable;
- Distributions to employees, creditors and shareholders;
- Statutory lodgements and general administrative matters; and
- Finalise.

Should any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

If the issues discussed above can be resolved promptly, we anticipate that the Liquidation could take another six (6) months to complete. Otherwise, if there are disputes on claims requiring litigation, then the Liquidation could continue for twelve (12) to eighteen (18) months.

16 CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- Have any information that you consider is relevant for creditors’ decision making or relevant information that may help assist our investigations into the affairs of the Co-Operative.

Creditors should however, maintain their records in relation to the affairs of the Co-Operative and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ARITA at www.arita.com.au/creditors ; and

- ▲ ASIC at www.asic.gov.au (search for “insolvency information sheets”), also attached as “Annexure I” to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact the Administration Contact shown at page 1 of this report.

Any further reports will be issued as considered appropriate.

Yours faithfully,

RSL EX-SERVICEMEN’S CABS & CO-OPERATIVE MEMBERS LTD (IN LIQUIDATION)

A handwritten signature in black ink, appearing to read 'Jonathon Keenan', written in a cursive style.

JONATHON KEENAN

Joint and Several Liquidator

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal stripe is on the right side of the rectangle.

BRI Ferrier

**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "A"
Notice of Meeting of Creditors**

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

NOTICE OF MEETING OF CREDITORS
RSL EX-SERVICEMEN'S CABS & CO-OPERATIVE MEMBERS LIMITED (IN LIQUIDATION)
ABN 29 491 565 109 ("the Co-operative")

NOTICE is given that a meeting of the creditors of the Co-operative will be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on 5 September 2024 at 11:00AM (AEST).

Virtual meeting technology will also be made available should creditors wish to attend the meeting virtually. To attend virtually, creditors will need to register their details at the following link:

<https://us06web.zoom.us/meeting/register/tZltdeCqgD0sH9Xse7vI8PCAxERQ0p9WEsBv>

A G E N D A

1. To receive the Report of the Liquidators.
2. To consider and, if thought fit, approve the Liquidators entering into agreements with various parties pursuant to Section 477(2B) of the Corporations Act.
3. To consider and, if thought fit, approve the remuneration of the Liquidators.
4. To consider and, if thought fit, approve the future remuneration of the Liquidators.
5. To consider and, if thought fit, approve the internal disbursement of the Liquidators
6. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Liquidator by 4:00 PM (AEST) on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a “show of hands” includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a “raise a hand”, or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at virtual meeting as an alternative to a poll.

DATED this 21st day of August 2024.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

Note 1: Entitlement to vote and completing proofs

IPR (Corp) 75-85 Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor’s proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person’s liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

- (7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - (a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - (b) has been assigned a debt; and
 - (c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - (d) is voting on the resolution;is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal line runs from the bottom right corner of the grey rectangle towards the right edge of the logo.

BRI Ferrier

**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "B"
Form 535 Formal Proof of Debt or
Claim**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of RSL Ex-Servicemen's Cabs & Co-Operative Members Limited (In Liquidation) ABN 29 491 565 109

1. This is to state that the Co-Operative was, on 21 May 2024 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

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

Insert particulars of all securities held. Where the securities are on the property of the Co-Operative, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐ I am **not** a related creditor of the Co-Operative ⁽⁵⁾

☐ I am a related creditor of the Co-Operative ⁽⁵⁾
relationship:

3A.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents. Please provide your email address below:

Contact Name:

Email Address:

DATED this day of 2024

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

- * 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 (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
 - (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Co-Operative between the dates of", "moneys advanced in respect of the Bill of Exchange".
 - (4) Under "Remarks" include details of vouchers substantiating payment.
 - (5) Related Party / Entity: Director, relative of Director, related Co-Operative, beneficiary of a related trust.
 - (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

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

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal line runs from the bottom right corner of the grey rectangle towards the right edge of the logo.

BRI Ferrier

**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "C"
Proxy Form**

APPOINTMENT OF PROXY
CREDITORS MEETING

RSL EX-SERVICEMEN'S CABS & CO-OPERATIVE MEMBERS LIMITED (IN LIQUIDATION)
ABN 29 491 565 109 ("the Co-Operative")

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 5 September 2024 at 11:00AM (AEST), or at any adjournment of that meeting.	

