

BRI Ferrier

STATUTORY REPORT TO CREDITORS

AUSSIE STRENGTH PTY LTD

ACN 150 420 625

AUSSIE STRENGTH GLOBAL PTY LTD

ACN 646 609 501

(BOTH IN LIQUIDATION)

("THE COMPANIES")

21 March 2023

JONATHON KEENAN

PETER KREJCI

Joint and Several Liquidators

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INTRODUCTION

We refer to our previous Reports to Creditors dated 13 October 2022 and 13 December 2022 and to our circular to creditors dated 22 December 2022 advising of our appointment as Joint and Several Liquidators of the Companies.

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

- ▲ The estimated amount of asset and liabilities of the Companies;
- ▲ 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 Companies are fully wound up; and
- ▲ Possible recovery actions.

This report should be read in conjunction with our previous Reports. 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.

COMPANIES DETAILS

Name Aussie Strength Pty Ltd
Incorporated 13 April 2011
ACN/ABN 150 420 625/61 150 420 625
Registered Office Level 4, 1 James Place
North Sydney NSW 2060

Trading Address 99 Percival Road
Smithfield NSW 2164

Name Aussie Strength Global Pty
Ltd
Incorporated 15 December 2020
ACN/ABN 646 609 501/21 646 609 501
Registered Office 99 Percival Road
Smithfield NSW 2164
Trading Address 99 Percival Road
Smithfield NSW 2164

LIQUIDATORS

Name Jonathon Keenan and
Peter Krejci
Date Appointed 21 December 2022

LIQUIDATION CONTACT

Name Max Florian
Email mflorian@brifnsw.com.au
Phone 02 8263 2300

TABLE OF CONTENTS

1. Basis of Report	8
2. Disclaimer	8
3. Previous Reports to Creditors	8
4. Declaration of Independence, Relevant Relationships and Indemnities	9
5. Update on progress of the liquidation	9
6. Reasons for Failure	11
7. Financial Position Of The Companies	12
8. Investigations	18
9. Findings and Recovery Actions	18
10. Voidable Transactions	19
11. Recovery of Claims	21
12. Report to ASIC	21
13. Receipts and Payments	22
14. Estimated Return to Creditors	22
15. Remuneration of Liquidators	22
16. Meeting of Creditors	23
17. Creditors' Rights	23
18. Matters Outstanding	23
19. Other Matters	24

TABLE OF ANNEXURES

- A** Notice of Meeting of Creditors for Aussie Strength
- B** Form 535 Formal Proof of Debt or Claim (General Form)
- C** Appointment of Proxy Form for Aussie Strength
- D** ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading
- E** Summary of Receipts & Payments for Aussie Strength and Aussie Strength Global
- F** Updated Estimated Statement of Position for Aussie Strength
- G** Updated Estimated Statement of Position for Aussie Strength Global
- H** Remuneration Approval Notice for Aussie Strength
- I** Initial Remuneration Notice
- J** Information Sheet on Creditor’s Rights in Liquidation

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Companies Number
Act	Corporations Act 2001 (Cth)
Administrators	Jonathon Keenan and Peter Krejci
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
AS	Aussie Strength Pty Ltd (In Liquidation)
ASG	Aussie strength Global Pty Ltd (In Liquidation)
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
Committee	Committee of Inspection
Companies	Aussie Strength Pty Ltd and Aussie Strength Global Pty Ltd
Department	Department of Employment and Workplace Relations
Director	Andrew Taylor
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
DPN	Director Penalty Notice
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
Former Director	Gavin Crown
IPR	Insolvency Practice Rules (Corporations)
IPS	Insolvency Practice Schedule (Corporations)
Liquidators	Jonathon Keenan and Peter Krejci
O'Maras	O'Maras Auctioneers
POD	Proof of Debt
PPSR	Personal Property Securities Register
Premises	99 Percival Road Smithfield NSW 2164
ROCAP	Report on Companies Activities and Property
Second Report	Second Report to Creditors dated 13 October 2022
Supplementary Report	Supplementary Second Report to Creditors dated 13 December 2022
VA	Voluntary Administration
VPG	Valkyrie Property Group Pty Ltd

EXECUTIVE SUMMARY

On 13 September 2022, we, Jonathon Keenan and Peter Krejci were appointed Joint and Several Administrators of the Companies pursuant to Section 436A of the Corporations Act. Subsequently, on 21 December 2022, creditors of the Companies passed a resolution appointing us as Joint and Several Liquidators of the Companies.

This report should be read in conjunction with our Previous reports, in particular, our Second Report to Creditors dated 13 October 2022 and Supplementary Second Report to Creditors dated 13 December 2022. We will not restate matters contained in the previous report, unless there are updates required.

This report has been prepared in accordance with Rule 70-40 of the Insolvency Practice Rules to provide creditors with an update on the developments of this Liquidation. We provide hereunder a summary of our investigations into affairs of the Companies to date, the potential return for creditors and the conduct of the Liquidation over the past three (3) months.

Since our last Report, we have vacated the Companies' leased premises and have largely completed the sale of the Companies' plant and equipment and stock. There remains a small quantity of stock and several shipping containers which are being sold via auction over the next few weeks.

We have also successfully settled AS's claim against VPG. In our previous reports, we outlined that the management accounts indicated AS had advanced funds to VPG, a substantial portion of which contributed to VPG's purchase of the Premises and subsequent improvements. There also appears to be potential partial set-off claims from unpaid rent and other amounts. On the basis that AS had provided funds to purchase and improve the Premises, we sought advice and determined that AS held an equitable interest in the Premises and lodged a caveat over the title accordingly. After extensive negotiations, including various legal threats from VPG, we settled the VPG claim for \$147K. These funds have now been recovered.

We note that there are further assets of the Companies available to pursue, in particular loan accounts owing from the Director, as well as the Former Director. Furthermore, creditors will recall that in 2021 the Director caused AS to transfer its stock and business to ASG, which was recorded as a debtor of AS (approximately \$730K) however no payment resulted.

We have also identified a number of potential recovery actions available to pursue, including unfair preferences, insolvent trading and unreasonable director related transactions. In addition, to seeking compensation for the loss suffered as a result of the transfer of business from AS to ASG, there appears to be potential claims against the Director for insolvent trading and unreasonable director related transactions, valued up to \$1.7M collectively for the Companies. Our investigations are ongoing, however there appears to be commercial merit in pursuing some of these claims as the Director has real property that may be available to him to meet these claims. The Director's financial standing is still to be explored, and it may be that a commercial settlement, rather than litigation, could be the preferred course of action having regard to risks and funding constraints.

Creditors will recall that the Director had failed to comply with his duties to complete a ROCAP and other documentation during the Administration process. The Director claimed that he was unable to comply due to various medical issues. Regardless, that offence was reported to ASIC, who began

enforcement action against the Director. The Director has since completed the ROCAP reporting, which is discussed later in this report.

We will shortly be reporting our findings to ASIC pursuant to Section 533(1) of the Act. The Section 533(1) report is confidential and is not available to creditors. As Voluntary Administrators, we lodged a similar Report with ASIC pursuant to Section 438D of the Act, and ASIC requested further information. That further reporting will be conducted during the Liquidation period.

We have convened a Meeting of Creditors of Aussie Strength Pty Ltd to be held on **Wednesday 12 April 2023 at 11:00AM (AEST)**. Please find attached as **Annexure "A"** the Notice of Meeting of Creditors for your information. The meeting will be held at our offices with virtual meeting technology made available should creditors wish to attend virtually. Further details are disclosed in Section 16 of this Report.

We will not be holding a Meeting of Creditors of Aussie Strength Global Pty Ltd at this time. However, if you wish to discuss any aspect of ASG's liquidation, please contact our office.

The dealings between AS and ASG historically were inter-related, and the projected outcome for creditors in these Liquidations are similarly inter-dependent, given the loans and potential claims against the same parties. Our current estimates indicate that any returns to Creditors of AS and ASG are largely contingent on successfully recovering the above-mentioned claims from the Director and related parties. Funding will be required if litigation is pursued, alternatively, a commercial settlement may be explored. Creditors should refer to Section 14 for further details regarding the current projected returns.

Having regard to the potential recovery actions and vagaries of litigation, these Liquidations may continue for one to two years. Should any creditor have any relevant information which may assist our investigations or potential recoveries, or wish to fund our further investigations, they should contact our office by 30 April 2023.

1. BASIS OF REPORT

This report has been prepared primarily from information received from the Companies' Director and advisors.

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

- ▲ ASIC;
- ▲ The books and records of the Companies;
- ▲ Discussions with the Director and advisors;
- ▲ The ROCAP and questionnaire forms completed by the Director;
- ▲ Extracts from public information databases;
- ▲ Correspondence with creditors; and
- ▲ Documents obtained from the ATO in relation to the Companies.

2. DISCLAIMER

An investigation of the Companies' 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 Companies' Director and from our own enquiries.

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 Companies 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 Companies' affairs which they consider may impact on our investigations or report, please forward details in writing as soon as possible.

3. PREVIOUS REPORTS TO CREDITORS

This report should be read in conjunction with our previous Reports to Creditors as follows:

- ▲ Initial Report to Creditors dated 15 September 2022;
- ▲ Second Report to Creditors dated 13 October 2022 ("Second Report");

- ▲ Supplementary Second Report to Creditors dated 13 December 2022 (“Supplementary Report”); and
- ▲ Circular to Creditors dated 22 December 2022.

4. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

We refer to the DIRRI enclosed in the initial report to creditors and note that there are no changes to same.

