



STATUTORY REPORT TO CREDITORS

A.C.N. 120 389 095 PTY LTD (IN LIQUIDATION)

ACN: 120 389 095

ABN: 51 120 389 095

FORMERLY AXIS PLUMBING NSW PTY LTD

24 August 2023

PETER KREJCI
LIQUIDATOR

Phone: 02 8263 2300

Email: smandira@brifnsw.com.au

Website: www.briferrier.com.au

Postal: GPO Box 7079, Sydney NSW 2001

Address: Level 30, Australia Square
264 George Street, Sydney NSW 2000

INTRODUCTION

I refer to my initial report to creditors dated 7 June 2023 in which my appointment as Liquidator of the Company was advised along with your rights as a creditor in the liquidation.

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

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

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

COMPANY DETAILS

Name	A.C.N. 120 389 095 Pty Ltd (In Liquidation)
Incorporated	26 June 2006
ACN	120 389 095
Registered Office	C/- Economos Pty Ltd Citigroup Centre Suite 38B Level 38 2-26 Park Street Sydney NSW 2000
Trading Address	C/- Economos Pty Ltd Citigroup Centre Suite 38B Level 38 2-26 Park Street Sydney NSW 2000

LIQUIDATOR

Name	Peter Krejci
Date Appointed	24 May 2023

ADMINISTRATION CONTACT

Name	Joshua Coorey
Email	jcoorey@brifnsw.com.au
Phone	02 8263 2320

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GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
CVL	Creditors Voluntary Liquidation
Company	A.C.N. 120 389 095 Pty Ltd (In Liquidation)
Company's Accountant	Economos Pty Ltd
DCoT	Deputy Commission of Taxation
Director	James Mark Skelton
EBA	Enterprise Bargaining Agreement
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
Department	Department of Employment and Workplace Relations
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
Former Director	Clemente Morfuni
Initial Report	Initial Report to Creditors dated 7 June 2023
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
NAB	National Australia Bank
OMC	Orde Mortgage Custodian Pty Ltd
POD	Proof of Debt
PPSR	Personal Properties Securities Register
RBP	Relation Back Period
ROCAP	Report on Company Activities and Property
SOA	Summary of Affairs
The Shore Group	The Shore Group (UK) LLP and The Shore Group Limited
UK	United Kingdom

EXECUTIVE SUMMARY

As you are aware, I was appointed Liquidator of the Company by a special resolution passed by the Company's members at a duly convened members' meeting held on 24 May 2023 pursuant to Section 491 of the Act.

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. I provide hereunder a summary of my preliminary investigations into affairs of the Company to date, the potential return for creditors and the conduct of the Liquidation over the past three (3) months.

The Company was incorporated on 26 June 2006 with a principal place of business at the time being The Galleries Victoria Podium, Level 1, 500 George Street, Sydney NSW 2000. The current principal place of business is C/- Economos Pty Ltd, Citigroup Centre, Suite 38B Level 38, 2-26 Park Street, Sydney NSW 2000.

As advised in my Initial Report to Creditors, the Company formerly operated a commercial plumbing business in New South Wales as part of the Axis Group, an international building services and maintenance group headquartered in Sydney, Australia. As at my appointment, the Director was also the sole shareholder of the Company having been appointed on 22 July 2022.

Based on the financial accounts available, the Company has a significant turnover of \$70million in 2019 with a net profit of \$317K. Following a restructure in 2020, the Company's business and operations appears to have transferred to Axis Plumbing NSW Group Pty Ltd, a director related entity. As this stage, no details have been provided in regard to what consideration was paid, if any, for the Company's business and assets by Axis Plumbing NSW Group Pty Ltd.

To date, my investigations into assets of the Company have identified a number of bank accounts held with NAB of which none are in credit. I have identified approximately \$24K held on trust by the Company's pre-appointment solicitor, I have arranged for these funds to be transferred to my Liquidation account. I have not identified any other major assets of the Company.

The Director has submitted a ROCAP which has been lodged with the ASIC and the Company's accountants have provided financial accounts from 2019 to 2021 and management accounts for 2022.

In terms of liabilities, my investigations to date have revealed one (1) unsecured creditor debt at circa \$1.6M. Please refer to Section 11 of this report where I provide further commentary regarding the liabilities of the Company.

I have conducted preliminary investigations of the Company's affairs since my appointment and I believe that there may be a potential insolvent trading/breach of director duty claim against the Former Director for \$1.6M. Please refer to Section 13 of this report where I have detailed my findings in this regard. In the near term, I intend to report my findings to ASIC pursuant to Section 533(1) of the Act. The Section 533(1) report is confidential and is not available to creditors.

I am unable to estimate if there will be a return to Unsecured Creditors as any claim available to me as Liquidator of the Company will require funding from an external party. Though I have

received preliminary interest from creditors to fund recovery actions nothing has been agreed at this time.

Should any creditor have any relevant information which may assist my investigations or potential asset recoveries or wish to fund my further investigations or purchase the claims, they should contact my office by no later than 15 September 2023. Otherwise, absent any substantive new information, the Liquidation may continue for the next six (6) months.

1 BASIS OF REPORT

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

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

- ▲ ASIC;
- ▲ The CBA;
- ▲ Discussions with the Company's Accountant;
- ▲ Extracts from public information databases;
- ▲ Correspondence with creditors; and
- ▲ Documents obtained from the ATO in relation to the Company.

2 DISCLAIMER

An investigation of the Company's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Company's Director and from my own enquiries.

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

Neither I, 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 me, 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 Company and must not be disclosed without the prior approval of the Liquidator.

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

3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

I confirm that my DIRRI as previously circularised has not been amended.

4 CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of my appointment:

Date of Incorporation	26 June 2006
Type of Company	Australian Proprietary Company
Class	Ordinary Class Shares
Registered Office	C/- Economos Pty Ltd Citigroup Centre Suite 38B Level 38 2-26 Park Street Sydney NSW 2000.
Principal Place of Business	C/- Economos Pty Ltd Citigroup Centre Suite 38B Level 38 2-26 Park Street Sydney NSW 2000.

OFFICER	START DATE	CEASE DATE	POSITION(S)
James Mark Skelton	22/07/2022	-	Director
Clemente Morfuni	26/06/2006	22/07/2022	Director

SHAREHOLDERS	SHARE TYPE	NO. OF SHARES	SHAREHOLDING (%)	BENEFICIALLY OWNED
James Mark Skelton	Ordinary	2,000,001	100	Yes

5 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, my appointment as Liquidator automatically stays any current legal proceedings against the Company.

Creditors cannot commence or continue proceedings against the Company without my written consent or leave of the Court.

I am not aware that the Company is involved in any other legal proceedings.

6 COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

The following information was obtained from the Company's books and records, enquiries with the current Director, the Company's Accountant, the CFO of Axis Group, and Company books and records provided to the Liquidator.

- ▶ The Company was incorporated on 26 June 2006 and was formerly part of an international building services and maintenance group known as Axis Services Group (**the Axis Group**) run by the Company's former director Mr Clemente Morfuni.
- ▶ Mr James Stavroulakis, the Axis Group's CFO, has advised that that on or around 1 November 2019 a decision was made to restructure the group due to large outstanding loans to the Axis Group funded by Mr Morfuni. Over the ensuing six months, the Company took steps to wind down its operations and cease trading with current contracts and employees held by the Company being transferred to Axis Plumbing NSW Group Pty Ltd and a new EBA being implemented.
- ▶ The Company was party to several contracts and projects undertaken in the United Kingdom, in conjunction with the Axis Group's UK arm, AXIS M & E UK Limited (In Liquidation) (**AXIS UK**). During 2021/2022, an employee of Axis Group, Mr James Mark Skelton, who at the time was residing in the UK and involved with its UK projects, attempted to recover outstanding retentions owed to the Company from completed projects. The outcome of Mr Skelton's attempts are unclear however my investigations into AXIS UK have revealed that on 29 May 2020 it was placed into creditors voluntary liquidation with Mr Carl Jackson and Mr Andrew Watling of Quantuma Advisory appointed Liquidators.
- ▶ On 24 February 2022, The Shore Group filed a claim form against the Company in the High Court of Justice, Business and Property Courts of England and Wales (**the High Court**) seeking damages against the Company in respect of outstanding invoices for employment agency services provided to AXIS UK in 2019. These contracts contained a credit application form which the Company entered into as guarantor.
- ▶ On 22 July 2022, Mr Morfuni ceased being a director of the Company with Mr Skelton replacing him.
- ▶ On 6 September 2022, the High Court granted default judgement in favour of The Shore Group against the Company.
- ▶ On 16 February 2023, the High Court issued a sealed certificate under Section 10 of the *Foreign Judgements (Reciprocal Enforcement) Act 1933* (England and Wales) which crystallised the judgement debt as an enforceable debt in Australia and available to be pursued against the Company.
- ▶ On 24 May 2023, the Director resolved to place the Company into liquidation on which I was appointed Liquidator.

7 REASONS FOR FAILURE

In his completed ROCAP form, the Director has stated that the business did not fail.

My investigations into the Company's affairs suggest the reason for the Company's failure to be the non-recovery of an outstanding loan to AXIS UK in the amount of \$10M. Upon AXIS UK being placed into Creditors Voluntary Liquidation on 29 May 2020, this loan was written off in full. Similarly, in the same period, it appears an outstanding loan to Axis Plumbing UK Ltd in the amount of \$1.3M was also written off in full.

8 HISTORICAL FINANCIAL INFORMATION

I have reviewed the Company's financial reports for the years ending 30 June 2019 to 30 June 2021 as well as the Company's management report for the year ending 30 June 2022.

8.1 BALANCE SHEETS

Attached as "**Annexure C**" is a comparative analysis of the Balance Sheets for the above-mentioned period.