Please mark any boxes with an ☒

Proxy Type: ☐ General ☐ Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution 1: <i>"That the additional remuneration of the Liquidators, their partners and staff for the period 21 May 2024 to 15 August 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Statutory Report to the Creditors dated 21 August 2024, be fixed and approved at \$75,343.00 (excl. GST), and that the Liquidators be authorised to draw that amount as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"That the remuneration of the Liquidators, their partners and staff for the period 16 August 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Statutory Report to Creditors dated 21 August 2024 and approved to an interim cap of \$70,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: <i>"That the Liquidators be allowed internal disbursements for the period 21 May 2024 to the conclusion of the Liquidation at the</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark boxes with an "X"	For	Against	Abstain
<i>rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 August 2024, up to an amount of \$1,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as accrued."</i>			
Resolution 4: <i>"That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Statutory Report to Creditors dated 21 August 2024 pursuant to Section 477(2B) of the Corporations Act."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: <i>"That the Liquidators be authorised to enter into an agreement with Robin Human Capital as disclosed in the Statutory Report to Creditors dated 21 August 2024 pursuant to Section 477(2B) of the Corporations Act."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2024

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEST one (1) business day prior to the meeting by email: nfeng@brifnsw.com.au

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

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

DATED thisday of 2024

Signature of Witness:

Description:

Place of Residence:



**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "D"
Summary of Receipts and Payments**

Summarised Receipts & Payments

RSL Ex-Servicemen's Cabs & Co-operative Members Limited (In Liquidation) Transactions From 21 May 2024 To 20 August 2024

A/C	Account	Net	GST	Gross
1	Sales	322,079.88	32,208.02	354,287.90
72	Sundry Debtors (B)	134,635.88	0.00	134,635.88
73	Cash on Hand	19,185.65	0.00	19,185.65
74	Cash at Bank	335,921.13	0.00	335,921.13
77	Plant & Equipment	80,090.91	8,009.09	88,100.00
79	Intellectual Property Assets	80,000.00	0.00	80,000.00
89	Levy Income	4,167.58	0.00	4,167.58
90	TTSS Operator Income	29,691.26	0.00	29,691.26
92	Cabcharge Operator Income	81,944.34	0.00	81,944.34
93	Insurance Refund	19,558.30	1,955.83	21,514.13
94	Operator Finance Income	12,474.08	0.00	12,474.08
168	Passenger Service Levy	200.10	0.00	200.10
Total Receipts (inc GST)		\$1,119,949.11	\$42,172.94	\$1,162,122.05
35	Casual Labour	1,031.49	103.15	1,134.64
36	Insurance	655.45	65.55	721.00
41	Professional Fees	1,695.00	169.50	1,864.50
44	Repairs & Maintenance	1,280.00	128.00	1,408.00
45	Stationery & Printing	14.92	1.50	16.42
48	Telephone & Fax	3,073.43	307.34	3,380.77
50	Vehicle Running Costs	9,243.04	924.29	10,167.33
52	Sub-Contractors	144,631.11	14,463.10	159,094.21
57	Operators Fares	153,438.13	0.00	153,438.13
58	Association Fees	862.42	86.24	948.66
59	Utilities (GST Free)	483.72	0.00	483.72
60	Excess Fare	40.00	0.00	40.00
61	IT Costs	1,430.45	143.05	1,573.50
130	Agents/Valuers Fees (1)	9,996.36	999.64	10,996.00
131	Agents/Valuers Fees (2)	3,250.00	325.00	3,575.00
132	Bank Charges	164.64	0.00	164.64
139	Legal Fees (1)	7,531.50	753.15	8,284.65
142	IT Costs	1,060.00	106.00	1,166.00
148	Rates Council	1,036.60	0.00	1,036.60
157	Superannuation	11,293.74	0.00	11,293.74
158	Dispatch Software Systems	5,265.40	526.54	5,791.94
161	Wages & Salaries	101,437.83	0.00	101,437.83
167	Employee Reimbursement	402.73	40.27	443.00
168	Passenger Service Levy	30,640.80	0.00	30,640.80
169	Waste Removal	196.84	19.68	216.52
170	Utilities	2,018.14	201.81	2,219.95
171	Strata Levies	32.05	3.20	35.25
172	Advertising	2,471.82	247.18	2,719.00
173	Pre-Appointment Superannuation Expense	5,567.56	0.00	5,567.56
228	Superannuation Liability	(3,202.74)	0.00	(3,202.74)
234 - 10	Withholding Tax (PAYG) - Lump Sum A	(23,790.00)	0.00	(23,790.00)

Summarised Receipts & Payments

RSL Ex-Servicemen's Cabs & Co-operative Members Limited
(In Liquidation)
Transactions From 21 May 2024 To 20 August 2024

A/C	Account	Net	GST	Gross
Total Payments (inc GST)		\$473,252.43	\$19,614.19	\$492,866.62
Balance in Hand - By Bank Account				
212	Cheque Account			661,117.54
213	St George Pre-Appt Acct			8,137.89
217	Trust Account			0.00
				\$669,255.43



**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "E"
Remuneration Approval Report**

Remuneration Approval Report

**RSL Ex-Servicemen's Cabs & Co-operative
Members Limited
(In Liquidation)
("the Co-Operative")**

ABN 29 491 565 109

21 August 2024

Jonathon Keenan & Peter Krejci

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
Phone 02 8263 2333
Email: nfeng@brifnsw.com.au
Website: www.briferrier.com.au



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1 EXECUTIVE SUMMARY

We are asking creditors to approve our additional remuneration of \$145,343.00 (excl. GST) and internal disbursements of \$1,000.00 (excl. GST).