5. UPDATE ON PROGRESS OF THE LIQUIDATION

5.1 SALE OF STOCK AND FIXED ASSETS BY O’MARAS

Since the last meeting of creditors, we have concluded our rolling auctions of ASG’s stock from the leased premises in Smithfield. We had reached an agreement with the landlord for the Companies to continue to occupy the premises until 23 December 2022, by which time most stock had been collected. A minor amount of sundry stock that was not collected was relocated to O’Maras for subsequent resale.

As part of the rolling auctions, we also arranged for the sale of AS’s equipment, including pallet racking and other warehouse equipment located at the premises. As previously reported, the Companies’ accounting records and our legal advice determined that the equipment (non-circulating assets) were assets of AS. The CBA held a security interest over AS in respect of a guarantee claim for debts owed by VPG, and accordingly the realisation from AS’s non-circulating assets were available to satisfy CBA debts to the extent they pursued a guarantee claim. Therefore, with CBA’s consent, the proceeds of AS’s asset realisations were set aside pending the outcome of the sale of the trading premises and settlement of VPG’s debt owed to CBA. Ultimately, CBA were paid in full by VPG, and CBA’s claim and security against AS was extinguished. Further details pertaining to the sale of the property are detailed below.

We are also in the process of realising several ASG shipping containers, which are currently located at a depot in Riverwood, NSW. These shipping containers had been purchased by ASG in the months prior to our appointment. We have instructed our auctioneers to collect and auction these containers in the coming weeks.

5.2 MOTOR VEHICLES

You may recall we had arranged collection of the 2015 Ford Ranger from the Director. The vehicle has now been sold by our auctioneers, O’Maras and its proceeds of sale being available in the liquidation.

There were other vehicles said to be owned by AS, however the ownership is still in dispute. Our enquiries are ongoing, however the values involved are relatively minor compared to the creditor claims.

5.3 LANDLORD

As previously advised, VPG was the owner of the Smithfield Premises. The lease under which the Companies occupied the premises expired on 9 November 2022 and VPG declined to extend the lease period. We subsequently negotiated continued occupation with the landlord under a license

agreement until 23 December 2022. This allowed us time to complete the stock and equipment sales in an orderly manner, mitigating costs associated with relocating the property, where it was uncommercial to do so.

The Companies vacated the Premises on 23 December 2022 and the keys handed to the landlord on that date. Upon vacating the Premises, the Companies removed rubbish and arranged for a sweep clean to be performed, which maximised prospects of recovering AS's loan owed by VPG.

As previously advised, during the Administration period VPG agreed with CBA to sell the Premises in order to extinguish CBA's debt. We assisted this process by allowing the Premises to be marketed, and inspections to occur during the Companies continued occupation.

On 21 December 2022, the VPG sold the Premises via auction. The sale price achieved was sufficient to discharge the CBA's debt in full, extinguishing CBA's guarantee claim against AS. CBA have subsequently confirmed this by providing a discharge statement, removing their PPSR registration over AS.

5.4 PERSONAL PROPERTY LOCATED AT THE PREMISES

As previously advised, the Director, Mr Crown and other associates/entities of the Director had personal items at the Premises. Disputes arose as to the ownership of the third-party property, which we attempted to resolve via documentary proof and physical inspection process. Unfortunately, given the long-running animosity between the Director and Mr Crown, some of the disputes could not be resolved, and the remaining property was left at the Premises to be dealt with by VPG (which is controlled by the Director and Mr Crown).

5.5 VPG LOAN

As discussed in our previous report, AS's balance sheet indicates that it was owed \$422k by VPG. The management accounts indicate that the funds were utilised to assist in the acquisition of the Premises. There were also funds advanced to VPG for the purposes of various leasehold improvements.

AS's records also indicated that rent for the Premises was substantially in arrears. There was approximately \$190k to \$270K owed by AS to VPG in unpaid rent. We note that VPG had submitted a Proof of Debt against AS in the amount of \$280K.

With the benefit of legal advice, we determined that AS had an equitable interest in the Premises. As such, we arranged for AS to lodge a caveat over the Premises' title in January 2023, in respect of the net amounts owed by VPG to AS. This required VPG to deal with AS's claim in order for its sale of the Premises to complete.

During January 2023, we entered into negotiations with VPG to recover the debt and withdraw the caveat. VPG disputed the debts were owed to AS, and raised various counter-claims, which were similarly disputed. Having reviewed the accounting records, and counter-claims from VPG, it appeared that AS had a net debtor claim against VPG of approximately \$152K.

Given the potential cost of legal proceedings to pursue the recovery (estimated at \$50K to \$70K) as compared to the relatively minor claim value, a commercial settlement was justified. With consideration of legal advice, we agreed that AS would accept an amount of \$147K in full and final satisfaction of its claims against VPG. A deed was subsequently agreed between VPG, AS and ASG to

release all claims between the parties and withdraw the caveat. AS received the funds from VPG on settlement.

5.6 LEGAL PROCEEDINGS

Prior to our appointment, Mr Crown had brought proceedings against the Director and the Companies, in respect of certain oppression and other damages claims. Pursuant to Section 440D and 500(2) respectively of the Act, our appointment as voluntary administrators and our subsequent appointment as Liquidators automatically stayed any legal proceedings, as against the Companies as Defendants.

Mr Crown sought leave of the Court and made a number of applications to allow him to continue his claim against AS, and other parties. Those leave applications were unsuccessful as against AS.

We are advised that in February 2023, the ongoing proceedings between Mr Crown, the Director and the Companies were dismissed, with no order as to costs.

Mr Crown had lodged a proof of debt against AS asserting that he had suffered a loss in respect of certain dividends that he claimed were owed to him historically. We previously adjudicated the claim for voting purposes as contingent as the litigation was ongoing, admitting him to vote for \$1 only. AS the proceedings have been dismissed, it appears that Mr Crown no longer has a basis to assert a creditor claim, and similarly may not be able to claim any form of set-off against claims which may be pursued by AS or ASG, including loan accounts.

5.7 SALE OF RESIDUAL ASSETS

As previously discussed, we have completed the sale of the Companies' available physical assets. We have been contacted by a party seeking to purchase the Companies residual assets, namely its Intellectual Property and contractual rights. The discussions are ongoing, and noting that the business is no longer trading, any sale of IP (if agreed) may be for limited value.

5.8 ACCOUNTING FOR DISPOSAL OF ASSETS

During the course of the administration, we traded the business on a limited basis as we conducted an orderly asset sale process. Given the related dealings, including shared premises, costs were jointly incurred. We have now accounted for the asset realisations and costs between the Companies. We note that the apportionment of costs was driven by the value of the assets sold and the funds have been paid to the respective entities.

5.9 REFUND ON INSURANCE POLICY

Prior to our appointment, AS maintained insurance policies including Public Liability, Marine and, Business Insurance. The premiums on these policies were paid through a premium funding arrangement. As the business has ceased to trade and assets sold, the policies were terminated which resulted in a minor refund of around \$4K.

6. REASONS FOR FAILURE

Creditors will recall that the Director had failed to comply with his duties to complete ROCAP and other documentation during the Administration process. The Director claimed that he was unable to

comply due to various medical issues. Regardless, that offence was reported to ASIC, who began enforcement action against the Director. The Director has since completed the ROCAP reporting.

The Director in his questionnaire and ROCAP, attributed the Companies' reason for failure to be issues arising from the lease of the Premises, ongoing legal disputes with Mr Crown, issues relating to legal advice received from the Director's former lawyers, high legal costs and unmanageable tax debts.

Whilst we agree with that the above factors contributed to the Companies failure, as detailed in our previous reports, we also note the following additional causes of failure based on the investigations conducted to date:

- ▲ Legal dispute between the Director and Mr Crown, which included the Companies, as defendants to those proceedings.
- ▲ Cash constraints caused by the disposal of the AS's assets and business to ASG, and other unreasonable director related transactions.
- ▲ Poor compliance of tax affairs and unpaid debts to the ATO.
- ▲ Guarantee of related entity debts owed by VPG.
- ▲ Insufficient working capital.
- ▲ Lack of strategic management of the operational and financial aspects of the business.

7. FINANCIAL POSITION OF THE COMPANIES

As mentioned above, we have now received completed ROCAPs from the Director. We have also summarised below the assets and liabilities disclosed in the ROCAPs and their likely recovery value.

The ROCAPs received from the Director closely reflect the management Companies' accounting records maintained on Xero software. As mentioned in our previous Reports, the management accounts are materially misstated, where no prepayment liabilities owed to customers are recorded, nor the true value of stock or debtors.

We have not sought to comment on matters which have been addressed in Previous Reports.

7.1 AUSSIE STRENGTH PTY LTD

Aussie Strength Pty Ltd (In Liquidation)			
A.C.N 150 420 625			
	Book Value as at 13/09/2022 (\$)	Director's ERV (per ROCAP) (\$)	Liquidators ERV as at 13/9/2022 (\$)
Assets			
Cash and Cash Equivalents	7,667	20,000	24,042
Accounts Receivable	1,182,751	-	5,912
Stock on Hand	471,142	200,000	-
Plant and Equipment	222,352	80,000	73,132
Related Party Loans			
Gavin Crown	109,340	128,000	unknown
Valkyrie Property Group	422,990	422,000	147,000
Andy Taylor	128,976	-	unknown
Other Assets	14,039	-	3,692
Total Assets	2,559,256	850,000	253,778
Liabilities			
Priority Creditors	9,949	108,000	26,709
Partly Secured Creditors	10,511	-	-
Unsecured Creditors:			
Trade Creditors and Landlord	518,238	340,000	439,081
Australian Taxation Office	29,135	30,000	309,714
Other Creditors	-	-	-
Related Party Creditors			
Andy Taylor	131,012	131,000	unknown
Aussie Strength Global	216,004	-	-
Total Liabilities	914,849	609,000	775,504
Estimated Net Asset / (Deficiency)	1,644,407	241,000	(521,726)

7.2 ASSETS

7.2.1 Plant and Equipment

As you are aware following our appointment as voluntary administrators, we engaged auctioneers, O'Mara's, to prepare an independent valuation of AS's plant and equipment and assist in the realisation of those assets.