I make the following commentary with respect to the attached comparative Balance Sheets:

- For the year ending 30 June 2019, the Company's assets predominantly comprised of trade debtors of \$9.4M and related party loans of \$14.9M (which included a \$10 million loan to AXIS UK). It appears that as the Company took steps to cease trading proceeds from trade debtor recoveries were used to pay out Company liabilities.
- The Company's current liabilities as at 30 June 2019 predominantly comprised of \$4.3M of trade creditors and approx. \$2.0M in sundry and other creditors. Similar to the Company's assets, the restructuring and ceasing of trade is evident across the relevant periods with current liabilities either being paid out or absorbed by Axis Plumbing NSW Group Pty Ltd.
- As at 30 June 2022, the Company held cash at bank of \$268K which was considerably greater than the non-related liabilities of the Company at that time being \$152K in trade and other payables.

8.2 PROFIT AND LOSS STATEMENTS

Attached as "**Annexure D**" is a comparative analysis of the Profit and Loss Statements for the above-mentioned period.

I make the following commentary with respect to the attached comparative Profit and Loss Statements:

- The Company recorded a profit in its final year of normal trading for the year ending 30 June 2019 of \$317K. In the subsequent periods, as contracts and employees were transferred to Axis Plumbing NSW Group Pty Ltd, the Company recorded significant losses.
- In the year ending 30 June 2020, the Company wrote off \$13.9M in bad debts of which \$10M represented the outstanding loan to AXIS UK.
- The Company's rent increased in the year subsequent to AXIS Group's restructure decision by approximately \$50K.
- In the year ending 30 June 2019, the Company paid 5.4% of total revenue in management fees, being \$3.8M. Despite total revenue decreasing by 24.4% in the year ending 30 June 2020, management fees paid by the Company grew to 5.5% of total revenue.

9 CURRENT FINANCIAL POSITION

Below is my analysis of the current financial position of the Company, based on available financial records and my enquiries to date. I have received a ROCAP from the Director however the ROCAP does not detail any assets or liabilities of the Company.

	Report Reference	ROCAP (\$)	Liquidators ERV (\$)
Assets			
Cash and Cash Equivalents	10.1	N/A	24,952
Other Assets	10.2	N/A	Nil
Total assets		N/A	Nil
Liabilities			
Secured Creditors	11.1	N/A	72,377
Priority Creditors	11.2	N/A	Nil
Unsecured Creditors	11.3	N/A	1,631,159
Total Liabilities		N/A	1,703,536
Estimated Net Asset / (Deficiency)		N/A	(1,678,584)

10 ASSETS

10.1 CASH AND CASH EQUIVALENTS

On appointment, I made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. These enquiries revealed that the Company operated a number of accounts with the NAB of which none held a recoverable balance and one being overdrawn by \$188.99.

Based on my enquiries to date, I am not aware of any other bank accounts held by the Company.

Through discussions with the Company's solicitor, Mr Anthony Perkins of Project Lawyers, I was made aware of an amount of funds held on behalf of the Company on trust by Project Lawyers. I have since made arrangements for these funds, totalling \$24,952.21 to be transferred to my Liquidation account.

10.2 OTHER ASSETS

To date, I have not identified any other major assets in the name of the Company.

11 LIABILITIES

11.1 SECURED CREDITORS

A search of the PPSR indicates the following registrations over Company assets:

Registration Number	Secured Party	Start Date	Collateral Class
201210110013455	Plumbers Supplies Co-Operative Limited	11/10/2012	Commercial – Other Goods
201312100027953	Royal Plywood Pty Limited	10/12/2013	Commercial – Other Goods
201401270086613	The Trustee for The A G Firth Family Trust Riverina Workwear Pty Ltd	27/01/2014	Commercial – Other Goods
201401280281491 201401280284888	Action Access Hire Pty Ltd Australian Access Hire Pty Limited	28/01/2014	Commercial – Other Goods Commercial – Motor Vehicle
201401310299670 201401310330102	Reece Australia Pty Ltd Actrol Parts Pty Ltd A.C. Components Pty Ltd Viadux Pty Ltd	28/01/2014	Commercial – Other Goods Commercial – Other Goods
201411270069129	Van Leeuwen Pipe & Tube Australia Pty Ltd	27/11/2014	Commercial – Other Goods
201412050031524	Prominent Fluid Controls Pty Limited	5/12/2014	Commercial – Other Goods
201501210054708	Druin Pty Ltd The Trustee For Druin No 3 Trust	21/01/2015	Commercial – Other Goods
201605250012671	Infrabuild Trading Pty Ltd Infrabuild Construction Solutions Pty Ltd Onesteel Recycling Pty Limited The Australian Steel Company (Operations) Pty Ltd Infrabuild Wire Pty Limited Infrabuild Nsw Pty Ltd Austube Mills Pty Ltd Xms Holdings Pty Limited	25/05/2016	Commercial – Other Goods

	P & T Tube Mills Pty Ltd Infrabuild (Manufacturing) Pty Ltd Infrabuild (Newcastle) Pty Ltd Infrabuild Nz Limited Liberty Infrabuild Ltd Infrabuild Australia Pty Ltd Onesteel Recycling Hong Kong Limited Ssx Services Pty Limited Steelforce Holdings Pty Ltd Steelforce Australia Pty Limited Steelforce Sydney Pty Limited Austeel Trading Pty Ltd Steelforce China Pty Ltd Dalian Steelforce Hi-Tech Co Ltd Dalian Austeel Trading Pty Ltd		
201607150002573	Rocla Pty Limited	15/07/2016	Commercial – Other Goods
201608150040099	Automatic Heating Global Pty Ltd	15/08/2016	Commercial – Other Goods
201610110032184	Caps Australia Pty Ltd	11/10/2016	Commercial – Other Goods
201610110061285	Galvin Engineering Pty Ltd	11/10/2016	Commercial – Other Goods
201611040014717	Redox Limited	4/11/2016	Commercial – Other Goods
201612120056500	United Rentals Australia Pty Ltd	12/12/2016	Commercial – Other Goods
201703070017192	Atco Structures & Logistics Pty Ltd	7/03/2017	Commercial – Other Goods
201704080002617	Kingspan Water & Energy Pty Limited	8/04/2017	Commercial – Other Goods
201705290014571	Coventry Group Limited	29/05/2017	Commercial – Other Goods
201706260006242	Altro Holdings Pty Ltd	26/06/2017	Commercial – Motor Vehicle
201706270070366 202108240041269	Rapid Industrial Group Pty Ltd The Trustee For C & L Family Trust	27/06/2017 24/08/2021	Commercial – Other Goods Commercial – Other Goods
201708080030938 202007230043200	Thermotec (Australia) Pty Ltd	8/08/2017 23/07/2020	Commercial – Other Goods Commercial – Other Goods
201709050016528	Malmet (Australia) Pty Ltd	5/09/2017	Commercial – Other Goods
201801240005383 201904050056536	George Fischer Pty Ltd	24/01/2018 5/04/2019	Commercial – Other Goods Commercial – Other Goods

201802120024446	Waco Kwikform Limited	12/02/2018	Commercial – Other Goods
201811060055059	Coates Hire Operations Pty Limited	6/11/2018	Commercial – Motor Vehicle
201811060055305	Limited	6/11/2018	Commercial – Other Goods
201812070002704	Hygrade Water Australia Limited Partnership	7/12/2018	Commercial – Other Goods
201903180028553	Sharp Corporation Of Australia Pty Ltd	18/03/2019	Commercial – Other Goods
201906190053924	De Lage Landen Pty Limited	19/06/2019	Commercial – Other Goods
201906190053930			
201906190053948			
201906190053953			
201907290022308	EJ Australia Pty Ltd	29/07/2019	Commercial – Other Goods
202012150030239		15/12/2020	Commercial – Other Goods
201910170039344	Hydrotec Hvac & Mechanical Pty Ltd	17/10/2019	Commercial – Other Goods
201912170059692	BOC Limited	17/12/2019	Commercial – Other Goods
202002130051214	Antec Group Pty Limited	13/02/2020	Commercial – Other Goods
202002170014419	Stirlings Performance Steels Pty Ltd	17/02/2020	Commercial – Other Goods
202008040021743	Ruralco Holdings Limited Moora Rural Supplies Pty Ltd Relyon (Australia) Pty Ltd Total Eden Mccrackens Group Pty Ltd Qnt Agencies Pty Ltd Territory Rural Mcperson Pty Ltd Territory Rural Pty Limited Stevens Egan Johnston Pty Ltd Total Eden Pty Limited The Farm Shop (Wa) 1999 Pty Ltd Total Eden Holdings Pty Limited Rawlinson & Brown Pty Ltd Roberts Limited Queensland Rural Pty Ltd Platinum Operations Pty Ltd Primaries Of Wa Pty Ltd Savage Barker & Backhouse Pty Ltd Southern Australian Livestock Pty. Ltd.	4/08/2020	Commercial – Other Goods

	<p>Saffin Kerr Bowen Wilson Pty Ltd</p> <p>Rodwells & Co Pty Ltd</p> <p>Saffin Kerr Bowen Pty Ltd</p> <p>Davidson Cameron Clydsdale Taylor Pty Ltd</p> <p>Davidson Cameron & Co. Narrabri Pty. Ltd.</p> <p>Davidson Cameron Pty Limited</p> <p>Davidson Cameron Mcculloch & Co. Pty Ltd</p> <p>Davidson Cameron & Co Dubbo Pty Ltd</p> <p>Combined Rural Traders Pty Limited</p> <p>Br&C Agents Pty Ltd</p> <p>Dairy Livestock Services Pty Ltd</p> <p>Cq Ag Services Pty Ltd</p> <p>Merredin Rural Supplies Pty Limited</p> <p>Kimberley Rural Pty Ltd</p> <p>Nt Rural Pty Limited</p> <p>Northern Rural Group Pty Ltd</p> <p>Ingham Farm Centre Pty Ltd</p> <p>Frontier International Agri Pty Ltd</p> <p>Farmworks Rural Pty Ltd</p> <p>Grant, Daniel & Long Pty. Ltd.</p> <p>Frontier International Northern Pty Ltd</p> <p>Agriwest Rural Pty Ltd</p> <p>Agritech Rural Pty. Ltd.</p> <p>Archards Irrigation Pty Ltd</p> <p>Northern Agriservices Pty Ltd</p> <p>B.J. Underwood Pty. Ltd.</p> <p>Great Northern Rural Services Unit Trust</p> <p>Northern Livestock & Property Pty Ltd</p> <p>Primaries Esperance Pty Ltd</p> <p>Qfh Multiparts Pty Ltd</p> <p>Fluid Technologies (Nsw) Pty Ltd</p> <p>Tp Jones & Co Pty Ltd</p> <p>Roberts Irrigation Pty Ltd</p> <p>Irrigation Tasmania Pty Ltd</p>		
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	Platinum Livestock & Real Estate Pty Ltd		
202105210055656	Supagas Pty Limited	21/05/2021	Commercial – Other Goods
202105310045320	Kenkar Water Australia Pty Ltd	31/05/2021	Commercial – Other Goods

I provide the following commentary regarding these interests:

11.1.A Plumbers Supplies Co-Operative Limited

Upon my appointment, I wrote to Plumbers Supplies regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Plumbers Supplies. I have since followed up Plumbers Supplies requesting a response to my correspondence. My investigations into this security are continuing.