Details of remuneration and disbursements can be found in section 3 and 4 of this report.

Creditors will be asked to pass resolutions in relation to remuneration and disbursements at the upcoming meeting of creditors on 5 September 2024.

The members have previously approved our remuneration and disbursements of:

Appointment	Remuneration (\$, excl GST)	Disbursements (\$, excl GST)
Liquidation	110,000.00	At cost

We estimate that the total cost of this Liquidation will be circa \$255K (excl. GST). This has increased from the previous estimate of \$110K (excl. GST), as there was significant additional work undertaken in this Liquidation. The majority of the work relates to tasks in addition to our initial engagement scope. To summarise, that additional work related to the following:

- Assessment of operations and financial position identified lack of contractual documentation with operators, suppliers and account customers;
- Determined extended trading required until 30 June 2024 due to contractual obligations with account customers (and concerns of duty of care);
- Substantial work in transfer of IP and associated assets to successful bidder, Black & White Cabs, including ASIC keys for business names, dealing with Cabcharge terminals, issues raised by Black & White Cabs regarding correspondence with operators;
- Investigated the Woollahra property strata entitlement difficulties, which was advised as an asset but not reported in the financial statements and investigating documentation issues with the title; and
- Dealing with series of disputes from employees regarding alleged underpayment of various entitlements, totalling approximately \$700K, obtaining further information and seeking advice on claims from HR consultant.

We are seeking approval for the estimated remuneration involved to complete the Liquidation, assuming that the issues identified are resolved promptly and without litigation. If these circumstances change then we expect our costs will increase from these estimates and we may seek approval of additional remuneration as appropriate.

2 DECLARATION

We have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed are necessary and proper.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3 REMUNERATION SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Completed Work	21 May 2024 to 15 August 2024	75,343.00	Provided in this Report dated 21 August 2024	It will be drawn once approved
Future Work	16 August 2024 to conclusion	70,000.00	Provided in this Report dated 21 August 2024	It will be drawn, once approved and when incurred
TOTAL		\$145,343.00 (excl. GST)		

Details of the work already completed for the period 21 May 2024 to 15 August 2024 and future work that we intend to complete are included at Schedule A.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

Actual resolutions to be put to the meeting are included at Schedule C and D for your information. These resolutions also appear in the proxy form for the meeting provided to you.

4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the liquidation, but we must provide details to creditors. We have not paid any such costs to date.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Schedule D of this report.

The disbursements we would like creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)
Disbursements to a capped amount	21 May 2024 to conclusion	\$1,000.00
	TOTAL	\$1,000.00

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions to be put to the meeting are also included at Schedule D. These resolutions also appear in the proxy form for the meeting provided to you.

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order of payment of claims against the Co-Operative, and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the Co-Operative's affairs, report to creditors and ASIC/NSW Fair Trading and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Based on:

- ▲ realisations to date,
- ▲ estimated future realisations,
- ▲ our estimated remuneration to complete the Liquidation and
- ▲ the estimated total of creditor claims based on the Co-Operative's records and claims lodged now,

we anticipate there are sufficient funds to discharge all known creditor claims from the available assets. However, this is subject to a range of variables, particularly the future realisations and creditor claims.

6 QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office.

You can also access information which may assist you on the following websites:

- ▲ ARITA at www.arita.com.au/creditors
- ▲ ASIC at <http://www.asic.gov.au> (search for INFO 85).

Further supporting documentation for my remuneration claim can be provided to creditors on request.

7 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Explanation Where Remuneration Previously Approved

Schedule E – Disbursements

SCHEDULE A – DETAILS OF WORK

Company	RSL Ex-Servicemen’s Cabs & Co-operative Members Limited (In Liquidation)	Period From	21 May 2024	To	Conclusion
Practitioner	Jonathon Keenan and Peter Krejci	Firm	BRI Ferrier		
Administration Type	Members Voluntary Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
Period		21 May 2024 to 15 August	16 August 2024 to Conclusion
Amount (excl. GST)		\$110,000.00 (Approved) \$75,343.00 (To be approved)	\$70,000.00
Task Area	General Description		
Assets		99.7 hours \$57,749.00	\$20,000.00
	Plant and Equipment	<p>Attended Mascot property to inspect the plant and equipment</p> <p>Liaise with O'Maras regarding the valuation of plant and equipment</p> <p>Review the valuation report</p> <p>Correspondence with Directors regarding disposal of plant and equipment</p> <p>Consider and liaise with O'Maras regarding offer received for certain motor vehicles</p> <p>Complete sale of certain motor vehicles</p> <p>Review motor vehicle search results and investigate the customer number</p> <p>Liaise with O'Maras regarding plant and equipment on site</p> <p>Reviewing public auction results for remaining motor vehicles</p>	Receipt of net proceeds from sale of remaining motor vehicles
	Sales of Business as a Going Concern	Preparing and reviewing the sale advert in relation to business assets	N/A