AS's assets primarily consisted of warehouse pallet racking and goods handling equipment, along with sundry office equipment and hand tools. Those assets were sold via auction generating approximately \$63K, of which \$6K was paid to an equipment financier. We further recovered an amount of \$15K in respect of a motor vehicle owned by AS.

7.2.2 Accounts Receivable

The Accounts Receivable is comprised of amounts owed to AS by ASG, which after set-off of various payables, appears to be around \$891K. This is largely comprised of the transfer of stock from AS to ASG in July 2021 for \$731K which was never paid by ASG.

Further, there is amount of \$66K owing from Nitecore Australia, a related entity controlled by the Director and Mr Crown. We understand that the debt arises from rent owing from occupying space within the Premises, however there is no documented sub-lease.

No value was ascribed to the Accounts Receivable value in the Director's ROCAP. Our estimate of the Accounts Receivable value is subject to whether there is a dividend payable by ASG to its unsecured creditors, which is itself dependent on recoveries from litigation.

7.2.3 Related Party Loans – Valkyrie Property Group

This loan has been recovered. Please refer to Section 5.5 in relation to the VPG loan.

7.2.4 Related Party Loan – Gavin Crown

In our previous reports to creditors, we advised that the management accounts indicated that Mr Crown was a debtor of AS to an amount of \$109K. We also noted however, that entries were recorded in the loan after the date Mr Crown departed from the business. The loan ledgers include a large number of small expenses, for which it is difficult to determine their purpose. There is also a single journal entry for the reimbursement of historical petty cash withdrawals.

Mr Crown has disputed the amount owing and has provided some material which purports to demonstrate that the funds are not owed. Whilst our investigations are continuing, the information provided to date does not sufficiently demonstrate why the funds are not owed to AS.

Given the value of the claim, it may be necessary to explore a commercial settlement of this claim, as opposed to litigation.

7.2.5 Related Party Loan – Andy Taylor

We have undertaken further investigations into the Director's loan accounts recorded in the management accounts of AS.

The management accounts show multiple loan ledgers in financial years (FY2019, FY2020 and FY2021), the net position of which is a creditor for \$2K. However, on review of the accounting records, there appears to be irregularities with some of the underlying journal entries and cash transactions, which if set-aside, would result in a net debtor claim against the Director. In this regard, we have observed approximately \$73K in cash receipts to AS from Mr Crown, were credited to the Director's loan account without explanation. The consequence potentially being, Mr Crown's loan being overstated, and the Director's loan being understated.

Our enquiries are ongoing.

7.3 LIABILITIES

7.3.1 Secured Creditors

As discussed above and in our previous reports, certain parties held registered security interests over AS. We provide an update on the secured creditors as follows:

- ▶ **CBA** – As mentioned above, CBA held a registered security over AS, in respect of the guarantee provided by AS for the debts owed by VPG (previously around \$3.2M). VPG sold the premises and the proceeds from this sale was sufficient to satisfy the CBA debt in full. CBA has provided us with a notification of discharge of their security.
- ▶ **De Lage Landen** held security over a forklift and the warehouse pallet racking installed at the Premises of the Companies. As part of the realisation process, O'Mara's sold the equipment and discharged the secured debt in full.

7.3.2 Priority Creditors

We advise that former employees may be eligible to lodge a claim with the Department of Employment and Workplace Relations ("the Department") for unpaid employee entitlements. To assist the Department, we have provided details of the outstanding entitlements of four (4) employees, who we believe are eligible to make a claim under the Fair Entitlements Guarantee scheme. The Department has advised they have received claims from 2 former employees and are currently reviewing the information submitted to determine the relevant amount outstanding. We understand that they are in the final stages of making a distribution to these 2 employees.

Claims against the scheme are required to be made within 12 months of the date of liquidation. As such, we encourage employees who have not already done so, to submit their claims with the Department as soon as possible.

Priority creditor claims in AS will be discharged, subject to the amounts recovered from the various claims discussed in this report.

7.3.3 Unsecured Creditors

The Director in his ROCAP had indicated unsecured creditor claims to be \$501,000. Based on Company records and PODs received to date, we estimate the Unsecured Creditor claims as follows:

Unsecured Creditors	ERV Amount (\$)
Trade Creditors	439,081
Australian Taxation Office	309,714
Related Party Creditors	unknown
Total Estimated Unsecured Creditors	748,795

We have received certain claims from trade creditors, which are offshore suppliers and logistics companies. The claims from those parties largely relate to goods ordered, but not delivered due to cashflow constraints. There is no claim from VPG in the unsecured creditors, as this claim was settled along with the loan claim.

We note that the debt owed to the ATO is underreported in the management accounts. The ATO has substantial arrears debts, which had resulted in penalty notices being issued to the Director prior to our appointment.

Finally, there are related party claims which are largely represented by amounts reported to be owed to the Director for unpaid employee entitlements. Those amounts are yet to be proven, and as mentioned earlier, the Director may in fact be a net debtor of AS, rather than a creditor.

We encourage any creditors who have not already done so, to lodge their creditor claims with this office. In this regard, please complete the Formal Proof of Debt form, attached as **Annexure "B"**, and return the same together with documentary evidence to support your claim.

7.4 AUSSIE STRENGTH GLOBAL PTY LTD

Aussie Strength Global Pty Ltd (In Liquidation)			
A.C.N 646 609 501			
	Book Value		Liquidators
	as at	Director's ERV	ERV as at
	13/09/2022	(per ROCAP)	13/9/2022
	(\$)	(\$)	(\$)
Assets			
Cash and Cash Equivalents	25,505	12,000	42,257
Stock on Hand	665,432	800,000	880,162
Plant and Equipment	16,746	13,000	-
Related Party Loans			
Aussie Strength	224,784	-	-
Andy Taylor	70,281	-	unknown
Total Assets	1,002,748	825,000	922,419
Liabilities			
Unsecured Creditors:			
Trade Creditors	164,874	164,000	32,019
Australian Taxation Office	20,492	20,000	20,492
Customer Deposits	-	-	942,757
Other Creditors (contingent)	-	-	250,000
Related Party Creditors			
Aussie Strength	1,116,151	891,000	891,367
Total Liabilities	1,301,517	1,075,000	2,136,635
Estimated Net Asset / (Deficiency)	(298,769)	(250,000)	(1,214,216)

7.5 ASSETS

7.5.1 Cash and Cash Equivalents

The Director discloses an amount of \$12K is recoverable in respect of cash, which represented the cash at bank balance on appointment. We note that cash was recovered from other sources, including

payment systems which had yet to clear sale proceedings. In total, we have recovered approximately \$42K. We do not anticipate any further recoveries.

7.5.2 Stock

Creditors are referred to Section 5.1 for comments relating to the stock sales.

7.5.3 Plant and Equipment

We have previously reported, that the management accounts reported a minor amount of plant and equipment held by ASG. A review of the supporting ledgers indicates that the equipment was actually display stock, which was sold as part of the rolling stock sales. We do not anticipate that there will be any plant and equipment realisations for ASG.

7.5.4 Related Party Loans – Andy Taylor

The management accounts indicates that the Director is a debtor of the ASG to an amount of \$70K. In the ROCAP, the Director has not included the loan as being recoverable, and has not provided any explanation.

The accounting records indicate that loan related to extensive personal expenditure, as well as legal fees (presumably in respect of personal legal actions on foot). There are also miscellaneous withdrawals of significant round figures. The accounts indicate that the director has made cash contributions to ASG since 2021, however, this has not been sufficient to discharge the net loan account.

Our enquiries are ongoing, and this claim may be pursued in conjunction with the broader recovery actions against the Director, subject to the commercial assessment in due course.

7.6 LIABILITIES

7.6.1 Creditors

We note the following in respect of the estimate of creditor claims in ASG:

- ▲ AS is owed approximately \$891K, largely related to the sale of stock in 2021 and ongoing business expenses since.
- ▲ Substantial amounts are owed to customers who paid deposits towards orders that ASG could not supply. Those prepayments, estimated at around \$942K, were not recorded in the accounts as liabilities.
- ▲ The Director has disclosed in his ROCAP, trade creditors in the amount of \$164K, which is significantly greater our estimate. The variance primarily relates to the claim of a logistics company, which has lodged a claim in AS instead of ASG, based on their historical contractual agreement.
- ▲ We have included an estimate for contingent creditor claims, such as warranty claims from former customer which can no longer be satisfied as the business has ceased to trade.

Creditors should refer to our analysis in previous reports for details on the various creditor claims.

We encourage any creditors who have not already done so, to lodge their creditor claims with this office. In this regard, please complete the Formal Proof of Debt form, attached as **Annexure “B”**, and return the same together with documentary evidence to support your claim.

8. INVESTIGATIONS

As Liquidators, we are required to review certain transactions to determine whether or not recoveries can be pursued for the benefit of creditors. Attached as **Annexure “D”** is the ARITA Creditor Information Sheet on Offences, Recoverable Transactions and Insolvent Trading.