11.1.B Royal Plywood Pty Limited

Upon my appointment, I wrote to Royal Plywood regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Royal Plywood. I have since followed up Royal Plywood requesting a response to my correspondence. My investigations into this security are continuing.

11.1.C The Trustee for The A G Firth Family Trust Riverina Workwear Pty Ltd

Upon my appointment, I wrote to Riverina Workwear regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Riverina Workwear. I have since followed up Riverina Workwear requesting a response to my correspondence. My investigations into this security are continuing.

11.1.D Action Access Hire Pty Ltd

Upon my appointment, I wrote to Action Access Hire regarding their security interest registered against the Company. Action Access Hire have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.E Reece Australia Pty Ltd

Upon my appointment, I wrote to Reece regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Reece. I have since followed up Reece requesting a response to my correspondence. My investigations into this security are continuing.

11.1.F Van Leeuwen Pipe & Tube Australia Pty Ltd

Upon my appointment, I wrote to Van Leeuwen regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Van Leeuwen. I have since followed up Van Leeuwen requesting a response to my correspondence. My investigations into this security are continuing.

11.1.G Prominent Fluid Controls Pty Limited

Upon my appointment, I wrote to Prominent Fluid Controls regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Prominent Fluid Controls. I have since followed up Prominent Fluid Controls requesting a response to my correspondence. My investigations into this security are continuing.

11.1.H Druin Pty Ltd

Upon my appointment, I wrote to Druin regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Druin. I have since followed up Druin requesting a response to my correspondence. My investigations into this security are continuing.

11.1.I Infrabuild Trading Pty Ltd

Upon my appointment, I wrote to Infrabuild regarding their security interest registered against the Company. Infrabuild have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.J Rocla Pty Limited

Upon my appointment, I wrote to Rocla regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Rocla. I have since followed up Rocla requesting a response to my correspondence. My investigations into this security are continuing.

11.1.K Automatic Heating Global Pty Ltd

Upon my appointment, I wrote to Automatic Heating regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Automatic Heating. I have since followed up Automatic Heating requesting a response to my correspondence. My investigations into this security are continuing.

11.1.L Caps Australia Pty Ltd

Upon my appointment, I wrote to Caps Australia regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Caps Australia. I have since followed up Caps Australia requesting a response to my correspondence. My investigations into this security are continuing.

11.1.M Galvin Engineering Pty Ltd

Upon my appointment, I wrote to Galvin Engineering regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Galvin Engineering. I have since followed up Galvin Engineering requesting a response to my correspondence. My investigations into this security are continuing.

11.1.N Redox Limited

Upon my appointment, I wrote to Redox regarding their security interest registered against the Company. Redox have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.O United Rentals Australia Pty Ltd

Upon my appointment, I wrote to United Rentals regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from United Rentals. I have since followed up United Rentals requesting a response to my correspondence. My investigations into this security are continuing.

11.1.P Atco Structures & Logistics Pty Ltd

Upon my appointment, I wrote to Atco regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Atco. I have since followed up Atco requesting a response to my correspondence. My investigations into this security are continuing.

11.1.Q Kingspan Water & Energy Pty Limited

Upon my appointment, I wrote to Kingspan regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Kingspan. I have since followed up Kingspan requesting a response to my correspondence. My investigations into this security are continuing.

11.1.R Coventry Group Limited

Upon my appointment, I wrote to Coventry Group regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Coventry Group. I have since followed up Coventry Group requesting a response to my correspondence. My investigations into this security are continuing.

11.1.S Altro Holdings Pty Ltd

Upon my appointment, I wrote to Altro regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Altro. I have since followed up Altro requesting a response to my correspondence. My investigations into this security are continuing.

11.1.T Rapid Industrial Group Pty Ltd

Upon my appointment, I wrote to Rapid Industrial Group regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Rapid Industrial Group. I have since followed up Rapid Industrial Group requesting a response to my correspondence. My investigations into this security are continuing.

11.1.U Thermotec (Australia) Pty Ltd

Upon my appointment, I wrote to Thermotec regarding their security interests registered against the Company. Thermotec have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.V Malmet (Australia) Pty Ltd

Upon my appointment, I wrote to Malmet regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Malmet. I have

since followed up Malmet requesting a response to my correspondence. My investigations into this security are continuing.

11.1.W George Fischer Pty Ltd

Upon my appointment, I wrote to George Fischer regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from George Fischer. I have since followed up George Fischer requesting a response to my correspondence. My investigations into this security are continuing.

11.1.X Waco Kwikform Limited

Upon my appointment, I wrote to Waco Kwikform regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Waco Kwikform. I have since followed up Waco Kwikform requesting a response to my correspondence. My investigations into this security are continuing.

11.1.Y Coates Hire Operations Pty Limited

Upon my appointment, I wrote to Coates regarding their security interests registered against the Company. Coates have advised that their security is in relation to a number of outstanding invoices relating to construction and building equipment hire. Coates have advised a total outstanding amount of \$21,556.11. Upon review of the invoices provided by Coates, the invoices are dated for April and May 2023, as the Company took steps to cease trade in 2019, I am of the opinion that these debts may be debts of the AXIS Group rather than a debt of the Company. My investigations into this security are continuing.

11.1.Z Hygrade Water Australia Limited Partnership

Upon my appointment, I wrote to Hygrade Water regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Hygrade Water. I have since followed up Hygrade Water requesting a response to my correspondence. My investigations into this security are continuing.

11.1.AA Sharp Corporation of Australia Pty Ltd

Upon my appointment, I wrote to Sharp regarding their security interest registered against the Company. Sharp have advised that their security is in relation to two (2) photocopier rental agreements entered into by the Company on 3 April 2019 and 27 August 2021. Sharp have advised a total outstanding amount of \$50,821.16. As the Company holds no trading premises and took steps to cease trade in 2019, I hold the assumption that this liability has been assumed by the AXIS Group as part of the restructure. My investigations into this security are continuing.

11.1.BB De Lage Landen Pty Limited

Upon my appointment, I wrote to De Lage Landen regarding their security interests registered against the Company. De Lage Landen have since advised that there is no debt outstanding and have since provided a discharge certificates.

11.1.CC EJ Australia Pty Ltd

Upon my appointment, I wrote to EJ Australia regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from EJ Australia. I have

since followed up EJ Australia requesting a response to my correspondence. My investigations into this security are continuing.

11.1.DD Hydrotec Hvac & Mechanical Pty Ltd

Upon my appointment, I wrote to Hydrotec regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Hydrotec. I have since followed up Hydrotec requesting a response to my correspondence. My investigations into this security are continuing.

11.1.EEBOC Limited

Upon my appointment, I wrote to BOC regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from BOC. I have since followed up BOC requesting a response to my correspondence. My investigations into this security are continuing.

11.1.FF Antec Group Pty Limited

Upon my appointment, I wrote to Antec regarding their security interest registered against the Company. Antec have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.GG Stirlings Performance Steels Pty Ltd

Upon my appointment, I wrote to Stirlings regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Stirlings. I have since followed up Stirlings requesting a response to my correspondence. My investigations into this security are continuing.

11.1.HH Ruralco Holdings Pty Limited

Upon my appointment, I wrote to Ruralco regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Ruralco. I have since followed up Ruralco requesting a response to my correspondence. My investigations into this security are continuing.

11.1.II Supagas Pty Limited

Upon my appointment, I wrote to Supagas regarding their security interest registered against the Company. Supagas have since advised that there is no debt outstanding and have since provided a discharge certificate.

11.1.JJ Kenkar Water Australia Pty Ltd

Upon my appointment, I wrote to Kenkar regarding their security interest registered against the Company. As at the date of writing this report, I am yet to receive a response from Kenkar. I have since followed up Kenkar requesting a response to my correspondence. My investigations into this security are continuing.

The sheer number of registered security interests registered against the Company suggest that it was a Company of substance prior to the restructuring referred to earlier in this Report which resulted in its business being transferred to Axis Plumbing NSW Group.

Should any creditor have leased property to the Company, or have a retention of title claim or hold a Personal Property Security in relation to the Company, please contact Mr Joshua Coorey of this office as soon as possible.

11.2 PRIORITY CREDITORS

As at the date of this report, I am not aware of any outstanding employee entitlements. As previously stated in this report, the Company's CFO has advised that former employees of the Company were transferred as part of the Axis Group's restructure in 2019.

To the extent there are any amounts owed to former employees of the Company, there is a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy.

In the event that there are insufficient funds to pay a dividend to priority (employee) creditors in a winding up, employees (excluding the Directors and related parties) can lodge a claim under the Fair Entitlements Guarantee scheme with the Department of Employment and Workplace Relations.