		<p>Liaising with the potential purchasers regarding expression of interest</p> <p>Receipt of refundable deposits and confidentiality agreements</p> <p>Maintaining and updating the interested party register</p> <p>Internal meetings to discuss and review offers received</p> <p>Liaising with solicitors regarding sale contract</p> <p>Reviewing sale contract and negotiation with purchaser</p>	
	Sale of Real Property	<p>Conducting property searches</p> <p>Internal meetings to discuss properties</p> <p>Conducting the tender process</p> <p>Reviewing proposals from agents</p> <p>Engaging the property specialist to sell real property</p> <p>Liaising with property specialist regarding access for site inspection</p> <p>Collating documentation as requested by agents</p> <p>Liaising with property specialist regarding insurance requirements for Woollahra</p> <p>Organising building reports and insurance requirements for Woollahra</p> <p>Reviewing and finalising the agency agreement for Mascot</p> <p>Discussions with Directors regarding title issue for Woollahra</p>	<p>Liaising with the property presenter regarding sale of real property</p> <p>Monitor marketing campaign for Mascot</p> <p>Review draft sale contract for Mascot</p> <p>Attend auction for Mascot</p> <p>Execute sale contract and attend to settlement</p> <p>Obtain legal advice on title issue for Woollahra</p> <p>Resolve title issue for Woollahra with Land Titles Office</p> <p>Pursue sale options for Woollahra (subject to resolving title issue)</p> <p>Review draft sale contract for Woollahra (subject to resolving title issue)</p> <p>Expressions of interest (subject to resolving title issue)</p> <p>Execute sale contract and attend to settlement (subject to resolving title issue)</p>
	Other Assets	<p>Preparing and issuing the bank sweep letter</p>	<p>Resolve the ownership account transfer regarding</p>

	<p>Internal discussion regarding the intellectual property sale process and interested parties</p> <p>Correspondence with interested parties regarding public sale process and interest in intellectual property</p> <p>Preparing and reviewing the sale advert in relation to business assets</p> <p>Liaising with the Co-operative's staff regarding the customer database</p> <p>Reviewing and finalising the confidentiality agreement</p> <p>Send the confidentiality agreement to the interested parties</p> <p>Maintain and update interested party register</p> <p>Reviewing, considering and accepting the offer for intellectual property assets</p> <p>Liaising with the solicitors regarding the asset sale agreement and post-completion obligations of asset sale</p> <p>Liaising with the supplier regarding the backup and domain transfer</p> <p>Preparing and finalising the ownership transfer form for Optus and Telstra</p> <p>Preparing notice to operators regarding sale outcome and ceasing to trade</p> <p>Dealing with intellectual property sale disputes with the purchaser</p> <p>Correspondence with ASIC regarding business names</p> <p>Liaising with the purchaser regarding the SIM card details, business names and tablets</p>	<p>Telstra and Optus with purchaser</p> <p>Return of refundable deposits</p>
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		Liaising with broker regarding sale of IAG shares	
Creditors		24.5 hours \$9,811.00	\$10,000.00
	Creditor Enquiries	Receive and respond to creditor enquiries Maintaining the creditor information in IPS Responding to operators regarding the outstanding payments	Receive and respond to creditor enquiries Maintaining the creditor information in IPS Responding to operators regarding the outstanding payments
	Creditor Reports	Prepare and issue Initial Report to creditors Prepare necessary annexures to the Initial Report to creditors Prepare necessary annexures to the Initial Report to creditors Prepare and issue Statutory Report to Creditors Upload of reports on BRI website	Prepare and issue Statutory Report to Creditors Preparation of necessary Annexures for Statutory Report to Creditors Prepare further reports to creditors, if necessary Upload of reports on BRI website
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Correspondence with OSR and ATO regarding POD when not related to a dividend	Receipting and filing POD when not related to a dividend Correspondence with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	N/A	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Holding meeting of creditors

			Preparation and lodgement of minutes of meetings with ASIC
	Secured creditor reporting	Notifying PPSR Creditors of appointment of Liquidators Correspondence with security interest holders disclosed on PPSR Search	Correspondence with PPSR Creditor
	Shareholder enquiries	Correspondence with shareholders	Correspondence with shareholders
Employees		22.6 hours \$13,057.00	\$10,000.00
	Employees enquiry	Correspondence with the Co-operative's management regarding historical employee entitlement issues Correspondence with employees	Correspondence with employees
	Calculation of entitlements	Liaising with the Co-Operative's management in relation to outstanding employee entitlements Reviewing entitlements claims from employees Issuing letters to employees requesting further evidence and information Preparation of summary of employee POD claims Internal discussions in relation to assessment of outstanding employee entitlements and employee claim disputes Brief HR consultant Seeking advice from HR consultant regarding entitlements claims	Internal discussions in relation to assessment of outstanding employee entitlements and employee claim disputes Prepare and update the calculation of entitlements Reviewing advice from HR consultant Seek legal advice on entitlements claims Issue notices to employees regarding determination of entitlements

