



## Report to Creditors Under Insolvency Practice Rule 70-40

**MODULAR PREFAB SOLUTIONS VIC  
PTY LTD**

ACN 149 767 911

**RICHSTONE ADMINISTRATION PTY  
LTD**

ACN 131 701 712

**RICHSTONE AUSTRALIA GROUP  
PTY LTD**

ACN 160 820 146

**RICHSTONE PLUMBING PTY LTD**

ACN 104 934 358

**RICHSTONE PLUMBING VIC PTY LTD  
IN ITS OWN RIGHT AND ATF  
RICHSTONE EQUIPMENT HIRE TRUST**

ACN 644 094 897

ABN 94 967 157 619

**RICHSTONE VIC PTY LTD**

ACN 634 950 628

**RSG BUSINESS SERVICES PTY LTD**

ACN 634 410 138

(All In Liquidation)  
("the Companies")

20 September 2023

David Coyne and Peter Krejci  
Joint and Several Liquidators

BRI Ferrier Victoria Pty Ltd ABN 18 638 454 029  
Level 10, 45 William Street, Melbourne VIC 3000  
PO Box 521, Collins Street West, VIC 8007  
Phone (03) 9622 1800  
Email: [info@brifvic.com.au](mailto:info@brifvic.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)

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## GLOSSARY OF TERMS

**Act** means the Corporations Act 2001 (Cth)

**ATO** means Australian Taxation Office

**CBA** means the Commonwealth Bank of Australia ABN 48 123 123 124

**MPS** means Modular Prefab Solutions Pty Ltd ACN 149 767 911

**Purchaser** means Richstone Victoria Pty Ltd ACN 665 967 028 or Richstone Holdings Pty Ltd ACN 666 106 243 or Richstone Construction Services Pty Ltd ACN 666 107 973 or MPS Victoria Pty Ltd ACN 666 107 366 or RSG Corporate Services Pty Ltd ACN 666 106 930

**RA** means Richstone Administration Pty Ltd ACN 131 701 712

**RAG** means Richstone Australia Group Pty Ltd ACN 160 820 146

**RP** means Richstone Plumbing Pty Ltd ACN 104 934 358

**RP VIC** means Richstone Plumbing VIC Pty Ltd in its own right and ATF Richstone Equipment Hire Trust ACN 644 094 897 ABN 94 967 157 619

**RVIC** means Richstone VIC Pty Ltd ACN 634 950 628

**RSG** means RSG Business Services Pty Ltd ACN 634 410 138

**SRO** means State Revenue Office of Victoria

## 1 INTRODUCTION AND APPOINTMENT

On 3 March 2023, we, David Coyne and Peter Krejci of BRI Ferrier, were appointed Joint and Several Voluntary Administrators of the following companies:

- ▲ Modular Prefab Solutions VIC Pty Ltd;
- ▲ Richstone Administration Pty Ltd;
- ▲ Richstone Australia Group Pty Ltd;
- ▲ Richstone Plumbing Pty Ltd;
- ▲ Richstone Plumbing VIC Pty Ltd in its own right and ATF Richstone Equipment Hire Trust;
- ▲ Richstone VIC Pty Ltd (formerly Richstone Manufacturing & Equipment Hire Pty Ltd); and
- ▲ RSG Business Services Pty Ltd (All In Liquidation) (“the Companies”)

These appointments were effected pursuant to Section 436A of the Act by a resolution of the directors of each of the Companies.

At a meeting of creditors held on 21 June 2023, creditors resolved to wind up each of the Companies and the Administrators became the Joint and Several Liquidators.

The purpose of this Report to Creditors under Insolvency Practice Rule 70-40 of the Act is to advise you of the following:

- ▲ The estimated amounts of Assets and Liabilities of the Companies;
- ▲ The progress of the Liquidations, including:
  - i. inquiries that have been undertaken to date;
  - ii. possible further inquiries and/or recovery actions (if any);
- ▲ The likelihood of a dividend being paid in the Liquidations once the affairs have been fully wound up; and
- ▲ Our proposed remuneration with respect to administering the Liquidations.