The FEG scheme does not cover unpaid superannuation.

11.3 UNSECURED CREDITORS

My investigations to date have identified one (1) unsecured creditor owed approximately \$1.6M.

Geoffrey Osborne Limited has submitted a proof of debt claiming \$963,046.60 in relation to two contracts entered into in 2021 by Axis Services Group Limited (Company Number 12220818), another entity within the Axis Group, of which the Company is claimed to have been a guarantor over these contracts. My investigations into Axis Services Group Limited is that it is still currently registered on the UK Government Companies House website, and as such I am of the opinion that the guarantee clause in the aforementioned contracts cannot be called upon.

The Shore Group Limited have submitted a proof of debt claiming £856,611.54GBP having obtained judgement against the Company on 6 September 2022 in the High Court for recovery of unpaid invoices in respect of employment agency services provided by The Shore Group to AXIS UK in 2019. These contracts contained a credit application form which listed the Company as guarantor. Whilst the judgement debt was made in GBP, for ease of reference in this report, I have applied the GBP to AUD exchange rate as at the date of my appointment, being AUD \$1.90, which gives a converted claim of AUD \$1,631,159.69.

I 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 A**", and return the same together with documentary evidence to support your claim.

12 INVESTIGATIONS

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

Whilst a potential claim may be identified having regard to the Company's records, any net recovery ultimately depends upon:

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

12.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, I have:

- ▲ Taken possession of limited books and records of the Company;
- ▲ Written to the relevant authorities requesting information required for investigations;
- ▲ Carried out ASIC and other searches available to me in relation to the Company's Director and Former Director;
- ▲ Ascertained by inquiring with the Director and AXIS CFO the history of the Company and nature of its business and circumstances leading to its failure;
- ▲ Performed a review of the available bank statements to identify potential preferences, uncommercial transactions, and unfair loans (sections 588FA, 588FB, 588FD and 588FE of the Act.)

12.2. BOOKS AND RECORDS

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

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

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

On my appointment, I requested the Company's Director, and Accountant to deliver the books and records of the Company, to enable me to investigate the affairs of the Company. To date, the only books and records I have received are the financial statements provided by the Company's Accountant and Company's tax information provided by DCoT pursuant to a request for documents. As I have not been provided with access to the Company's accounting software and no books of primary entry (invoices, bank reconciliations, remittance advices, contracts) to support the accounts, I am of the view that the Company may be in breach with Section 286 of the Act.

It is my intention to follow up the provision of this information from the AXIS group financial controller. Should I not be provided with the required documentation I may be able to rely on the presumption of insolvency detailed above dating back to registration of the Company.

13 FINDINGS AND RECOVERY ACTIONS

13.1 INSOLVENT TRADING

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

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

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

A defence is available under the Act where a director can establish:

- ▲ There were reasonable grounds to expect that the company was solvent and they actually 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.

My assessment has been based on the information available to me from the Company's records and on the basis of separate investigations of the Company's affairs.

Based on my investigations conducted to date, it is my preliminary view that the Company may have been insolvent from July 2020. The reasons for my assessment are as follows.

13.1.A Working Capital Analysis

A working capital analysis is generally based on a review of a company's financial records to determine whether there were sufficient current assets to meet current liabilities, including any adjustments to the reported current assets and current liabilities.

The current ration compares current assets to current liabilities. A current ration over 1 indicates that there are sufficient current assets to meet current liabilities.

- ▲ I have conducted a working capital analysis based on the management accounts and summarised below. Prima facie, there appears to have been sufficient working capital for the years ending 30 June 2019, 2020 and 2022. A summary is shown below.

	Year Ended 30-Jun-19 (\$)	Year Ended 30-Jun-20 (\$)	Year Ended 30-Jun-21 (\$)	Year Ended 30-Jun-22 (\$)
Working Capital Analysis				
Current Assets	9,954,463	2,766,854	51,005	317,142
Current Liabilities	8,037,726	2,317,562	280,306	152,803
Net Working Capital	1,916,737	449,292	(229,301)	164,339
Current Asset Ratio	1.24	1.19	0.18	2.08

- ▶ The insufficient working capital for the year ending 30 June 2021 appears to be the balance of remaining liabilities of the Company that were yet to be transferred to AXIS Plumbing NSW Group Pty Ltd.
- ▶ I have no explanation why current assets increased in FY2022 given the Company's operations were in wind down.
- ▶ I note the Company's financial reports do not appear to include the unsecured debt owing to Shore Group. Accordingly, I have adjusted the working capital analysis by adding this liability in the year ending 30 June 2020.

	Year Ended 30-Jun-19 (\$)	Year Ended 30-Jun-20 (\$)	Year Ended 30-Jun-21 (\$)	Year Ended 30-Jun-22 (\$)
Adjusted Working Capital Analysis				
Current Assets	9,954,463	2,766,854	51,005	317,142
Current Liabilities	8,037,726	3,948,721	1,911,466	1,783,963
Net Working Capital	1,916,737	(1,181,867)	(1,860,461)	(1,466,821)
Current Asset Ratio	1.24	0.70	0.03	0.18

It is noteworthy that the adjusted working capital analysis reveals that with the inclusion of the Shore Group debt, the Company had insufficient working capital for the years ending 30 June 2020 to 30 June 2022.

13.1.B Indicators of Insolvency

In addition, I have observed the following indicators of insolvency:

- ▶ Unrecoverable loans to related entities, in particular the \$10M loan to AXIS UK that was written off upon its placement into creditors voluntary liquidation.
- ▶ Shore Group obtaining default judgment against the Company in 2022.

13.1.C Assessment of Insolvency

In light of the above, I am of the view that the Company may have been insolvent from as early as July 2020.

13.1.D Potential Quantum of Claim

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Company was insolvent and remains

outstanding. For the purposes of this Report, I have prepared a preliminary assessment of the claim, assuming the Company was insolvent since approximately July 2020.

My investigations indicate that an insolvent trading claim may be valued at circa \$1.6M, as detailed below.

Insolvent Trading Calculation	Total Amount (\$)
Unsecured Creditors	1,631,159.69
Total	1,631,159.69

In order for an insolvent trading claim to be pursued, it will need to be determined whether the entity was in fact still trading at the time this debt was incurred. My investigations are continuing in this regard.

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 Liquidator.

These transactions usually relate to the period six (6) months prior to the date of my 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.

13.2 UNFAIR PREFERENCES

An unfair preference results when the 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 Liquidator relate only to payments to unrelated parties made within six (6) months from the date of my appointment, if the Company is insolvent at that time, as the RBP.

I have reviewed the bank account statements for the Company's NAB bank accounts from 1 May 2018 to appointment. Payments to unrelated unsecured creditors during the RBP period appear to have been made in the ordinary course of the business and there was no evidence to suggest that there was a lack of good faith on the part of the creditors. This is typically evidenced by demands/threats, changed supply terms, payment arrangements and/or legal proceedings.

I have not identified any significant round payments to unrelated unsecured creditors.

I note that pursuant to S588FE(2D)(4) of the Act clawback provisions available to the Liquidator extend to four (4) years from the RBP for transactions to related-party creditors.

I have not identified any significant round payments to related-party creditors.

13.3 UNCOMMERCIAL TRANSACTIONS

A transaction is considered uncommercial if it is made at a time when the 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 the Company of entering into the transaction; and
- ▲ The prospective benefits to other parties to the transaction.

I have identified that the restructure and transfer of the business as a potential uncommercial transaction. I intend to request the documentation in relation to the restructure from the Axis Group financial controller, as I have not been provided any documents pertaining to same.

My investigations into the restructure are continuing.

13.4 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

A transaction is an unreasonable Director-related transaction of the Company 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 the Company.
- ▲ The transaction is to a director or close associate of the Director or for their benefit.
- ▲ A reasonable person in the 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.

I have identified that the restructure and transfer of the business as a potential unreasonable director related transaction. I intend to request the documentation in relation to the restructure from the Axis Group financial controller, as I have not been provided any documents pertaining to same to date.

My investigations into the restructure are continuing.

13.5 UNFAIR LOANS (S588FD)

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.

I have not identified any such transactions to date.

13.6 DIRECTORS DUTIES

The Director and Former Director of the Company as with all directors have statutory obligations regarding their conduct and duties to respective stakeholders including the creditors and members of the Company.

When companies are nearing insolvency, the Australian Courts have found that in exercising their duties, the Director and Former Director must have regard to the interests of creditors of the Company.

I have reviewed the various aspects of these directors' responsibilities and have identified a number of actions that would be considered breaches of directors' duties.

The potential duties that I have identified may have been breached by the Director and Former Director are:

- Section 180 – Duty of care and diligence
- Section 181 – Duty of good faith
- Section 182 – Duty not to make improper use of position

I have identified the following directors' actions that require further review in the Liquidation to assess whether they may represent breaches of their director duties:

- The restructure (transfer of business) to a related entity. I have not been provided any documentation to understand what this restructure involved, what benefit the Company received, if due consideration was paid for the transfer of the business that in 2019 had revenue of over \$70M.

The consequences of a breach of duties for the Directors in Liquidation could be the following:

- A Liquidator pursuing the Directors personally for the quantum of any loss suffered by the Companies arising from the breach of duty;
- ASIC prosecuting the Directors criminally for their conduct which could result in a maximum fine of \$200k or imprisonment;
- ASIC prosecuting the Directors for their conduct under a civil penalty provision which could result in a maximum of \$200k; and
- ASIC pursuing director banning orders prohibiting them from managing a company.

Notwithstanding, that pursuit of any claim against the Director or Former Director for breach of their duties would:

- Require significant work to be completed by the Liquidator to substantiate the Company's loss, if any; and
- Likely result in significantly costs to pursue recovery.

If any parties are interested in funding the Liquidation to pursue these potential recoveries, or alternatively, wish to acquire these actions to pursue themselves, please contact this office immediately.