Whilst a potential claim may be identified having regard to the Companies’ 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.

8.1 INVESTIGATIONS UNDERTAKEN

In our previous reports, we outlined various potential contraventions of the Act. The claims outlined are summarised below and we have provided further updates regarding the work completed to date.

Section	Potential Offence Identified	Summary of Offence
180 181 182	Director's breach of fiduciary duties by failing to act with care & diligence, good faith and use of position	Insolvent Trading Arranging for the transfer of assets from AS to ASG, to the detriment of AS Use of company funds for personal expenditure
588FDA	Unreasonable Director Related Transactions	Arranging for the transfer of assets from AS to ASG, to the detriment of AS Use of Company funds for personal expenditure
588G	Director’s duty to prevent insolvent trading	Insolvent Trading
588FA	Unfair Preferences	Creditors who have received more than it would have if the transactions were set aside, and the Creditor proved in the winding up

9. FINDINGS AND RECOVERY ACTIONS

9.1 INSOLVENT TRADING CLAIM

In our Second Report to Creditors dated 13 October 2022, we outlined our investigations in relation to the insolvency of the Companies and quantified our claim in respect of any insolvent trading claim that may be available to creditors, should the Companies be placed into Liquidation.

We advised that our preliminary investigations had determined that the Companies were both insolvent since 30 June 2021. The assessment is aligned between AS and ASG, due to sale of business that occurred and the inter-dependent financial position that resulted.

We have undertaken a further review of the known creditor claims and have refined the potential value of the insolvent trading claims that may be available. Our further investigations indicate that insolvent trading claims may be available at values of up to \$600K for AS and up to \$975K for ASG. These losses reflect the estimated creditor claims incurred by each entity after 30 June 2021. A formal adjudication process may be required in due course to finalise the loss calculation.

In the event an insolvent trading claim is pursued, we anticipate that significant costs would be incurred, which will require funding. If a creditor(s) do not offer such funding, external litigation funders can be approached, which generally charge a premium of around 30% to 40% of the recovery. As an alternative, we can consider selling the causes of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a discount to accommodate the risk being passed to the purchaser.

Based on our initial enquiries, it appears that the Director may have assets that could be available to satisfy claims. As such, there appears to be commercial merit in pursuing an insolvent trading claim. We will explore funding options in due course.

We invite any creditors who have an interest in providing the necessary funding to contact our office by 30 April 2023. Alternatively, any creditors interested in acquiring the causes of action, please contact our office by 30 April 2023. Absent any funding, we may pursue a commercial settlement.

10. VOIDABLE TRANSACTIONS

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 voluntary administrators.

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.

10.1 UNFAIR PREFERENCE CLAIMS

An unfair preference results when a company and a Creditor are parties to a transaction(s) and the Creditor receives more than it would receive if the transaction(s) are set aside, and the Creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- ▲ that the company was insolvent at the time the payments were made; and
- ▲ that the recipient had reasonable grounds to suspect that the company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to the Liquidators relate only to payments to unrelated parties made within six (6) months from the date of our appointment, if the Companies are insolvent at that time, as the RBP.

Our investigations have not identified any additional creditors who have received a preference in payments than the ones disclosed in our previous reports.

- ▲ AS - We have identified one party who received a total amount of \$90K in the 6 months prior to our appointment. The available records indicate that this party was, or ought to have been, aware of AS's financial circumstances and insolvency. Amounts paid were made under a payment arrangement, indicating that this party pressured AS for payment. We believe this amount has reasonable prospects of recovery. We anticipate shortly issuing a demand under Section 588FA.
- ▲ ASG – We have identified 2 parties, one party received \$71K and another \$23K in the 6 months prior to our appointment. We are uncertain if either party was aware of ASG's solvency however, both parties repeatedly pushed for payment of outstanding amounts and payments were made pursuant to payment plans. At this stage, we anticipate performing further investigations to determine recoverability and potential defenses (such as good faith or running account).

10.2 UNCOMMERCIAL TRANSACTIONS

A transaction is considered uncommercial if it is made at a time when a company is insolvent, and it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to:

- ▲ The benefits or detriment to a company of entering into the transaction; and
- ▲ The prospective benefits to other parties to the transaction.

Our investigations have not identified any uncommercial transactions at this stage.

10.3 UNREASONABLE DIRECTOR RELATED TRANSACTIONS

A transaction is an unreasonable Director-related transaction if:

- ▲ The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by a company.
- ▲ The transaction is to a Director or close associate of the Director or for their benefit.
- ▲ A reasonable person in a company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the company or other parties involved in the transaction.

You may recall from our second report to creditors, we had identified a range of payments made by the Companies for the personal expenditure of the Director. Our investigations have confirmed that that these personal expenses are recorded in the Director's loan account with the Companies and therefore, prima facie the amounts are owed to the Companies. However, if the director disputes the loans are repayable, these amounts may be pursued as unreasonable director related transactions, on the basis that many of the entries appear to pertain to personal expenditure, which are unlikely to have any benefit the Companies.

We have also identified legal costs previously paid by ASG, which appear to relate personal legal costs of the Director, in his disputes with Mr Crown and his other family members. Some of those legal fees have been applied against the Director's loan account, which if disputed, may also be pursued as unreasonable director related transactions.

We previously addressed the transfer of AS's stock and business to ASG, which ultimately was not paid by ASG. This transaction may not have been for a proper purpose, and may amount to a further

unreasonable director related transaction, to the extent that the debtor is not recovered in due course. That claim, in effect, mirrors the losses that comprise the insolvent trading claim.

As such, there are multiple avenues to pursue claims against the Director, however they are all subject to the commercial capacity of the Director to satisfy the claims. This is discussed further below.

10.4 UNFAIR LOANS

A loan is unfair if it is made to a company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- ▲ Risk the lender is exposed to;
- ▲ Value of the security;
- ▲ Term;
- ▲ Repayment schedule; and
- ▲ Amount of loan.

Our investigations have not identified any unfair loans at this stage.

11. RECOVERY OF CLAIMS

In our Previous Reports, we provided comments regarding the Director's ability to meet potential claims. The Director has verbally indicated that he is not of means, however has not provided any documentation to confirm that position, such as statement of personal assets and liabilities.

Our enquiries indicates that the following in respect of the Director's financial position:

- ▲ The Director is the sole owner of at least one real property located in NSW.
- ▲ We have recently identified that the Director holds a one-third interest in a Property located in QLD, which is currently encumbered to AMP.
- ▲ A related entity of the Director is the owner of a further property located in QLD.
- ▲ A surplus appears to have been generated in VPG from its sale of the Smithfield property, which the Director would have a financial interest through shareholdings.

Our enquiries into the Directors financial position are ongoing, and at this stage there appears to be merit in pursuing recovery of the claims, at least on a commercial basis. We will update creditors further in due course.

12. REPORT TO ASIC

As Voluntary Administrators, we previously lodged a report pursuant to Section 438D of the Act and ASIC requested further information. That further information will be provided in the Liquidation reporting process.

As Liquidators, we are required to complete an investigation into the Companies' affairs and, if offences are identified, or in the event that a dividend of less than 50 cents in the dollar is paid to unsecured creditors, we will lodge a report with ASIC pursuant to Section 533 of the Act. We intend

to shortly submit a confidential report to the ASIC pursuant to Section 533(1) of the Act, detailing our investigations into the affairs of the Companies and the conduct of the Director.

13. RECEIPTS AND PAYMENTS

Attached as **Annexure "E"** is a summary of our receipts and payments during the Liquidation period for both AS and ASG.

14. ESTIMATED RETURN TO CREDITORS

We have set out in **Annexure "F"** and **Annexure "G"** an updated analysis of the estimated returns that may be available to creditors in the Liquidations. Please note these figures are estimates only, and the actual results may vary materially contingent on the outcome of our recovery actions.

In summary, we note that the estimated return provides as follows:

Aussie Strength Pty Ltd

- ▲ Priority Creditors a return of 0 to 100 cents in the dollar.
- ▲ Unsecured Creditors a return of nil to 50 cents in the dollar.
- ▲ Secured creditors CBA and DLL have discharged their securities.

Aussie Strength Global Pty Ltd

- ▲ There are no Priority Creditors in ASG.
- ▲ Unsecured Creditors a return of 1 to 12 cents in the dollar.

The return for creditors is largely contingent on the recoveries from the various claims addressed herein, as against Director and related parties. Those recoveries are subject to the inherent risks associated with litigation, and funding being available for same. Our enquiries are at an early stage, however, as a best estimate, we anticipate that the recoveries may take one (1) to two (2) years to pursue. Alternatively, a commercial approach may be adopted seeking to settle the claims quicker, usually at a discount.

Please note that the employee's claims will likely be discharged by the government Fair Entitlement Guarantee Scheme, and the government will subrogate the employees claims for a recovery from the Liquidation in due course.

In the interim we encourage any creditors who have not already done so, to lodge a proof of debt ("POD") together with relevant supporting documentation. A copy of the POD is attached as **Annexure "B"** in this regard.

15. REMUNERATION OF LIQUIDATORS

Creditors have previously approved our remuneration as Liquidators of ASG, but not AS.

Accordingly, we have convened a meeting of creditors of AS, and we will be seeking approval for our accrued and future remuneration as detailed in our Remuneration Approval Report, attached as

Annexure “H”. Our Remuneration Approval Report provides further detail about the remuneration sought.