This report should be read in conjunction with our report to creditors dated 14 June 2023. A copy of this report may be provided upon written request.

## 2 SUMMARY OF GROUP POSITION

- ▲ During the course of the Voluntary Administration, the business and assets of the Companies were sold for approximately \$5 million which included the assumption of employee entitlements (excluding superannuation) of approximately \$1.4 million and cash consideration of approximately \$576,000 to the following related entities (“the Purchasers”):
  - Richstone Victoria Pty Ltd (In Liquidation)
  - MPS Victoria Pty Ltd (In Liquidation)

- Richstone Construction Services Pty Ltd (In Liquidation)
- Richstone Holdings Pty Ltd (In Liquidation)
- RSG Corporate Services Pty Ltd (In Liquidation)

We advise that the employee entitlements assumed and assets realised in relation to the sale of the Companies' business and assets are subject to the Liquidations of the Purchasers.

- ▲ Our investigations to date with respect to the realisable assets and liabilities of each of the Companies as at the date of our appointment are detailed in [section 3](#) of this Report.
- ▲ We have undertaken our preliminary investigations with respect to potential Liquidator claims such as insolvent trading. Please see [section 4.1](#) of this Report for further details.
- ▲ We note that a return to creditors will be dependent on the outcome of recovery procedures with respect to debtors and tangible assets. Please see [section 5](#) of this Report for further details.

### 3 CURRENT POSITION

#### 3.1 MODULAR PREFAB SOLUTIONS VIC PTY LTD ("MPS")

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administraiton. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	61
Stock	Uncertain	200,000
Work in Progress	Uncertain	520,625
Debtors	9,797	-
Related Party Debtors	9,200	-
<b>Total Assets</b>	<b>18,997</b>	<b>720,686</b>
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	Uncertain	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	128,700	15,600
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	2,990,524	6,664,991
Trade Creditors	4,291,801	1,670,469
Related Party Creditors	14,988,545	Uncertain
	22,270,870	8,335,460
<b>Total Liabilities</b>	<b>22,399,570</b>	<b>8,351,060</b>
<b>SURPLUS/DEFICIENCY</b>	<b>(22,380,573)</b>	<b>(7,630,374)</b>

### 3.1.1 Assets

#### 3.1.1.1 Cash at Bank

We refer to our previous report which identified a bank account in the name of the Company held with CBA:

Account Name	Balance	As at
CBA Business Transaction Account	\$84	28 February 2023

To date, we have received cash at bank of \$61 from CBA after it deducted monthly bank charges.

For the purposes of this Report, the MPS's cash at bank totals \$61.

### 3.1.1.2 Tangible Assets

We refer to the sale of the Companies' business and assets and note that the tangible assets of MPS were realised for their going concern value.

For the purposes of this Report, MPS's tangible assets total \$200,000.

### 3.1.1.3 Work In Progress

We refer to our previous report and note that the MPS work in progress was subject to a sale of business and assets and were realised for their going concern value.

For the purposes of this Report, MPS's work in progress totals at least \$520,625.

### 3.1.1.4 Debtors

We refer to our previous report and note that our review of the debtor ledger suggests the outstanding debtor is subject to a credit note that was issued in February 2023 but not updated in the MPS accounts.

For the purposes of this Report, the realisable value of MPS's debtors is nil.

### 3.1.1.5 Related Party Debtors

We refer to our previous report and note that we have reviewed MPS's externally managed accounting records for the period 3 March 2021 to the date of our appointment, and bank statements for the period 1 September 2022 to the date of our appointment.

The findings of our preliminary investigations with respect to each related party debtor is detailed below:

Related Party	Purpose	Amount
Richstone Plumbing	Loan	\$200
Richstone Equipment Hire Trust	Loan	\$9,000

#### - Richstone Plumbing Pty Ltd (In Liquidation) ("RP")

MPS's balance sheet as at 3 March 2023 reveals that RP owes \$200 to MPS.

Our investigations have identified one (1) payment totalling \$200 from MPS to RP.