13.7 RECOVERY OF CLAIM

In respect of considering whether an insolvent trading or breach of director duties claim could be pursued, a Liquidator would need to have regard to the financial positions of the potential defendant, being the Director at the time the debts were incurred, Mr Clemente Morfuni. A NSW Land Title search indicated that the Former Director appears to be the registered proprietor of the following four (4) properties:

A.C.N. 120 389 095 Pty Ltd (In Liquidation) ACN 120 389 095 Clemente Morfuni Potential Property Holdings & Value							
Property Suburb	Property Value Low \$	Property Value High \$	Purchase Price	Mortgage (Y/N)	Mortgagee	Caveat (Y/N)	Joint Owner (Y/N)
Umina Beach	748,000	1,054,000	Unknown	Y	CBA	Y	N
Rose Bay	1,051,000	1,337,000	209,500	Y	CBA	Y	N
West Ryde	2,009,000	2,557,000	490,000	Y	OMC	N	Y
Putney	3,661,000	5,847,000	3,390,000	N		N	Y
	7,469,000	10,795,000					

Further, Mr Morfuni holds a number of directorships and shareholdings largely pertaining to the aforementioned AXIS Group. I have also identified a number of properties owned by one of these entities. I provide annexed to this report as **Annexure E**, a breakdown of these entities and **Annexure F**, the properties that appear to be owned by Chrismo Holdings Pty Limited.

I note that an insolvent trading or breach of director duties claim will require extensive investigations and funding to pursue the claim via litigation. As an alternative, a Liquidator can consider selling the causes of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. If creditors are interested in funding or purchasing this potential claim, please contact this office by **14 September 2023**. Absent any funding, I may pursue a commercial settlement.

14 RECEIPTS AND PAYMENTS

As at the date of writing, there have been no receipts and payments incurred in the liquidation.

15 ESTIMATED RETURN TO CREDITORS

The likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- ▲ the size and complexity of the administration.
- ▲ the amount of voidable transactions recovered and the costs of these recoveries;
- ▲ the statutory priority of certain claims and costs;
- ▲ the value of various classes of claims including secured, priority and unsecured creditor claims; and
- ▲ the volume of enquiries by creditors and other stakeholders.

At this stage, there have been no recoveries in the Liquidation, and I have been unable to discharge my costs in full. Unless I am funded to undertake identified recoveries, there will not be any dividends available for any class of creditors in this Liquidation.

If any parties are interested in funding the Liquidation to pursue these recoveries, or alternatively, wish to acquire these actions to pursue themselves, please contact this office immediately.

16 MATTERS OUTSTANDING

The outstanding matters in the administration are:

- ▲ Lodgement of my confidential report pursuant to Section 533(1) of the Act and await response from ASIC;
- ▲ Investigations into potential recoveries;
- ▲ Public examinations (if funding is provided)
- ▲ Statutory lodgements and general administrative matter; and
- ▲ Finalise.

Subject to the timing of the finalisation of the above matters and any unforeseen circumstances, I currently estimate that the administration will be finalised within 6-12 months.

17 CONCLUSION

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

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

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

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

- ▲ ARITA at www.arita.com.au/creditors ; and
- ▲ ASIC at www.asic.gov.au (search for "insolvency information sheets"), also attached as **Annexure H** to this report.

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

Any further reports will be issued as considered appropriate.

Yours faithfully,

A.C.M. 120 389 095 PTY LTD (IN LIQUIDATION)


PETER KREJCI
LIQUIDATOR

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

BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

**Annexure "A"
Formal Proof of Debt**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of A.C.N. 120 389 095 Pty Ltd (In Liquidation) ACN 120 389 095

1. This is to state that the company was, on 24 May 2023, ⁽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 (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$ (Incl. GST)	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.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents in accordance with Section 600G and 105A of Corporations Act 2001. Please provide your email address below:

Contact Name:

Email Address:

DATED this day of 2023

NAME IN BLOCK LETTERS

Occupation

Address

Signature of Signatory

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

BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

**Annexure "B"
Comparative Balance Sheets**

A.C.N. 120 389 095 Pty Ltd
A.C.N. 120 389 095
Comparative Balance Sheet
For the Financial Years Ended 30 June 2019 to Year Ended 30 June 2022

	Year Ended 30-Jun-19 (\$)	Year Ended 30-Jun-20 (\$)	Year Ended 30-Jun-21 (\$)	Year Ended 30-Jun-22 (\$)
ASSETS				
Current Assets				
Cash and Cash Equivalents	30,645.49	257,818.73	10,635.66	278,792.18
Trade & Other Receivables	9,643,817.31	2,196,365.49	40,369.00	38,349.44
Financial assets	-	32,670.00	-	-
Inventories	280,000.00	280,000.00	-	-
Total Current Assets	9,954,462.80	2,766,854.22	51,004.66	317,141.62
Non-Current Assets				
Trade and Other Receivables	14,912,004.47	5,811,019.61	-	-
Property, Plant and Equipment	102,936.63	34,848.00	-	-
Total Non-Current Assets	15,014,941.10	5,845,867.61	-	-
TOTAL ASSETS	24,969,403.90	8,612,721.83	51,004.66	317,141.62
LIABILITIES				
Current Liabilities				
Trade and Other Payables	6,648,560.40	2,085,280.14	243,784.71	152,802.91
Borrowings	1,317,993.13	388,806.32	36,521.31	-
Tax Liabilities	71,172.30	(156,524.70)	-	-
Total Current Liabilities	8,037,725.83	2,317,561.76	280,306.02	152,802.91
Non-Current Liabilities				
Borrowings	4,948,935.05	9,586,804.65	3,603,432.96	4,374,988.96
Total Non-Current Liabilities	4,948,935.05	9,586,804.65	3,603,432.96	4,374,988.96
TOTAL LIABILITIES	12,986,660.88	11,904,366.41	3,883,738.98	4,527,791.87
NET ASSETS	11,982,743.02	(3,291,644.58)	(3,832,734.32)	(4,210,650.25)
EQUITY				
Issued Capital	2,000,001.00	2,000,001.00	2,000,001.00	2,000,001.00
(Accumulated Losses) Retained earnings	9,982,742.02	(5,291,645.58)	(5,832,735.32)	(6,210,651.25)
TOTAL EQUITY	11,982,743.02	(3,291,644.58)	(3,832,734.32)	(4,210,650.25)



A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095

Annexure "C"
Comparative Profit and Loss Statements

A.C.N. 120 389 095 Pty Ltd
A.C.N. 120 389 095
Comparative Profit and Loss Statement
For the Financial Years Ended 30 June 2019 to Year Ended 30 June 2022

	Year Ended 30-Jun-19 (\$)	Year Ended 30-Jun-20 (\$)	Year Ended 30-Jun-21 (\$)	Year Ended 30-Jun-22 (\$)
Income				
Sales	70,329,394.80	53,209,927.38	409,232.32	26,810.40
Service Fees	98,242.20	-	-	-
	70,427,637.00	53,209,927.38	409,232.32	26,810.40
Less: Cost of Goods Sold				
Opening Stock	280,000.00	280,000.00	280,000.00	-
Purchases	56,990,197.79	43,629,014.09	71,888.27	8,539.12
Closing Stock	(280,000.00)	(280,000.00)	-	-
	56,990,197.79	43,629,014.09	351,888.27	8,539.12
Gross Profit	13,437,439.21	9,580,913.29	57,344.05	18,271.28
Other Income				
Discounts Received	111,473.19	29,590.74	-	-
Dividends Received	-	807.35	-	-
Interest Received	1,696.54	2,380.48	202.99	-
Rebates	349,836.36	224,896.39	-	-
Other Revenue	16,115.44	6,921.94	-	-
	479,121.53	264,596.90	202.99	-
	13,916,560.74	9,845,510.19	57,547.04	18,271.28
Expenses				
Accounting Fees	123,280.57	111,500.00	6,392.40	-
Advertising	66,936.65	23,341.37	-	-
Bad Debts Written Off	-	13,978,250.72	-	-
Bank Charges	402,447.48	415,147.89	238,491.43	115,070.50
Cleaning	41,184.44	28,704.83	-	-
Computer Costs	548,714.82	549,368.54	115,586.31	-
Depreciation	9,963.00	68,179.54	27,348.00	-
Donations	60,277.32	54,158.30	-	-
Electricity	53,572.16	38,680.45	-	-
Entertainment Expenses	149,038.01	172,962.47	-	-
Estimating Fees	-	1,124,668.00	-	-
Filing Fees	4,214.00	2,113.00	880.00	695.00
Freight & Cartage	14,646.22	10,305.35	-	-
General Expenses	394,740.27	187,365.04	-	-
Hire of Plant & Equipment	44,615.91	37,272.73	-	-
Insurance	756,164.80	434,629.31	351,350.09	-
Interest Paid	145,819.03	86,518.39	18,259.73	51,964.92
Legal Costs	-	29,727.02	8,898.87	-
Licensing Fees	231.94	2,741.43	-	-
Management Fees	3,836,818.26	2,958,363.63	6,468.88	-
Motor Vehicle Expenses	750,394.60	665,640.63	1,934.70	5,846.67
Payroll Tax	1,026,412.48	475,442.14	(5,244.34)	-
Penalties	1,739.18	2,441.95	-	-
Postage	6,777.34	2,249.03	-	-
Printing & Stationary	197,248.47	106,729.04	-	-
Protective Clothing	155,598.22	65,703.94	-	-
Office Equipment	11,230.03	12,827.77	-	-
Redundancy Benefit Scheme - ACIRT	1,019,539.54	409,167.12	-	-
Rent	262,307.78	318,083.61	-	-
Repairs & Maintenance	152,388.09	29,053.79	(886.84)	-
Security Costs	1,826.36	1,620.44	-	-
Sponsorships	20,163.68	121,997.77	12,756.50	-
Staff Training & Welfare	123,154.26	51,034.26	-	100.00
Subscriptions	5,967.75	7,354.75	-	-
Superannuation Contribution	1,672,923.83	866,565.64	-	-
Telephone	574,251.97	602,869.51	662.12	-
Tool Replacement	207,110.00	31,845.64	(22,431.81)	-
Travelling Expenses	489,328.01	418,655.61	33,602.14	-
Wages	18,134.66	39,267.42	-	-
Workpers Compensation	249,574.10	577,350.02	(195,431.40)	222,510.12
	13,598,735.23	25,119,898.09	598,636.78	396,187.21
(Loss) Profit before income tax	317,825.51	(15,274,387.90)	(541,089.74)	(377,915.93)
Income tax expense	71,172.30	-	-	-
(Loss) Profit after income tax	246,653.21	(15,274,387.90)	(541,089.74)	(377,915.93)
Retained earnings at the beginning of the financial year	9,946,088.81	9,982,742.02	(5,291,645.58)	(5,832,735.32)
Total available for appropriation	10,192,742.02	(5,291,645.88)	(5,832,735.32)	(6,210,651.25)
Interim Dividend Paid	210,000.00	-	-	-
(Accumulated losses) Retained earnings at the end of the financial year	9,982,742.02	(5,291,645.88)	(5,832,735.32)	(6,210,651.25)

The logo for BRI Ferrier features the company name in white, bold, sans-serif font on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle, pointing towards the top right.