The calculation of remuneration is based on the time spent by us and our staff and is calculated in accordance with the schedule of hourly rates charged by our Firm in the Initial Remuneration Notice, attached as **Annexure “G”**.

The Initial Remuneration Notice attached also discloses our estimate of costs for the Liquidation period.

16. MEETING OF CREDITORS

A Meeting of Creditors of **Aussie Strength** only has been convened for Wednesday, 12 April 2023 at 11:00AM (AEST). The formal Notice of Meeting is attached as **Annexure “A”** for your reference.

To participate as a Creditor and/or eligible employee Creditor, you should:

- Provide me with a Proof of Debt detailing your claim to be a Creditor and/or eligible employee Creditor. A Proof of Debt Form is enclosed as **Annexure “B”**. If you have previously provided a proof of debt and wish to supplement it, you may do so. Otherwise, Creditors whose proofs were accepted for voting at the previous meeting are not required to be re-lodged 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. It is necessary for all Creditors to submit new proxies for this Meeting of Creditors. 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 or facsimiles thereof must be lodged at my office by 4:00 PM one (1) business day prior to the meeting by email to mflorian@brifnsw.com.au. Where a facsimile copy of a proxy is sent, the original must be lodged with my office within seventy-two hours after receipt of the facsimile. An attorney of a Creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

17. CREDITORS' RIGHTS

Pursuant to Clauses 70-40, 70-45, 75-15, 85-5, 90-24 and 90-35 of the Insolvency Practice Schedule (Corporations) and Rule 70-30 of the Insolvency Practice Rules (Corporations) 2016, we are required to give certain information to creditors as to their rights in the administration.

Accordingly, we attach as **Annexure “J”** further information regarding ‘Creditor Rights in Liquidations’.

18. MATTERS OUTSTANDING

The outstanding matters in the Liquidation are:

- Complete the sale of the remaining stock, in particular the shipping containers;

- ▲ Finalise recoveries in respect of various loan accounts and consider if recovery actions are warranted;
- ▲ Explore possible purchase of Intellectual Property;
- ▲ Liaise with prospective funders to determine if they are prepared to fund recovery actions;
- ▲ Consider and pursue insolvent trading/unreasonable director related transaction claims (including undertaking further investigations into Director's financial position);
- ▲ Providing further assistance to FEG in respect of verification of employee entitlements, if required;
- ▲ Finalise Investigations and prepare Section 533 Report with ASIC;
- ▲ Prepare and submit Supplementary Report to ASIC (already requested by ASIC);
- ▲ Calculation of Dividend and its distribution;
- ▲ Statutory lodgements and general administrative matters; and
- ▲ Conducting finalisation procedures.

Subject to the timing of the finalisation of the above matters and any unforeseen circumstances, we currently estimate that the Liquidations will be finalised within one (1) to two (2) years.

19. OTHER MATTERS

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out 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 the Liquidators' investigations into the affairs of the Companies.

Creditors should however, maintain their records in relation to the affairs of the Companies 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").

Should you require assistance in completing the relevant forms or have any queries, please contact Max Florian of this office.

Yours faithfully,

AUSSIE STRENGTH PTY LTD
AUSSIE STRENGTH GLOBAL PTY LTD
(BOTH IN LIQUIDATION)



JONATHON KEENAN

Joint and Several Liquidator

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

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

FORM 529

CORPORATIONS ACT 2001

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

NOTICE OF MEETING OF CREDITORS

**AUSSIE STRENGTH PTY LTD
ACN 150 420 625 (IN LIQUIDATION)
("THE COMPANY")**

Notice is given that the meeting of creditors of the Company will be held on Wednesday, 12 April 2023 at 11:00 AM (AEST). The meeting will be held at the offices of BRI Ferrier, Level 30, 'Australia Square', 264 George Street, Sydney NSW 2000.

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/tZAof-CogDgsGtQvX0BSivvDy-tf4O4edTuy>

A G E N D A

1. To receive the Report of the Liquidators and receive questions from creditors.
2. To fix the remuneration of the Liquidators.
3. To fix and determine the future remuneration of the Liquidators.
4. To consider the internal disbursements of the Liquidators.
5. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Liquidators 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 March 2023.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
Level 30
Australia Square
264 George Street
Sydney NSW 2000
Telephone: 02 8263 2300

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BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(IN LIQUIDATION)
ACN 646 609 501**

**Annexure "B"
Formal Proof of Debt Form**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of: (please tick one)

- Aussie Strength Pty Ltd (In Liquidation) ACN 150 420 625
 Aussie Strength Global Pty Ltd (In Liquidation) ACN 646 609 501

1. This is to state that the company was, on 13 September 2022 ⁽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 company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

- I am **not** a related creditor of the Company ⁽⁵⁾
 I am a related creditor of the Company ⁽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.

DATED this day of 2023

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

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 company 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 company, 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 triangle is positioned at the bottom right corner of the grey rectangle.

BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**Annexure "C"
Appointment of Proxy Form**

APPOINTMENT OF PROXY
 CREDITORS MEETING

AUSSIE STRENGTH PTY LTD
 (IN LIQUIDATION)
 ACN 150 420 625

*I/*We <i>(If a firm, strike out "I" and set out the full name of the firm.)</i>	
Of <i>(insert address of creditor)</i>	
being a creditor of the Company, appoint: <i>(Insert the name, address and description of the person appointed)</i>	
or in his or her absence <i>(Insert the name, address and description of the person appointed)</i>	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Wednesday, 12 April 2023 at 11:00AM (AEST), or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

	For	Against	Abstain
<i>"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 to 17 March 2023, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 March 2023 be fixed and approved at \$70,525.50 (excl. GST), and that the Liquidators' be authorised to draw that amount as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<i>“That the remuneration of the Liquidators, their partners and staff for the period 18 March 2023 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 March 2023 and approved to an interim cap of \$29,474.50 (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"/>
<i>“That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Liquidators’ Remuneration Approval Report dated 21 March 2023, up to an amount of \$2,000.00 (excl. GST) and that the Liquidators’ be authorised to draw that amount as accrued.”</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED thisday of March 2023

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: mflorian@brifnsw.com.au, or Post: GPO Box 7079 SYDNEY NSW 2001

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 2023

Signature of Witness:

Description:

Place of Residence:

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BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(IN LIQUIDATION)
ACN 646 609 501**

**Annexure "D"
ARITA Creditor 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.

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BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(IN LIQUIDATION)
ACN 646 609 501**

**Annexure "E"
Liquidators' Receipts and Payments**

Summarised Receipts & Payments

Aussie Strength Pty Ltd

(In Liquidation)

Transactions From 21 December 2022 To 21 March 2023

A/C	Account	Net	GST	Gross
7	Insurance Refund	3,507.88	0.00	3,507.88
72	Sundry Debtors (B)	194,744.55	19,474.46	214,219.01
74	Cash at Bank	13,652.59	0.00	13,652.59
77	Plant & Equipment	79,307.73	7,930.77	87,238.50
89	Management Fees Occupancy & Realisations	45,958.62	4,595.86	50,554.48
90	FEG Service Fee	1,560.00	156.00	1,716.00
Total Receipts (inc GST)		\$338,731.37	\$32,157.09	\$370,888.46
121	Secured Chargeholder - De Lage Landen	6,793.08	0.00	6,793.08
132	Bank Charges	2.50	0.00	2.50
139	Legal Fees (1)	10,595.13	1,059.51	11,654.64
140	Legal Fees (2)	54.00	0.00	54.00
150	License Agreement and Rent	61,108.19	6,110.82	67,219.01
165	Administrators' Remuneration	160,905.00	16,090.50	176,995.50
166	Administrators Disbursements	934.73	93.47	1,028.20
228	Superannuation Liability	2,862.32	0.00	2,862.32
233	GST Clearing Account	8,248.00	0.00	8,248.00
Total Payments (inc GST)		\$251,502.95	\$23,354.30	\$274,857.25
Balance in Hand - By Bank Account				
212	Cheque Account			96,031.21
				\$96,031.21

Summarised Receipts & Payments

Aussie Strength Global Pty Ltd

(In Liquidation)

Transactions From 21 December 2022 To 21 March 2023

A/C	Account	Net	GST	Gross
1	Sales - Stock	374,616.71	37,461.68	412,078.39
74	Cash at Bank	113,933.17	0.00	113,933.17
80	Sale of AS Assets	79,307.73	7,930.77	87,238.50
Total Receipts (inc GST)		\$567,857.61	\$45,392.45	\$613,250.06
10	Payment to PMSI Creditors	0.00	0.00	0.00
24	Refunds to customers	266.00	26.60	292.60
26	Disposal of Waste	1,104.86	110.49	1,215.35
28	Marketing	3,801.59	380.16	4,181.75
30	Commissions - Sale of Stock	18,730.86	1,873.03	20,603.89
33	Valuers/Agents Expenses - Stock	4,357.40	435.74	4,793.14
34	Valuers/Agents Expenses - Assets	7,395.20	739.52	8,134.72
35	Labour (realisation of stock)	67,950.00	6,795.00	74,745.00
41	Bookkeeping	1,955.00	195.50	2,150.50
50	Gas & Utilities	767.30	76.74	844.04
57	Occupancy & Realisation Costs	45,958.62	4,595.86	50,554.48
59	Commissions - Sale of Assets	4,036.75	403.68	4,440.43
80	Sale of AS Assets	79,307.73	7,930.77	87,238.50
139	Legal Fees (1)	13,374.50	1,337.45	14,711.95
167	Locksmith Fees	501.36	50.14	551.50
233	GST Clearing Account	6,909.00	0.00	6,909.00
Total Payments (inc GST)		\$256,416.17	\$24,950.68	\$281,366.85
Balance in Hand - By Bank Account				
212	Cheque Account			331,883.21
				\$331,883.21