Investigation	Employee dividend	Reviewing employee PODs and request further evidence	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
	Other employee issues	Internal discussion regarding termination of employees and notice periods Preparation of employee termination notice Reviewing and finalising employment separation certificate	N/A
		20.2 hours \$10,674.00	\$1,000.00
	Conducting Investigation	Correspondence with the solicitor regarding powers of Liquidators Reviewing motor vehicle search Conducting ASIC searches on Company and Directors Conducting and summarising statutory searches Liaising with the employee to deal with physical records Obtain and secure copies of the Company's electronic records Correspondence with Directors regarding background and financial position of the Company Preparing comparative analysis of available financial statements Preparing deficiency statement and estimated outcome statement	Reviewing comparative financial analysis Reviewing and updating deficiency statements and estimated outcome statements

Trade On		Liaising with Directors regarding queries of financial statements Review of specific transactions Investigating and considering potential preference claims against third parties	
	ASIC Reporting	N/A	Preparing statutory investigation reports
		118.7 hours \$58,882.00	\$10,000.00
	Trade on management	Conducted assessment of operational matters Liaised with key customers regarding continued trading Reviewing contracts with key customers Reviewing contractual arrangements in place Issued notice to operators regarding continued trading Liaising with management and staff regarding continued trading Attendance on site Implementing management and operational protocols for continued trading Establish insurances for trade on period and liaise with insurance broker for ongoing insurance coverage Organise payment of fortnightly payroll Preparing and authorising receipt and payment vouchers Organise periodic sweep of funds from pre-appointment St George bank account Liaising with management and staff dealing with various operational issues arising from trading Issued further correspondence to operators regarding cease trading	Liaising with management and staff regarding handover Cancellation of suppliers and services Finalise and discharge trading obligations with payroll and suppliers Final payments to operators Arrange lodgements for payroll tax, workers compensation etc

	Processing receipts and payments	Prepare and authorise receipt vouchers Prepare and authorise payment vouchers Entering receipts and payments into accounting system	Prepare and authorise receipt vouchers Prepare and authorise payment vouchers Entering receipts and payments into accounting system
Dividend		N/A	\$12,000.00
	Processing proofs of debt	N/A	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register on creditor portal Adjudicating PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	N/A	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend

Administration		94.6 hours \$35,170.00	\$7,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505 Preparing and lodging PNW advert regarding notice of appointment	Preparing and lodging ASIC forms including 5601 5602, 5022, 5011 and 5603 Correspondence with ASIC regarding statutory forms Preparation of PNW Advert for meeting of creditors
	Books and records/ storage	Liaising with the Co-operative's employee to arrange storage of the Co-operative's records Correspondence with storage company to arrange storage of the Co-operative's records Liaising with the Co-operative's employee in relation to prepare books and records listing	Dealing with books and records Sending books and records to storage Update books and records listing
	Correspondence	Preparing and issuing notifications of appointment to banks, utilities and statutory bodies Preparing and issuing letter to Director regarding their obligations	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Preparing correspondence opening accounts Prepare receipts and payment vouchers	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurance broker regarding initial and ongoing insurance requirements	Correspondence with Insurance broker regarding ongoing insurance Requirements Cancel insurance policies
	ATO and other statutory reporting	Notification of appointment	Preparing BAS and STP lodgements Requesting taxation documents

	Planning / Review	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation
	Finalisation	N/A	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK)

RSL Ex-Servicemen's Cabs & Co-operative Members Limited (In Liquidation)
 ABN 29 491 565 109
 For the period 21 May 2024 to 15 August 2024