BRI Ferrier

A.C.N. 120 389 095 Pty Ltd

(In Liquidation)

ACN 120 389 095

ABN 51 120 389 095

Annexure "D"

**Clemente Morfuni – Directorships and
Shareholdings**

A.C.N. 120 389 095 Pty Ltd (In Liquidation)

ACN 120 389 095

Clemente Morfuni Directorship

Company	ACN	Position	Appointed	Ceased	Status
Axis Asset Management Pty Ltd	135 503 383	Director/Secretary	22-Feb-09	Current	Registered
Axis Development Holdings Pty Ltd	648 966 723	Director	24-Mar-21	Current	Registered
Axis Maintenance Services Pty Ltd	168 124 730	Director/Secretary	19-Feb-14	Current	Registered
Axis Medical Gases Pty Ltd	604 062 259	Director/Secretary	05-Feb-15	Current	Registered
Axis Plumbing (Small Works) Group Pty Ltd	111 828 641	Director/Secretary	05-Nov-21	Current	Registered
Axis Plumbing ACT Pty Ltd	113 874 329	Director/Secretary	19-Apr-05	Current	Registered
Axis Plumbing Central Coast Pty Ltd	611 702 955	Director/Secretary	06-Apr-16	Current	Registered
Axis Plumbing N.T. Pty Ltd	158 330 459	Director/Secretary	14-May-12	Current	Registered
Axis Plumbing NSW Group Pty Ltd	120 389 942	Director/Secretary	26-Jun-06	Current	Registered
Axis Plumbing Pty. Ltd.	063 032 048	Director/Secretary	31-Jan-94	Current	Registered
Axis Plumbing Services WA Pty Ltd	161 453 130	Director/Secretary	11-Oct-21	Current	Registered
Axis Services Group WA Pty Ltd	608 530 409	Director/Secretary	01-Oct-15	Current	Registered
Axis Services SA Pty Ltd	646 353 764	Director/Secretary	03-Dec-20	Current	Registered
Axis Services VIC Pty Ltd	626 436 977	Director/Secretary	28-May-18	Current	Registered
Axisuper Pty Ltd	145 455 054	Director	28-Jul-10	Current	Registered
Chrismo Holdings Pty Limited	106 029 912	Director/Secretary	22-Aug-03	Current	Registered
Darvall Asset Management Pty Ltd	143 749 517	Director	19-May-10	Current	Registered
Gainspin Pty Ltd	111 966 315	Director	26-Nov-04	Current	Registered
Maxis Properties Pty Ltd	077 093 899	Director/Secretary	16-Jan-97	Current	Registered
Morrin Pty Ltd	131 463 191	Director/Secretary	05-Jun-08	Current	Registered
Rosa Asset Management Pty Ltd	143 749 526	Director	19-May-10	Current	Registered
Sixa Services VIC Pty Ltd	644 613 258	Director/Secretary	24-Sep-20	Current	Registered
Swindon FC Pty Ltd	660 851 883	Director/Secretary	08-Jul-22	Current	Registered
Zinland Pty Ltd	111 928 477	Director/Secretary	20-Jul-21	Current	Registered
A.C.N. 120 389 095 Pty Ltd (In Liquidation)	120 389 095	Director/Secretary	26-Jun-06	22-Jul-22	Under External Administration
Axis Consulting Services Pty Ltd	624 016 888	Director/Secretary	24-Jan-18	01-Feb-21	Registered
Axis Plumbing QLD Pty Ltd	106 059 830	Director/Secretary	26-Aug-03	15-Feb-19	Registered
Axis Plumbing VIC Pty Ltd	122 433 907	Director/Secretary	30-Oct-06	11-May-18	Registered
A.C.N. 121 913 380 Pty Ltd	121 913 380	Director/Secretary	29-Sep-06	07-Oct-16	Deregistered
Axis Plumbing (Small Works) Group Pty Ltd	111 828 641	Director/Secretary	20-Aug-07	01-Jul-10	Registered
Melc Imports Pty Ltd	108 294 659	Director/Secretary	09-Mar-04	10-Aug-08	Deregistered
Axis Maintenance (NSW) Pty Ltd	105 363 764	Director/Secretary	01-Jul-03	09-Jul-08	Deregistered
Axis Hall Pty Ltd	077 217 451	Director/Secretary	24-Jan-97	18-Feb-02	Deregistered
Allocin Holdings Pty. Ltd	074 067 904	Director/Secretary	22-May-96	21-May-99	Registered

A.C.N. 120 389 095 Pty Ltd (In Liquidation)

ACN 120 389 095

Clemente Morfuni Shareholding

Company	ACN	Share Class	Number of Shares	Fully Paid	Beneficially Owned	Status
Axis Asset Management Pty Ltd	135 503 383	Ordinary	1	Yes	Yes	Current
Axis Development Holdings Pty Ltd	648 966 723	Ordinary	50	Yes	Yes	Current
Axis Maintenance Services Pty Ltd	168 124 730	Ordinary	100	Yes	Yes	Current
Axis Management Services Pty Ltd	136 996 257	Ordinary	1	Yes	Yes	Current
Axis Medical Gases Pty Ltd	604 062 259	Ordinary	100	Yes	Yes	Current
Axis Plumbing (Small Works) Group Pty Ltd	111 828 641	Ordinary	1	Yes	Yes	Current
Axis Plumbing ACT Pty Ltd	113 874 329	Ordinary	1	Yes	Yes	Current
Axis Plumbing Central Coast Pty Ltd	611 702 955	Ordinary	100	Yes	Yes	Current
Axis Plumbing N.T. Pty Ltd	158 330 459	Ordinary	200,100	Yes	Yes	Current
Axis Plumbing NSW Group Pty Ltd	120 389 942	Ordinary	1	Yes	Yes	Current
Axis Plumbing Pty. Ltd.	063 032 048	Ordinary	100	Yes	Yes	Current
Axis Plumbing Services WA Pty Ltd	161 453 130	Ordinary	1	Yes	Yes	Current
Axis Services Group WA Pty Ltd	608 530 409	Ordinary	100	Yes	Yes	Current
Axis Services SA Pty Ltd	646 353 764	Ordinary	100	Yes	Yes	Current
Axis Services VIC Pty Ltd	626 436 977	Ordinary	100	Yes	Yes	Current
Axisuper Pty Ltd	145 455 054	Ordinary	1	Yes	Yes	Current
Chrismo Holdings Pty Limited	106 029 912	Ordinary	1	Yes	Yes	Current
Darvall Asset Management	143 749 517	Ordinary	100	Yes	Yes	Current
Maxis Properties Pty Ltd	077 093 899	Ordinary	48	Yes	Yes	Current
Morrin Pty Ltd	131 463 191	Ordinary	1	Yes	Yes	Current
Rosa Asset Management Pty Ltd	143 749 526	Ordinary	100	Yes	Yes	Current
Sixa Services VIC Pty Ltd	644 613 258	Ordinary	100	Yes	Yes	Current
Swindon FC Pty Ltd	660 851 883	Ordinary	1	Yes	Yes	Current
Zinland Pty Ltd	111 928 477	Ordinary	12	Yes	Yes	Current
A.C.N. 120 389 095 Pty Ltd (In Liquidation)	120 389 095	Ordinary	2,000,001	Yes	Yes	Ceased/Former
A.C.N. 121 913 380 Pty Ltd	121 913 380	Ordinary	1	Yes	Yes	Ceased/Former
Alocin Holdings Pty. Ltd	074 067 904	Ordinary	100	Yes	Yes	Ceased/Former
Axis Consulting Services Pty Ltd	624 016 888	Ordinary	100	Yes	Yes	Ceased/Former
Axis Hall Pty Ltd	077 217 451	Ordinary	10	Yes	Yes	Ceased/Former
Axis Maintenance (NSW) Pty Ltd	105 363 764	Ordinary	1	Yes	Yes	Ceased/Former
Axis Plumbing (Small Works) Group Pty Ltd	111 828 641	Ordinary	1	Yes	Yes	Ceased/Former
Axis Plumbing QLD Pty Ltd	106 059 830	Ordinary	1	Yes	Yes	Ceased/Former
Axis Plumbing VIC Pty Ltd	122 433 907	Ordinary	1	Yes	Yes	Ceased/Former
Melc Imports Pty Ltd	108 294 659	Ordinary	1	Yes	Yes	Ceased/Former

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

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

**Annexure "E"
Chrismo Holdings Pty Limited – Property
Holdings**

A.C.N. 120 389 095 Pty Ltd (In Liquidation)

ACN 120 389 095

Chrismo Holdings Pty Limited Potential Property Holdings & Value

Property Suburb	Property Value Low \$	Property Value High \$	Date property potential purchased	Purchase Price	Mortgage (Y/N)	Mortgagee	Caveat (Y/N)	Caveator
Padstow	N/A	N/A	02-Feb-12	1,900,000	Y	Commonwealth Bank of Australia	Y	Unknown
Padstow	N/A	N/A	02-Feb-12	600,000	Y	Commonwealth Bank of Australia	N	
Darling Point	1,790,000	2,330,000	16-Feb-05	700,000	Y	Commonwealth Bank of Australia	N	
Crestwood	479,000	869,000	26-Aug-06	578,600	Y	Commonwealth Bank of Australia	Y	Unknown
Point Piper	2,520,000	3,270,000	21-Oct-05	1,480,000	Y	Commonwealth Bank of Australia	N	
	4,789,000	6,469,000						

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

BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

**Annexure "F"
Remuneration Approval Report**

Remuneration Approval Report

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)**

ACN 120 389 095

24 August 2023

Peter Krejci

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

BRI Ferrier 

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1. EXECUTIVE SUMMARY

I am asking creditors to approve an additional \$86,436.00 (excl. GST) for my remuneration and an additional internal disbursement of \$1,000.00 (excl. GST).