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**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**Annexure "F"
Updated Estimated Statement of
Position**

Aussie Strength Pty Ltd (In Liquidation)
Estimated Statement of Position

	Book Value as at 13/09/2022 Amount (\$)	Liquidation High	Liquidation Low
Assets			
Cash and Cash Equivalents			
ASE Saving (commbank)	59	-	-
PAYPAL	5,635	-	-
Stripe AUD	194	-	-
Tyro EFTPOS	9	-	-
ASE Daily (commbank)	(13)	-	-
Cash at Bank	-	21,177	21,177
Cash on Hand	10	2,865	2,865
Accounts Receivable	966,746	104,959	5,912
Petty Cash	1,772	-	-
Stock on Hand	464,418	-	-
Prepaid Stock	6,724	-	-
Refund on Insurance policy	-	3,692	3,692
Property, Plant & Equipment			
Computer Equipment	7,161	-	-
Motor Vehicles	62,223	15,700	15,700
Office Equipment	12,177	-	-
Plant & Equipment	133,542	63,608	63,608
Website Development Costs	7,249	-	-
Less: Return to DeLage	(10,511)	(6,176)	(6,176)
Other Assets			
Loan - Gavin Crown	109,340	109,340	-
Loan - Valkyrie Property Group	247,033	214,219	214,219
2020 Shareholder's Loan - Andy Taylor	24,539	-	-
2021 Shareholder's Loan - Andy Taylor	104,437	70,000	-
Borrowing Costs	84	-	-
Legal Costs	13,555	-	-
Trademarks	400	-	-
Liquidators' Recovery - Unfair Preference	-	89,700	-
Liquidators' Recovery - Insolvent Trading	-	600,000	-
Estimated Fund Available for Creditors	2,156,783	1,289,084	320,997
Subject to Costs of Administration			
Less: Estimated Costs (Excl. GST)			
Administrators' Trading Costs and Overheads			
Trade on wages & entitlements	-	(31,441)	(31,441)
Other entitlements outstanding	-	-	-
Rent	-	(61,108)	(61,108)
Forklift and Pallet Racking	-	-	-
Security for Premises	-	(6,000)	(4,240)
Commissions for Fixed Asset Sales	-	(3,965)	-
Vehicle Realisation expenses	-	(265)	-
Insurance	-	(1,256)	(1,256)
Bookkeeping Fees	-	(1,950)	(1,950)
Locksmith	-	(685)	(685)
Miscellaneous Costs	-	(6)	(6)
Management fee for provision of labour by AS	-	17,835	17,835
Recovery on cost from ASG	-	45,959	45,959
Administrators' Fees	-	(160,905)	(160,905)
Administrators' Expenses	-	(3,000)	(3,000)
Administrators' Legal Costs	-	(10,649)	(10,649)
Liquidators' Fees	-	(200,000)	(100,000)
Liquidators' Expenses	-	(3,000)	(3,000)
Liquidators' Legal Costs	-	(150,000)	(20,000)
Litigation Funding Premium	-	(275,880)	-
Total Estimated Costs	-	(846,317)	(334,447)
Estimated Net Asset Recoveries	-	442,767	(13,450)
Funds Available for Priority Creditors	1,561,195	442,767	(13,450)
Priority Creditors:			
Wages and Superannuation	(9,949)	(8,193)	(8,193)
Annual Leave and Long Service Leave	-	(16,074)	(16,074)
PILN and Redundancy	-	(2,442)	(2,442)
Total Priority Claims	(9,949)	(26,709)	(26,709)
Funds Available for Unsecured Creditors	1,551,246	416,058	(40,159)
Unsecured Creditors			
Partly Secured Creditors (shortfall)	-	-	-
Trade Creditors - Payables & Others	(342,282)	(439,081)	(439,081)
Australian Taxation Office	(29,134)	(309,714)	(309,714)
Landlord	-	-	-
Other Creditors	-	-	-
Related Party Creditors	(131,012)	(77,565)	(77,565)
Total Unsecured Creditor Claims	(502,428)	(826,360)	(826,360)
Return to Creditors			
Secured Creditors			
Priority Creditors:			
Wages and Superannuation	-	100	Nil
Annual Leave and Long Service Leave	-	100	Nil
PILN and Redundancy	-	100	Nil
Unsecured Creditors	-	50	Nil

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**AUSSIE STRENGTH GLOBAL
PTY LTD
(IN LIQUIDATION)
ACN 646 609 501**

**Annexure "G"
Updated Estimated Statement of
Position**

Aussie Strength Global Pty Ltd (In Liquidation)
Estimated Statement of Position

	Book Value as at 13/09/2022 Amount (\$)	Liquidation High	Liquidation Low
Assets			
Cash and Cash Equivalents			
American Express Platinum CC	12,137	-	-
AUD PayPal	1,628	-	-
CBA Business Trans Acct - Pre appointment account	12,052	12,052	4,257
Cash at Bank - Post appointment account - NAB	-	38,000	38,000
Sales to date	11,980	944,170	944,170
Less: Items AS owned items	-	(79,308)	(79,308)
Less: Payment to PMSI Creditor	-	6,176	6,176
Remaining Stock Sales	-	1,000	300
Sundry Other Stock	0	30,000	15,000
Property, Plant & Equipment	-	-	-
Plant & Equipment	13,871	-	-
Loan Accounts	-	-	-
Directors Loan Account	70,281	70,281	-
Related party loan account	-	-	-
Liquidators' Recovery - Unreasonable Director Related Transactions	-	-	-
Liquidators' Recovery - Insolvent Trading & Transfer of Business claim	-	975,000	-
Estimated Fund Available for Creditors	121,949	1,997,371	928,595
Subject to Costs of Administration			
Less: Estimated Costs (Excl. GST)			
Administrators' Trading Costs and Overheads			
Management Fee from AS (Partial Wages, Rent & Utilities)	-	(45,959)	(45,959)
Management Fee for provision of Labour by AS	-	(17,835)	(17,835)
Funds with CBA	-	(200)	(200)
Merchant Fees (Stripe/Lime)	-	(340)	(340)
Rent	-	(17,500)	(17,500)
Electricity	-	(240)	(240)
Utilities	-	(800)	(767)
Advertising	-	(3,802)	(3,802)
Freight	-	(8,000)	(8,000)
Waste Disposal	-	(2,025)	(2,025)
Consumables	-	(600)	(600)
Insurance & Brokers Fees	-	(11,080)	(6,068)
Bookkeeper	-	(2,500)	(2,500)
Software Subscription Fees	-	(4,542)	(4,542)
IT Costs	-	(3,000)	(3,000)
Advertising - O'Maras	-	(6,466)	(6,466)
Valuation and Stocktake Fees	-	(17,592)	(17,592)
O'Maras Labour Costs	-	(185,850)	(185,850)
Additional Forklift Hire and Repairs	-	(6,020)	(6,020)
Sales Commission	-	(48,759)	(47,974)
Locksmith	-	(1,200)	(1,200)
Provision for Warehouse cleanup	-	(13,395)	(13,395)
Administrators' Fees	-	(384,144)	(384,144)
Administrators' Expenses	-	(2,000)	(2,000)
Administrators' Legal Costs	-	(22,554)	(22,554)
Liquidators' Fees	-	(300,000)	(100,000)
Liquidators' Expenses	-	(2,000)	(4,000)
Liquidators' Legal Costs	-	(250,000)	(10,000)
Litigation Funding Premium	-	(390,000)	-
Total Estimated Costs	-	(1,748,402)	(914,572)
Estimated Net Asset Recoveries	121,949	248,969	14,023
Funds Available for Priority Creditors	121,949	248,969	14,023
Priority Creditors:			
Wages and Superannuation	-	-	-
Annual Leave and Long Service Leave	-	-	-
PILN and Redundancy	-	-	-
Total Priority Claims	-	-	-
Funds Available for Unsecured Creditors	121,949	248,969	14,023
Unsecured Creditors			
Partly Secured Creditors (shortfall)	-	-	-
Trade Creditors - Payables	(164,874)	(32,019)	(32,019)
Australian Taxation Office - GST	(20,492)	(20,492)	(20,492)
Customer Deposits	-	(942,757)	(942,757)
Other Creditors (contingent)	-	(250,000)	(250,000)
Related Party Creditors - AS	(891,367)	(891,367)	(891,367)
Total Unsecured Creditor Claims	(1,076,733)	(2,136,635)	(2,136,635)
Return to Creditors			
Secured Creditors			
Priority Creditors:			
Wages and Superannuation	-	Nil	Nil
Annual Leave and Long Service Leave	-	Nil	Nil
PILN and Redundancy	-	Nil	Nil
Unsecured Creditors	-	12	1

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**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**Annexure "H"
Remuneration Approval Report**

Remuneration Approval Report

AUSSIE STRENGTH PTY LTD
ACN 150 420 625
(IN LIQUIDATION)

("THE COMPANY")

21 March 2023

Jonathon Keenan & Peter Krejci
Liquidators

Novabrif Pty Ltd ABN 61 643 013 610
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



TABLE OF CONTENTS

1 EXECUTIVE SUMMARY 3

2 DECLARATION..... 3

3 REMUNERATION SOUGHT 3

4 DISBURSEMENT SOUGHT4

5 LIKELY IMPACT ON DIVIDEDNDS4

6 SUMMARY OF RECEIPTS AND PAYMENTS..... 5

7 QUERIES & INFORMATION SHEET..... 5

8 ATTACHMENTS 5

SCHEDULE A – DETAILS OF WORK.....6

**SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (WORK ALREADY COMPLETED)
..... 12**

SCHEDULE C – RESOLUTIONS 13

SCHEDULE D – DISBURSEMENTS 14

1 EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements.

Aussie Strength Pty Ltd	Remuneration (excl. GST) (\$)	Disbursements (excl. GST) (\$)
Liquidation Period – Completed Work	70,525.50	0.00
Liquidation Period – Future Work	29,474.50	2,000.00
Liquidation Total	100,000.00	2,000.00

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

Creditors will be asked to pass resolutions in relation to our remuneration and disbursements at the meeting on Wednesday, 12 April 2023.