Staff Classification	Name	Hourly Rate \$ (ex GST)	Administration Hrs \$	Assets Hrs \$	Creditors Hrs \$	Employees Hrs \$	Investigation Hrs \$	Trade On Hrs \$	Total Hrs \$
Appointee	Peter Krejci	730	4.2 3,066.00	- -	- -	- -	- -	- -	4.2 3,066.00
Appointee	Jonathon Keenan	750	1.4 1,050.00	15.5 11,625.00	0.6 450.00	3.0 2,250.00	2.2 1,650.00	2.8 2,100.00	25.5 19,125.00
Appointee	Jonathon Keenan	730	1.9 1,387.00	15.5 11,315.00	0.6 438.00	2.3 1,679.00	- -	8.5 6,205.00	28.8 21,024.00
Senior Manager	Katherine La	620	5.4 3,348.00	19.5 12,090.00	0.2 124.00	5.6 3,472.00	9.6 5,952.00	23.7 14,694.00	64.0 39,680.00
Senior Manager	Katherine La	590	6.3 3,717.00	27.8 16,402.00	4.1 2,419.00	7.4 4,366.00	1.6 944.00	37.9 22,361.00	85.1 50,209.00
Senior 1	Nicole Feng	450	- -	0.1 45.00	- -	- -	- -	- -	0.1 45.00
Senior 2	Nicole Feng	400	1.2 480.00	- -	- -	- -	- -	0.5 200.00	1.7 680.00
Senior 2	Nicole Feng	380	8.7 3,306.00	1.7 646.00	9.5 3,610.00	- -	1.1 418.00	2.4 912.00	23.4 8,892.00
Intermediate 2	Frane Babic	300	8.2 2,460.00	6.7 2,010.00	5.2 1,560.00	4.2 1,260.00	1.4 420.00	18.5 5,550.00	44.2 13,260.00
Intermediate 2	Frane Babic	280	2.9 812.00	12.7 3,556.00	3.7 1,036.00	- -	- -	23.0 6,440.00	42.3 11,844.00
Intermediate 2	Hugh Matthew	300	0.2 60.00	- -	- -	- -	- -	- -	0.2 60.00
Intermediate 2	Hugh Matthew	280	0.1 28.00	- -	- -	- -	- -	- -	0.1 28.00
Intermediate 2	Vijay Rajmohan	300	10.8 3,240.00	0.2 60.00	0.4 120.00	- -	4.3 1,290.00	1.4 420.00	17.1 5,130.00
Senior Administration	Ashleigh Hartigan	300	16.3 4,890.00	- -	- -	- -	- -	- -	16.3 4,890.00
Senior Administration	Ashleigh Hartigan	240	0.7 168.00	- -	- -	- -	- -	- -	0.7 168.00
Senior Administration	Andrea Moulikova	300	1.7 510.00	- -	- -	- -	- -	- -	1.7 510.00
Senior Administration	Sarita Gurung	300	11.2 3,360.00	- -	0.1 30.00	0.1 30.00	- -	- -	11.4 3,420.00
Senior Administration	Sarita Gurung	240	11.5 2,760.00	- -	0.1 24.00	- -	- -	- -	11.6 2,784.00
Senior Administration	Sonia Stelmach	300	1.2 360.00	- -	- -	- -	- -	- -	1.2 360.00
Senior Administration	Sonia Stelmach	240	0.7 168.00	- -	- -	- -	- -	- -	0.7 168.00
Total			94.6 35,170.00	99.7 57,749.00	24.5 9,811.00	22.6 13,057.00	20.2 10,674.00	118.7 58,882.00	380.3 185,343.00
									Less: Previous Fee Approval (110,000.00) Additional Fee Approval Sought 75,343.00 GST 7,534.30 Total (incl GST) 82,877.30
Average Rate			371.78	579.23	400.45	577.74	528.42	496.06	487.36

SCHEDULE C – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in section 3 and 4 and in the attached Schedules.

Resolution 1: Liquidators' Remuneration for the period 21 May 2024 to 15 August 2024

"That the additional remuneration of the Liquidators, their partners and staff for the period 21 May 2024 to 15 August 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 August 2024, be fixed and approved at \$75,343.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."

Resolution 2: Liquidators' Remuneration for the period 16 August 2024 to Conclusion

"That the remuneration of the Liquidators, their partners and staff for the period 16 August 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 August 2024 and approved to an interim cap of \$70,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."

Resolution 3: Liquidators' Internal Disbursements for the period 21 May 2024 to Conclusion

"That the Liquidators be allowed internal disbursements for the period 21 May 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 August 2024, up to an amount of \$1,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as accrued."

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SCHEDULE D – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED

Our remuneration was previously approved by members up to an amount of \$110,000.00 exclusive of GST and disbursements. To date, we have not drawn any fees for the payment of our remuneration. Our remuneration has exceeded this cap and, in this report, we are now seeking approval of a further amount of \$145,343.00 (plus GST) to enable us to complete the liquidation.

To assist creditors with understanding how total remuneration has and/or will be incurred, this table shows remuneration to date, including the current claims, divided by task categories.