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

I am asking creditors to approve my remuneration via a proposal without a meeting.

I estimate the total cost of this Liquidation will be approximately \$100,976.00 (excl. GST).

Creditors have previously approved my remuneration of \$49,114.50 (excl. GST) for the period from 4 June 2023 to conclusion of the liquidation. My and my firms' hourly rates have changed with effect from 1 July 2023 and the accrued time in the liquidation up to 30 June 2023 is \$14,540.00. Accordingly, due to the changes in the hourly rates any retrospective remuneration approved for the period from 1 July 2023 is redundant. Thus, I will be seeking approval of my remuneration from 1 July 2023.

Creditors have previously approved my disbursements of \$1,000.00 (excl. GST) and I will be seeking your approval on further disbursements of up to \$1,000.00 (excl GST).

My remuneration estimate provided in my previous report dated 7 June 2023 has increased, for the following reasons:

- ▲ Delays in being provided the ROCAP by the Director and the books and records from the external accountants.
- ▲ Investigations into the Former Director and the Axis Group as well as events leading up to my appointment;
- ▲ Investigations and correspondence with the secured creditors of the Company;
- ▲ Investigations into, and detailed analysis of the inter-company loans and financial accounts to determine the Company's true financial position over the periods investigated;
- ▲ Investigations and discussions with overseas creditors regarding the status of the liquidation, outstanding debts, and potential recoveries;
- ▲ Conducted further investigations of the affairs of the Company, in particular potential voidable transactions and other potential avenues of recoveries that may be available.
- ▲ Change of hourly rates for each person working on the matter. An explanation of the new hourly rates is attached as Schedule E in this report.

2. DECLARATION

I, Peter Krejci of BRI Ferrier, have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. I am satisfied that the remuneration and disbursements claimed are necessary and proper.

I 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 I am asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Completed Work	1 July 2023 to 18 August 2023	\$26,436.00	Provided in my Remuneration Approval Report dated 24 August 2023	When funds are available
Future Work	19 August 2023 to conclusion	\$60,000.00	Provided in my Remuneration Approval Report dated 24 August 2023	It will be drawn when funds are available and it is incurred,
TOTAL		\$86,436.00 (excl. GST)		

Details of the work already completed for the period 1 July 2023 to 18 August 2023 and future work that I intend to complete are included at Schedule A.

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

Actual resolutions to be put to creditors by way of a proposal are included at Schedule C and D for your information. These resolutions also appear in the proposal without a meeting form provided to you.

4. DISBURSEMENT SOUGHT

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

I am required to obtain creditor's consent for the payment of a disbursement where I, or a related entity of myself, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice dated 7 June 2023.

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

For	Period	Amount \$ (excl. GST)
Disbursements to a capped amount	19 August 2023 to conclusion	\$1,000.00
TOTAL		\$1,000.00

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions to be put to the meeting are also included at Schedule D. These resolutions also appear in the proposal without a meeting form provided to you.

5. PREVIOUS REMUNERATION APPROVALS

The Following remuneration has been previously approved by creditors:

For	Period	Amount Approved (excl. GST) (\$)	Amount Paid (excl. GST) (\$)
Completed Work	24 May 2023 to 4 June 2023	4,114.50	0.00
Future work	19 August 2023 to conclusion	45,000.00	0.00
Total		49,114.50	0.00

We are now seeking approval for a further \$86,436.00 (excl. GST) in the Liquidation which will bring the total remuneration claimed in the Liquidation to \$100,976.00 (excl. GST). As detailed above though I obtain approval for future work of \$45,000.00. Due to a change in hourly rates as at 1 July 2023 only the period to 30 June 2023 can be drawn if funds are available being \$26,436.00 of the \$45,000.00 previously approved.

6. LIKELY IMPACT ON DIVIDENDS

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

Any dividend to creditors will also be impacted by the amount of assets that I am able to recover, and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

I am unable to provide a dividend estimate of any certainty at this stage of the Liquidation. If I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

7. SUMMARY OF RECEIPTS AND PAYMENTS

To date, no receipts and payments have been incurred for the Liquidation.

8. QUERIES & INFORMATION SHEET

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

9. 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	A.C.N. 120 389 095 Pty Ltd (In Liquidation)	Period From	1 July 2023	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI Ferrier		
Administration Type	Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
Period		1 July 2023 to 18 August 2023	19 August 2023 to Conclusion
Amount (excl. GST)		\$26,436.00	\$60,000.00
Task Area	General Description		
Assets		0.3 hours \$219.00	\$4,200.00
	Assets	Tasks associated with realising assets	Tasks associated with realising assets (if any are identified)
Creditors		8.5 hours \$3,985.00	\$14,400.00
	Creditor Reports	Preparing Statutory Report to Creditors	Preparing Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors Prepare further reports to creditors, as necessary
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors Corresponding with OSR and ATO regarding POD when not related to a dividend
	Proposal to Creditors	Preparing proposal notices and voting forms	Preparing proposal notices and voting forms Reviewing votes and determining the outcome of proposal Preparation and lodgement

Task Area	General Description		
			of proposal outcome with ASIC
	Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by facsimile, email and post Compiling information requested by creditors	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by facsimile, email and post Compiling information requested by creditors
Investigation		49.9 hours \$18,520.00	\$21,600.00
	Conducting Investigation	Conducting initial investigations in relation to the Former Director and the Axis Group as well as the events leading up to my appointment Conducting investigations into the overseas affairs of the Company Conducting and summarising statutory searches Investigating the director's and related party's properties	Review of the Company's books and records to conduct investigations Review and preparation of narrative of business nature and history Conducting and Preparation of comparative financial statements Preparation of deficiency statement Conducting investigations to identify potential voidable transactions (if any) and consider potential recovery actions to be taken Conducting investigations with respect to solvency position of the Company and considering whether any potential insolvent trading claim exists Liaising with Director regarding certain transactions Preparation of investigation file
	Litigation/Recoveries	N/A	Correspondence with solicitors regarding potential claims against the director and the related party

Task Area	General Description		
			Preparing for and attending public examination (if funded by Creditors)
	ASIC reporting	N/A	Preparing statutory investigation reports Liaising with ASIC
Employees			\$4,800.00
	Employees enquiries	N/A	Receive and follow up employee enquiries via telephone Maintain employee enquiry register Review and prepare correspondence to employees and their representatives via email and post
	FEG	N/A	Preparing notification spreadsheet Preparing FEG quotations Completing FEG questionnaires Preparation of verification spreadsheet outlining entitlements Correspondence with FEG and discuss entitlements data submitted
	Calculation of entitlements	N/A	Reviewing employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts Reviewing awards
	Employee Dividend	N/A	Correspondence with employees regarding dividend Calculate Dividend Rate Neway Holdings Pty. Limited (In Liquidation) Schedule B – Time Spent by Staff on Major Tasks (Work Already Completed) 17 Prepare dividend file and advertise dividend

Task Area	General Description		
			Prepare distribution and remit PAYG to ATO (as required)
Dividend			\$9,000.00
	Processing proofs of debt (POD)		Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising
	Dividend procedures		Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of Company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration		9.0 hours \$3,712.00	\$6,000.00

Task Area	General Description		
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505 Preparing and lodging ASIC advert regarding notice of appointment	Preparing and lodging ASIC forms including 5602 and 5603 Correspondence with ASIC regarding statutory forms
	Books and records/storage	Preparing correspondence to the Company's external accountant requesting delivery of the Company's books and records	Dealing with books and records
	Correspondence	Preparing and issuing day one correspondences Preparing and issuing letter to Directors regarding their obligations Correspondence with	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents File review Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Preparing correspondence opening accounts Prepare receipts and payment vouchers	Preparing correspondence closing accounts Bank account reconciliations Prepare receipts and payment vouchers
	Insurance	Initial correspondence with insurer regarding insurance requirements	Correspondence with Insurance broker regarding ongoing insurance requirements (if required)
	ATO and other statutory reporting	Notification of appointment	Preparing BAS Requesting taxation documents
	Planning / Review	Discussion regarding status of administration	Discussion regarding status of administration
	Finalisation	N/A	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

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

A.C.N. 120 389 095 Pty Ltd (In Liquidation)
ACN 120 389 095

For the period 1 July 2023 to 18 August 2023

Staff Classification	Name	Hourly Rate (\$, ex GST)	Administration Hrs	Assets Hrs	Creditors Hrs	Investigation Hrs	Total Hrs	Total \$
Principal	Peter Krejci	730	-	-	-	1.60	1.6	1,168.00
Principal	John Keenan	730	-	-	-	0.1	0.1	73.00
Principal	David Cooker	730	1.2	0.3	2.7	3.5	7.7	5,621.00
Senior Manager	Katherine La	590	0.2	-	-	-	0.2	118.00
Manager	Savio Monis	550	-	-	-	0.4	0.4	220.00
Senior 2	Joshua Coorey	380	5.8	-	3.9	21.0	30.7	11,666.00
Intermediate 1	Sushma Mandira	330	0.6	-	-	-	0.6	198.00
Intermediate 2	Hugh Matthews	280	-	-	-	0.8	0.8	224.00
Intermediate 2	Mankirth Mandair	280	0.7	-	1.9	22.5	25.1	7,028.00
Senior Administration	Sarita Gurung	240	0.1	-	-	-	0.1	24.00
Senior Administration	Sonia Stelmach	240	0.4	-	-	-	0.4	96.00
Total			9.0	0.3	8.5	49.9	67.7	26,436.0

GST 2,643.60
Total Inc GST 29,079.60

Average rate per hour

412.44 730.00 468.82 371.14 390.49

SCHEDULE C – RESOLUTIONS

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

Resolution 1: Liquidator’s Remuneration for the period 1 July 2023 to 18 August 2023

“That the remuneration of the Liquidator, his partners and staff for the period 1 July 2023 to 18 August 2023, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator’s Report to Creditors dated 24 August 2023, be fixed and approved at \$26,436.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required.”