We estimate the total cost of the Liquidation for Aussie Strength Pty Ltd will be between \$150,000.00 to \$200,000.00 (excl. GST). Please refer to our Initial Remuneration Notice dated 21 March 2023.

2 DECLARATION

We have undertaken an assessment of this remuneration claim in accordance with law and applicable professional standards. We are satisfied that the remuneration claimed is 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 to apply	When it will be drawn
Completed Work	21 December 2022 to 17 March 2023	70,525.50	Provided in our First Report to Creditors dated 15 September 2022 and this report	It will be drawn when funds are available.
Future Work	18 March 2023 to conclusion	29,474.50	Provided in our First Report to Creditors dated 15 September 2022 and this report	It will be drawn when funds are available and incurred.
Liquidation total		\$100,000.00 (excl. GST)		

Details of the work already completed and future work that we intend to do are included at **Schedule A**. A breakdown of time spent by staff members on each major task for work completed is included in **Schedule B**.

Actual resolutions to be put to the meeting are included at **Schedule C** 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. Details of these amounts are included in the attached Receipts and Payments.

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 Initial Remuneration Notice sent to you on 21 March 2023.

For disbursements we would like creditors to approve are as follows:

For	Period	Amount (excl. GST) (\$)
Disbursements to a capped amount	21 December 2022 to conclusion	2,000.00
Liquidation total (excl. GST)		2,000.00

Details of future disbursements are included at **Schedule D**. Actual resolutions are also included at **Schedule C**. These resolutions also appear in the proxy form for the meeting provided to you.

5 LIKELY IMPACT ON DIVIDEDNDS

The Corporations Act sets the order for payment of claims against the Company, and it provides for the remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC 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.

Estimated outcomes are set out in our Statutory Report to creditors on 21 March 2023. The dividend payable to creditors will depend on a range of variables, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

6 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments for the Liquidation as at 21 March 2023 is attached to this Report.

7 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.

8 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task.

Schedule C – Resolutions

Schedule D – Disbursements

SCHEDULE A – DETAILS OF WORK

Company	Aussie Strength Pty Ltd (In Liquidation)	Period From	21 December 2022	To	Conclusion
Practitioner	Jonathon Kennan & Peter Krejci	Firm	BRI Ferrier		
Appointment Type	Creditors Voluntary Liquidation				
		Tasks			
		Work completed (excl. GST)		Future work (excl. GST)	
Period	21 December 2022 to 17 March 2023		18 March 2023 to conclusion		
Amount (excl. GST)	154.7 Hours \$70,525.50		\$29,474.50		
Task Area	General Description				
Assets		42.7 Hours \$25,707.00		\$8,474.50	
	Leasing	Reviewing lease documentation Liaising with agent appointed to sell Smithfield Premises, in particular, regarding access by prospective buyers Task relating to vacating Premises and handover of keys		N/A	
	Debtors	Correspondence with debtors Reviewing and assessing debtors' ledgers – related party loan account Liaising with legal representatives for lodgement of Caveat and recovery of debtor claim		Reviewing and assessing debtors' ledgers Preparing debtor demand for related party loan accounts Liaising with legal representatives regarding recovery of debtor claim	

		<p>Liaising with solicitors regarding settlement of debtor Claim</p> <p>Investigation work associated with leasehold improvement paid by the Company</p>	
	Plant and Equipment	Tasks related to sale and realisation of Plant and Equipment	N/A
	Sale of business as a Going Concern	<p>Liaising with interested parties</p> <p>Internal meetings to discuss sale of business</p>	N/A
	Other Assets	<p>Updating Estimated Statement of Position</p> <p>Discussion with interested party regarding Intellectual Property</p>	Tasks associated with realising other assets
Creditors		21.4 Hours \$8,683.00	\$12,000.00
	Creditor Enquiries	<p>Receive and respond to creditor enquiries</p> <p>Receive and follow up creditor enquiries by telephone.</p> <p>Review and prepare correspondence to creditors and their representatives by email, telephone, and post.</p>	<p>Receive and respond to creditor enquiries</p> <p>Receive and follow up creditor enquiries by telephone</p> <p>Review and prepare correspondence to creditors and their representatives by facsimile, email and post</p> <p>Compiling information requested by creditors</p>
	Creditor Reports	<p>Preparing Circular to Creditor on appointment of liquidators.</p> <p>Preparing and issuing Statutory Report to Creditors.</p> <p>Preparing annexures for Statutory Report to Creditors.</p>	<p>Preparing and issuing Statutory Report to Creditors and convening meeting of creditors.</p> <p>Preparing annexures for Statutory Report to Creditors.</p>
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend.	Receipting and filing Proofs of Debts when not related to a dividend.

		Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors
	Secured creditor reporting	Correspondence with DLL and CBA regarding their secured claim and providing updates. Reporting to CBA regarding return from sale proceeds and discharge of security interest Liaising with DLL regarding their discharge of security interest.	N/A
	Meeting of Creditors	Preparation of meeting file Preparation and lodgement of minutes of meetings with ASIC	Preparation of meeting file Sending Notice of Meeting to all known creditors Convening creditors meeting as necessary Chair upcoming creditors meeting Preparation and lodgement of minutes of meetings with ASIC
Investigation		29.0 Hours \$11,432.00	\$5,000.00
	Conducting Investigation	Conducting and summarising statutory searches Reviewing and Analysing Company's books and records Follow up with Director to obtain books and records of the Company including ROCAP. Correspondence with ASIC to receive assistance in obtaining ROCAP. Updating investigation file Tasks relating to obtaining the ROCAP from Director. Tasks relating to obtaining historical documents from ATO.	Obtaining and reviewing further Company's books and records with the Director. Review of specific transactions and liaising with Director regarding certain transactions. Conducting bank traces of certain transactions Finalise investigation file. Lodgement of investigation with ASIC.

		Tasks relating to the identification of voidable transactions.	
	Litigation/ Recoveries	Internal meetings to discuss status of VPG claim and potential litigation. Preparing brief to solicitors regarding related entity loan Liaising with solicitors regarding recovery actions	Internal meetings to discuss related party loans. Preparing brief to solicitors Liaising with solicitors regarding recovery actions
	ASIC Reporting	Liaising with ASIC and providing updates on obtaining ROCAP from the Director Review ROCAP provided by Director and its lodgement with ASIC.	Prepare and lodge with ASIC statutory investigation report. Liaising with ASIC Preparation and lodgement of supplementary report
Trade On		5.0 Hours \$2,211.00	\$0
	Trade On Management	Notify service providers to cease contracts. Review of trading expenses and payment of trade on invoices	N/A
	Budgeting and Financial Reporting	Tasks relating to updating the Estimated Statement of Position.	N/A
Employees		22.4 Hours \$10,073.00	\$3,000.00
	Employees enquiries	Receive and follow up employee enquiries. Review and prepare correspondence to employees by email and post	Correspondence with employees Any other tasks associated with employees
	FEG	Correspondence with FEG. Preparing verification of employee entitlements spreadsheets. Review and complete Deed of undertaking with FEG. Review and complete questionnaire by FEG.	Correspondence with FEG. Review and respond to FEG relating to discrepancy. Review and input of documents from FEG. Review employment contracts and benefit balances Completion of requests from FEG

		Review and complete various requests from FEG Review of books and records of AS to aid in calculation of entitlements.	
	Calculation of entitlements	Internal correspondence regarding employee entitlements. Reviewing employee files and Company's books and records Liaising with employees regarding contracts and reviewing employment awards Calculating employee entitlements	N/A
	Other employee issues	Tasks related to transfer of Superannuation to ATO accrued as a result of the administrators trading the business.	N/A
Administration		34.2 Hours \$12,419.50	\$1,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505,509D, 507 etc. Preparing and lodging ASIC PNW Advert.	Preparing and lodging ASIC forms including 5601, 5602/5603, etc. Correspondence with ASIC regarding statutory forms. Preparing and lodging ASIC PNW Advertisements.
	Bank account administration	Preparing correspondence regarding updating liquidation bank accounts Bank account reconciliations Preparing receipt and payment vouchers	Preparing receipt and payment vouchers. Bank account reconciliations.
	Books and Records/ Storage	N/A	Prepare storage logistics for Books and Records. Update Books and Records listings.
	Correspondence	Correspondence with various parties Preparation of initial documents to advise of liquidation	Correspondence with various parties

	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents Periodic administration review.
	ATO and other statutory reporting	Notification of appointment Finalise and send BAS. Correspond with ATO requesting lodged documents	Preparing and lodging all -pre appointment and post appointment obligations with the ATO. Finalise and send BAS
	Planning / Review	Discussions regarding status of liquidation	Discussions regarding status of liquidation
	Finalisation	Notifying ATO of finalisation of voluntary administration Completing checklists Finalising Voluntary Administration WIP and organising rollover to creditors voluntary liquidation	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