Task	Fees already approved	Approval sought for work already done	Approval sought for future work	Total per task
	(\$, excl GST)	(\$, excl GST)	(\$, excl GST)	(\$, excl GST)
Asset	30,000.00	27,749.00	20,000.00	77,749.00
Creditors	20,000.00	(10,189.00)	10,000.00	19,811.00
Employees	10,000.00	3,057.00	10,000.00	23,057.00
Trade on	20,000.00	38,882.00	10,000.00	68,882.00
Investigation		10,674.00	1,000.00	11,674.00
Dividend	20,000.00	(20,000.00)	12,000.00	12,000.00
Administration	10,000.00	25,170.00	7,000.00	42,170.00
	110,000.00	75,343.00	70,000.00	255,343.00
<i>Total remuneration previously approved</i>				110,000.00
<i>Difference (see table below for further explanation)</i>				145,343.00
<i>Payment reconciliation:</i>				
<i>TOTAL (incl. amount claimed now)</i>				255,343.00
<i>Amount paid to date</i>				-
<i>Amount outstanding (incl amount claimed now)</i>				255,343.00

In the table below we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 3 April 2024 (\$, excl GST)	Total per task (from previous table) (\$, excl GST)	Difference (\$, excl GST)	Reasons for differences
Assets	30,000.00	77,749.00	52,749.00	<p>Substantial additional time incurred in tasks below.</p> <ul style="list-style-type: none"> - Liaising with interested parties in relation to sale of assets - Negotiations with interested parties - Assisting purchaser with transfer of intellectual property - Dealing with issues raised by purchaser after sale - Exploring sale options for Woollahra - Identified title issue for Woollahra and discussions with Directors <p>Anticipated future time to be incurred in completing the sale of the Mascot property, resolving the title issue for Woollahra and pursuing sale options, dealing with the purchaser regarding intellectual property.</p>
Creditors	20,000.00	19,811.00	(189.00)	Difference is immaterial.
Employees	10,000.00	23,057.00	13,057.00	<p>Additional time incurred in liaising with the Company's management in relation to outstanding employee entitlements and dealing with historical employee entitlement claims, including issuing request for further evidence and information and seeking advice from external HR consultant.</p> <p>Anticipated future time to be incurred in seeking legal advice and resolving these historical employee entitlements claims.</p>
Trade On	20,000.00	68,882.00	48,882.00	<p>Additional time incurred due to extended continued trading that was not initially anticipated, resulting in substantial time in tasks below:</p> <ul style="list-style-type: none"> - Extensive manual processing for various accounting records - Implementing control procedures - Liaising with management and staff regarding various issues arising from trading - Preparing and authorising receipt and payment vouchers

				Anticipated future time to be incurred in cancellation of all services, finalising trading obligations, statutory lodgements for payroll tax and workers compensation, etc and final payments to operators.
Investigation	0.00	11,674.00	11,674.00	Additional time incurred in tasks below. - Reviewing substantial volume of physical records and securing for storage purposes - Investigating potential voidable recoveries - Preparing estimated outcome statement and deficiency statement
Dividend	20,000.00	12,000.00	(8,000.00)	Less time than initially anticipated to be incurred as pre-appointment debts have largely been discharged as payments of necessity, to ensure continued trading.
Administration	10,000.00	42,170.00	32,170.00	Additional time incurred due to extended continued trading that was not initially anticipated, resulting in substantial time in tasks below: - Correspondence with insurance broker regarding insurance policies - Arranging new insurance policies - Accounting for transactions in internal system - Preparing receipts and payments vouchers -
TOTAL	110,000.00	255,343.00	145,343.00	

We also make the following general comments regarding the progress of the Liquidation that have affected our previous remuneration estimate:

- Assessment of operations and financial position identified lack of contractual documentation with operators, suppliers and account customers;
- Determined extended trading required until 30 June 2024 due to contractual obligations with account customers (and concerns of duty of care);
- Substantial work in transfer of IP and associated assets to successful bidder, Black & White Cabs, including ASIC keys for business names, dealing with Cabcharge terminals, issues raised by Black & White Cabs regarding correspondence with operators;
- Investigated the Woollahra property strata entitlement difficulties, which was advised as an asset but not reported in the financial statements and investigating documentation issues with the title; and
- Dealing with series of disputes from employees regarding alleged underpayment of various entitlements, totalling approximately \$700K, obtaining further information and seeking advice on claims from HR consultant.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in Schedule A of this remuneration report.

SCHEDULE E – DISBURSEMENTS

Disbursements are divided into three types:

Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.

Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.

Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We advise that to date, we have not paid any disbursements incurred during this Liquidation by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for **Resolution 3**, of which details are provided in **Schedule C** of this Remuneration Approval Report.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal line runs from the bottom right corner of the grey rectangle towards the right edge of the logo.

BRI Ferrier

**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "F"
Advice to Creditors About
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

RSL EX-SERVICEMEN'S CABS & CO-OPERATIVE MEMBERS LIMITED (IN LIQUIDATION) ("THE COMPANY")

A. REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the Administration is quoted at commencement of the appointment and is the total charge for the Administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B. METHOD CHOSEN

BRI Ferrier normally proposes to use a Time Cost basis, because:

- It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement;
- The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment; and

- The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates have been increased from FY2024 to FY2025. The hourly rates quoted below remain current to 30 June 2025. BRI Ferrier may increase the hourly rates charged for work performed and if hourly rates are increased, we will seek creditors' approval.

C. EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below with a general guide to the qualifications and experience of staff engaged in Administration and the role they undertake in the Administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rates (ex GST) 1 July 23	Hourly Rates (ex GST) 1 July 24
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$730	\$750
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$640	\$670
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$590	\$620
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$550	\$580
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$480	\$510
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$420	\$450
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$380	\$400

Title		Description	Hourly Rates (ex GST) 1 July 23	Hourly Rates (ex GST) 1 July 24
Intermediate 1		An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$330	\$350
Intermediate 2		An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$280	\$300
Senior Administration		Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$240	\$300
Junior Administration		Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220	\$00

D. DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the Administration.

Details of the basis of recovering disbursements in this Administration are provided below.

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

Dated: 21 August 2024.



**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "G"
Estimated Outcome Statement**

RSL Ex-Servicemen's Cabs & Co-operative Members Limited (In Liquidation)				
Estimated Outcome Statement				
	Book Value as at 21/05/2024 (\$)	Liquidators' ERV Liquidation (High)	Liquidators' ERV Liquidation (Low)	
ASSETS				
Cash and Cash Equivalents	1,705,057	1,659,100	1,659,100	
Real Property	2,291,088	Withheld	Withheld	
Less: Realisation Costs	-			
Less: Potential CGT Liability	-			
Less: Potential GST Liability	-			
Trade Debtors	164,943	164,943	150,000	
Plant & Equipment	78,777	111,201	111,201	
Less: Realisation Costs	-	TBA	TBA	
Shares	39,509	48,286	48,286	
Prepayments	39,089	-	-	
Inventory and Intellectual Property	14,478	80,000	80,000	
Total Assets	4,332,941	2,063,529	2,048,586	
Trading (excl. GST)				
Trading Income		675,098	675,098	
Less: Operating Costs (Contractors, Utilities, Wages, Insurance etc)		(581,245)	(581,245)	
Surplus / (Loss) from Trading	-	93,853	93,853	
Recoveries in Liquidation				
Voidable Transactions & Recoveries	-	-	-	
Insolvent Trading Claims	-	-	-	
Breach of Director Duties Claims	-	-	-	
Total Recovery	-	-	-	
Liquidation Costs				
Liquidation Costs				
Liquidators' Remuneration from 21 May 2024 to 15 August 2024 (Accrued)	-	185,343	185,343	
Liquidators' Additional Remuneration (Future)	-	65,000	75,000	
Liquidators' Disbursements	-	1,000	1,000	
Liquidators' Legal Fees	-	20,000	30,000	
HR Consultant	-	5,000	10,000	
Accounting Fees	-	15,000	20,000	
Total Costs of Administration Costs	-	291,343	321,343	
Estimated Surplus Available for Secured Creditors		1,678,334	1,633,391	
Secured Creditor Claims (Estimated)				
Secured Creditor Claims	-	-	-	
Total Secured Creditor Claims		-	-	
Estimated Surplus Available to Priority Creditors		1,678,334	1,633,391	
Priority Creditors				
Wages and Superannuation	(14,865)	-	360,000	
Annual Leave & Long Service Leave	109,999	115,000	115,400	
PILN and Redundancy	-	-	222,300	
Total Priority Creditors	95,134	115,000	697,700	
Estimated Surplus Available to Unsecured Creditors		1,563,334	935,691	
Unsecured Creditors	-			
Australian Taxation Office	7,625	14,401	14,401	
Trade Creditors	109,857	20,000	20,000	
Contingency		-	50,000	
Total Other Unsecured Creditors	117,482	34,401	84,401	
Estimated Surplus/(Shortfall)	4,120,325	1,528,933	851,290	

Summary of Return to Creditors		Liquidation High Cents/\$	Liquidation Low Cents/\$
Secured Creditors		N/A	N/A
Priority Creditors		100	100
Unsecured Creditors		100	100

*Note - Plant & Equipment realisable value has been withheld, to not prejudice the sale. The return to creditors will change.

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BRI Ferrier

**RSL Ex-Servicemen's Cabs &
Co-Operative Members
Limited
(In Liquidation)
ABN 29 491 565 109**

**Annexure "H"
ARITA Information Sheet –
Offences, Recoverable Transactions
and Insolvent Trading**

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation, or three months if a simplified liquidation process is adopted. The company must have been insolvent at the time of the transaction or become insolvent because of the transaction.

Where a creditor receives a preference*, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

**Must be greater than \$30,000 for unrelated creditors in a simplified liquidation*

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest within six months of the liquidation, unless it secures a subsequent advance
- unregistered security interests
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

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

Queries about the external administration should be directed to the insolvency practitioner's office.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal stripe runs from the bottom right corner of the rectangle.

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Annexure "I"
**ASIC Information Sheet – Insolvency
Information for Directors,
Employees, Creditors and
Shareholders**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [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 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57