Resolution 2: Liquidator’s Remuneration for the period 19 August 2023 to Conclusion

“That the remuneration of the Liquidator, his partners and staff for the period 19 August 2023 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator’s Report to Creditors dated 24 August 2023 and approved to an interim cap of \$60,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as and when incurred.”

Resolution 3: Liquidator’s Internal Disbursements for the period 24 May 2023 to Conclusion

“That the Liquidator be allowed internal disbursements for the period 24 May 2023 to the conclusion of the Liquidation not previously approved at the rates of charge annexed to the Liquidator’s Report to Creditors dated 24 August 2023, up to an amount of \$1,000.00 (excl. GST) and that the Liquidator 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 Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

I advise that to date, I have not paid any disbursements incurred during this Liquidation by my Firm.

I am 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.

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

Future disbursements provided by my 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	
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

SCHEDULE E – EXPLANATION WHERE REMUNERATION ALREADY APPROVED

On the 28 June 2023, creditors approved our retrospective and prospective remuneration in respect of the Liquidation of \$49,114.50 (excl. GST). To date there have been no recoveries, thus no fees drawn.

As detailed previously in this report, I obtain approval for future work of \$45,000.00. Due to a change in hourly rates as at 1 July 2023 only the period to 30 June 2023 can be drawn, if funds are available being \$26,436.00 of the \$45,000.00 previously approved.

In this report, we are now seeking approval of a further capped amount of \$60,000.00 for the External Administration in respect of additional remuneration to be incurred.

To assist creditors with understanding how the total remuneration has incurred, the tables below show remuneration to date, including the current claim(s), divided by task categories.

Task	Fees already approved as at 1 July 2023 (excl. GST) \$	Approval sought for work already completed (excl. GST) \$	Approval sought for future work (excl. GST) \$	Total per task (excl. GST) \$
Assets	-	219.00	4,200.00	4,419.00
Creditors	6,190.50	3,985.00	14,400.00	24,575.50
Employees	-	-	4,800.00	4,800.00
Investigation	4,087.50	18,520.00	21,600.00	44,207.50
Dividend	-	-	9,000.00	9,000.00
Administration	4,262.00	3,712.00	6,000.00	13,974.00
TOTAL	14,540.00	26,436.00	60,000.00	100,976.00
Total remuneration previously approved				49,114.50
Difference (see table below for further explanation)				51,861.50
Payment Reconciliation:				
TOTAL (incl. amount claimed now)				100,976.00
Amount paid to date				-
Amount outstanding (incl. amount claimed now)				100,976.00

*Effective 1 July 2023 the rate of change increased.

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

Task	Fees already approved as at 1 July 2023 (excl. GST) \$	Total task (from previous table) (excl. GST) \$	Difference \$	Reason for differences
Assets	-	4,419.00	4,419.00	Having only recently been made aware of the Axis Group restructure, additional time is expected to be incurred in relation to the following: <ul style="list-style-type: none"> - Investigations into the Company's assets held at the time of the AXIS Group's restructure - Tasks associated with the recovery of trade debtors (if any) - Correspondence with banks
Creditors	6,190.50	24,575.50	18,385.00	Additional time has been incurred in relation to the following: <ul style="list-style-type: none"> - Preparing and reviewing the Initial Report to Creditors - Preparing and reviewing the Statutory Report to Creditors - Investigations and correspondence with Secured Creditors of the Company - Discussions with UK creditors - Correspondence with the liquidator of related UK entity - Receive and respond to creditor enquiries
Employees	-	4,800.00	4,800.00	Having only recently been made aware of the Axis Group restructure, additional time is expected to be incurred in relation to the following: <ul style="list-style-type: none"> - Obtain and review employee records of the Company - Correspondence with employees regarding their entitlements - Correspondence with FEG (if required) - Receive and respond to creditor enquiries

Investigation	4,087.50	44,207.50	40,120.00	<p>Having only recently been made aware of the Axis Group Restructure, additional time is expected to be incurred in relation to the following:</p> <ul style="list-style-type: none"> - Investigating the company books and records to determine the value of the potential insolvent trading claim and breach of duties claims against the Director and former Director - Obtain and review books and records pertaining to the Axis Group restructure - Conduct a public examination of the Former Director and related parties (if required)
Dividend	-	9,000.00	9,000.00	<p>Additional time is expected to be incurred in relation to the following:</p> <ul style="list-style-type: none"> - Should sufficient recoveries be made against the Former Director, it is anticipated that a dividend would be made available for creditors of the Company
Administration	4,262.00	13,974.00	9,712.00	<p>Additional time has been incurred in relation to the followings:</p> <ul style="list-style-type: none"> - Dealing with books and records - Preparing and lodging ASIC forms - Preparing and lodging ATO BAS and IAS <p>Increase in Administration costs correlates highly with the length of time for which the Liquidation runs. Therefore, some more additional time is expected to be incurred leading up to the finalisation of the Liquidation</p>
TOTAL	14,540.00	100,976.00	86,436.00	

SCHEDULE F – SCHEDULE OF HOURLY RATES

The rates applicable are set out in the table below together with a general guide to the qualifications and experience of staff engaged in the 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 Rate (ex GST) 1 July 23
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$730
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$640
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$590
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$550
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$480
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$420
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$380
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$330
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$280
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$240
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$180

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BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

**Annexure "G"
Proposals Without Meeting Forms**

NOTICE OF PROPOSAL TO CREDITORS

Dated: 24 August 2023

Voting Poll Closes: 15 September 2023

A.C.N. 120 389 095 PTY LTD (IN LIQUIDATION)
ACN 120 389 095
ABN 51 120 389 095
("the Company")

Proposal No. 1 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 1 July 2023 to 18 August 2023, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 24 August 2023, be fixed and approved at \$26,436.00 (plus GST), and that the Liquidator be authorised to draw that amount."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
 - I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
 - Approval by Creditors is efficient and timely and is less costly than an application to the Court.
 - Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

Vote on the Proposal No. 1

Please select the appropriate Yes, No or Object box referred to below with a to indicate your preferred position.

- Yes I approve the proposal
- No I do not approve the proposal
- Object I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

I am **not** a related creditor of the Company

I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor
/authorised person:** _____

Signature: _____ **Date:** _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on 15 September **2023**, by email to Joshua Coorey at jcoorey@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

BRI FERRIER
Level 30
Australia Square
264 George Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 24 August 2023

Voting Poll Closes: 15 September 2023

A.C.N. 120 389 095 PTY LTD (IN LIQUIDATION)
ACN 120 389 095
ABN 51 120 389 095
("the Company")

Proposal No. 2 for creditor approval

"That the remuneration of the Liquidator, his partners and staff for the period 19 August 2023 to conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 24 August 2023, be fixed and approved at \$60,000 (plus GST), and that the Liquidator be authorised to draw that amount."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

Vote on the Proposal No. 2

Please select the appropriate Yes, No or Object box referred to below with a to indicate your preferred position.

- Yes I approve the proposal
- No I do not approve the proposal
- Object I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

I am **not** a related creditor of the Company

I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor
/authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **15 September 2023**, by email to Joshua Coorey at jcoorey@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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Level 30
Australia Square
264 George Street
Sydney NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 24 August 2023

Voting Poll Closes: 15 September 2023

A.C.N. 120 389 095 PTY LTD (IN LIQUIDATION)
ACN 120 389 095
ABN 51 120 389 095
("the Company")

Proposal No. 3 for creditor approval

"That the Liquidator be allowed internal disbursements for the period 24 May 2023 to the conclusion of the Liquidation not previously approved at the rates of charge annexed to the Liquidator's Report to Creditors dated 24 August 2023, up to an amount of \$1,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as accrued."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
 - I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
 - Approval by Creditors is efficient and timely and is less costly than an application to the Court.
 - Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

Vote on the Proposal No. 3

Please select the appropriate Yes, No or Object box referred to below with a to indicate your preferred position.

- Yes I approve the proposal
- No I do not approve the proposal
- Object I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

I am **not** a related creditor of the Company

I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

**Name of creditor
/authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **15 September 2023**, by email to Joshua Coorey at jcoorey@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

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Level 30
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A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
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Annexure "H"
ASIC Information Sheet - Proposals without a
Meeting

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

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BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)**

ACN 120 389 095

ABN 51 120 389 095

Annexure "I"

ARITA Information Sheet

**Insolvency Information for Directors,
Employees, Creditors and Shareholders**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

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

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

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BRI Ferrier

**A.C.N. 120 389 095 Pty Ltd
(In Liquidation)
ACN 120 389 095
ABN 51 120 389 095**

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

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

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)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
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.

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. 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.

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. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

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 created 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 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.