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

Aussie Strength Pty Ltd (In Liquidation)
ACN 150 420 625
For the period 21 December 2022 to 17 March 2023

Staff Classification	Name	Hourly Rate (\$, ex GST)	Administration		Assets		Creditors		Employees		Investigation		Trade On		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Jonathon Keenan	680	3.3	2,244.00	25.3	17,204.00	2.0	1,360.00	1.0	680.00	1.0	680.00	0.1	68.00	32.7	22,236.00
Appointee	Peter Krejci	680	-	-	-	-	-	-	-	-	0.2	136.00	-	-	0.2	136.00
Senior Manager	Pauline Yeow	545	4.8	2,616.00	13.4	7,303.00	4.6	2,507.00	6.6	3,597.00	1.2	654.00	-	-	30.6	16,677.00
Assistant Manager	Jack Li	470	0.4	188.00	-	-	-	-	-	-	0.5	235.00	-	-	0.9	423.00
Assistant Manager	Savio Monis	470	4.2	1,974.00	0.6	282.00	4.1	1,927.00	9.0	4,230.00	13.4	6,298.00	4.1	1,927.00	35.4	16,638.00
Intermediate 1	Joshua Coorey	270	0.4	108.00	-	-	-	-	1.3	351.00	-	-	-	-	1.7	459.00
Intermediate 1	Max Florian	270	12.8	3,456.00	3.4	918.00	10.7	2,889.00	4.5	1,215.00	12.7	3,429.00	0.8	216.00	44.9	12,123.00
Intermediate 2	Sushma Mandira	245	0.3	73.50	-	-	-	-	-	-	-	-	-	-	0.3	73.50
Senior Administration	Sonia Stelmach	220	0.3	66.00	-	-	-	-	-	-	-	-	-	-	0.3	66.00
Senior Administration	Liam Moran	220	1.6	352.00	-	-	-	-	-	-	-	-	-	-	1.6	352.00
Senior Administration	Sarita Gurung	220	6.1	1,342.00	-	-	-	-	-	-	-	-	-	-	6.1	1,342.00
Total			34.2	12,419.50	42.7	25,707.00	21.4	8,683.00	22.4	10,073.00	29.0	11,432.00	5.0	2,211.00	154.7	70,525.50
<i>Average Hourly Rate</i>				363.14		602.04		405.75		449.69		394.21		442.20		455.89

SCHEDULE C – RESOLUTIONS

At the forthcoming meeting of Creditors, we will be seeking approval of the following resolutions:

Resolution 1: Liquidators' Remuneration for the period 21 December 2022 to 17 March 2023

“That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 to 17 March 2023, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 21 March 2023 be fixed and approved at \$70,525.50 (excl. GST), and that the Liquidators' be authorised to draw that amount as required.”

Resolution 2: Liquidators' Remuneration for the period 18 March 2023 the conclusion of the liquidation

“That the remuneration of the Liquidators, their partners and staff for the period 18 March 2023 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 March 2023 and approved to an interim cap of \$29,474.50 (excl. GST) and that the Liquidators' be authorised to draw that amount as and when incurred.”

Resolution 3: Liquidators' Internal Disbursements for the period 21 December 2022 to Conclusion

“That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Liquidators' Remuneration Approval Report dated 21 March 2023, up to an amount of \$2,000.00 (excl. GST) and that the Liquidators' be authorised to draw that amount as accrued.”

SCHEDULE 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 Liquidation, 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 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. Please refer to **Schedule C** for details of the resolution sought.

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 background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(IN LIQUIDATION)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(IN LIQUIDATION)
ACN 646 609 501**

**Annexure "I"
Liquidators' Initial Remuneration
Notice**

INITIAL REMUNERATION NOTICE

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

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("THE COMPANIES")**

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the Administration will be set.

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 charges 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
- 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 quoted below remain current. 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 on the following page together 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)
Principal/Appointee	A Liquidator and/or Registered Trustee. A senior accountant with over 10years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	\$680
Director	An accountant with more than 10 years' experience. May be a Registered 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.	\$590
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.	\$545
Manager	An accountant with at least 6 years' experience. Qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$505
Assistant Manager	An accountant with more than 5 years' experience. Typically qualified with sound technical and commercial skills. Plans and controls smaller matters independently. Assists with management of staff and medium to large appointments.	\$470
Supervisor	An accountant with more than 3 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.	\$435
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.	\$370

Title	Description	Hourly Rates (ex GST)
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.	\$310
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.	\$270
Intermediate 2	An accountant with less than 1 years' experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$245
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

D. ESTIMATED REMUNERATION

We note that the cost of the voluntary administration process (exclusive of GST, disbursements and legal costs, as necessary) for each of these Companies are estimated to be as follows:

- **Aussie Strength Pty Ltd** – Approximately \$100,000 to \$200,000.
- **Aussie Strength Global Pty Ltd** – Approximately \$100,000 to \$300,000.

This estimate is based on a number of assumptions, including:

- All relevant officers comply with their statutory duties to provide information about the Companies' affairs;
- There is no, or minimal, disputes regarding the conduct of the liquidation, adjudication of claims and dealing with the Companies' assets;
- There will be no actions requiring the commencement of legal proceedings.

This estimate is based on the information available to date. Should any of the above circumstances change, we believe that costs will likely increase from our estimate above.

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 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 this 21st day of March 2023.

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BRI Ferrier

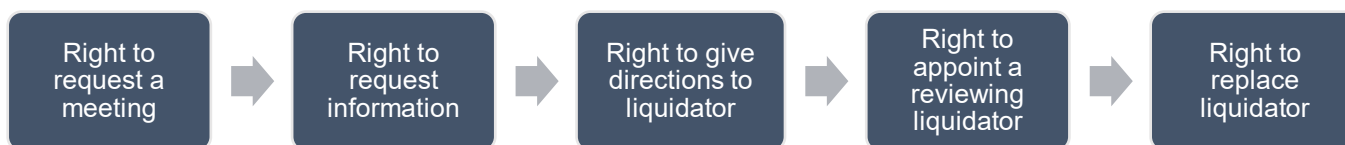
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**Annexure "J"
ARITA Information Sheet – Creditors
Rights in Liquidations**

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



If a simplified liquidation process is adopted, these rights are effectively limited to the right to request information.

Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors. The right to request meetings, including in the circumstances described below, is not available if a simplified liquidation process is adopted.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons. An individual creditor cannot provide a direction to a liquidator.

If a simplified liquidation process is adopted, you may not be able to give directions, because meetings cannot be held to pass a resolution.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. This right is not available if a simplified liquidation process is adopted. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

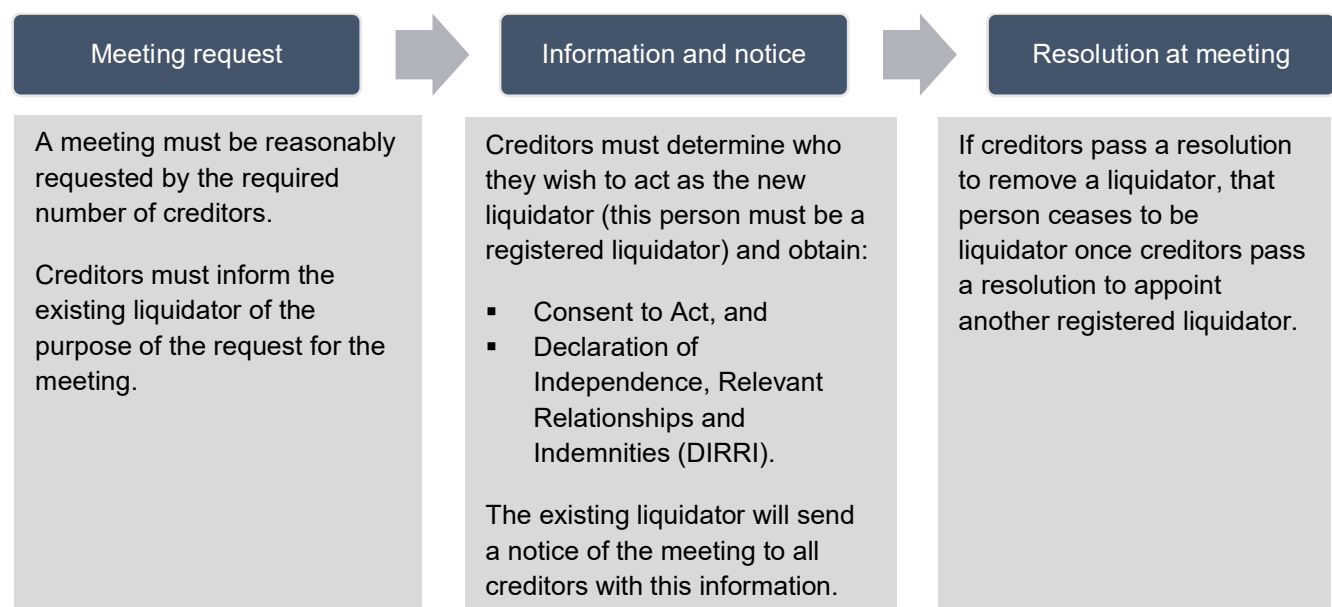
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator. This right is not available if a simplified liquidation process is adopted, because meetings cannot be held.

To replace a liquidator, there are certain requirements that must be complied with:



**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**