MPS's externally prepared accounts reveal that the balance of the RP loan account was nil at 30 June 2022.

We advise that the creditors of RP resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

- **Richstone Plumbing VIC Pty Ltd ATF Richstone Equipment Hire Trust (In Liquidation) ("RP VIC")**

MPS's balance sheet as at 3 March 2023 reveals that RP VIC owes \$9,000 to MPS.

Our investigations have not identified any cash payments with respect to this debtor loan account.

We advise that the creditors of RP VIC resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is unlikely at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

For the purposes of this Report, the realisable value of MPS's related party debtors is nil.

### 3.1.2 Liabilities

#### 3.1.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the Personal Properties and Securities Register ("PPSR"), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).

We refer to our previous report to creditors and provide the below update:

- **Commonwealth Bank of Australia ("CBA")**

The PPSR reveals that CBA has an All-Present and After Acquired security interest registered against the property of MPS.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

For the purpose of this Report, CBA's debt is nil.

- **Plumbers Supplies Co-Operative Limited ("PSC")**

The PPSR reveals that PSC has one (1) security interest registered against MPS.

PSC has provided us with documentation to support its claim and appears to have a perfected security interest registered against MPS.

PSC has advised it is owed \$22,880. We advise that the Purchaser of the business and assets of MPS undertook to pay out or assign the debt of security interest holders with an interest in the tangible assets subject to the sale of business and assets. Please refer to section 5 of our previous report dated 14 June 2023 for further details.

For the purpose of this Report, PSC's claim is \$22,880.



- **Swiss Re International Se (“SI”)**

The PPSR reveals that SI has registered an All Present and After Acquired Property (“All-PAAP”) against MPS.

SI has provided us with documentation to support its claim and appears to have a perfected security interest registered against MPS.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI’s claim is uncertain.

- **The Couta Group Pty Limited (“TCG”)**

The PPSR reveals that TCG has one (1) security interest registered against MPS.

TCG has provided us with documentation to support its claim. Our preliminary review of the documentation suggests that the security interest was registered subsequent to stock being provided by MPS and would not attach to any of the MPS stock.

TCG has advised it is owed \$262,701 and may rank as unsecured creditor of MPS.

For the purposes of this report, the MPS’s secured creditors are uncertain.

### 3.1.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Director’s ROCAP did not disclose details of outstanding employee entitlements.

Our review of MPS’s books and records as at the date of our appointment as Voluntary Administrator reveals that priority employee entitlements consist of:

Entitlements	Total (\$)
Superannuation	15,600
Unpaid Wages	16,959
Leave Entitlements	96,141
<b>TOTAL</b>	<b>128,700</b>

## - Superannuation

MPS's records disclose \$6,800 of salary sacrifice and \$8,800 of lodged superannuation owed to employees up to the date of our appointment as Voluntary Administrators.

In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992, any claim received from the ATO in relation to these amounts has a priority equal to the debts referred to in Section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.

We note that superannuation entitlements cannot be transferred from an entity and remain a priority claim of MPS.

## - Employee Entitlements

We refer to the sale of the Companies' business and assets and note that \$16,959 of unpaid wages and \$96,141 of annual leave and long service leave entitlements were assumed by the Purchasers.

For the purpose of this Report, the priority claims of MPS are estimated to be \$15,600.

### 3.1.2.3 Statutory Claims

The Director's ROCAP discloses the ATO as a creditor in the amount of \$2,773,979.

The ATO has submitted a formal proof of debt in the amount of \$4,948,948 with respect to GST and Income Tax liabilities.

We note that \$1,851,840 of this debt relates to the consolidated income tax liabilities of each of the Companies, excluding RVIC.

The Director's ROCAP discloses the SRO as a creditor in the amount of \$201,004.

The SRO has submitted a formal proof of debt in the amount of \$1,716,043 with respect to payroll tax debts incurred from 1 July 2019 in relation to MPS, RP and RSG.

For the purposes of this Report, we have attributed a value of \$6,664,991 with respect to MPS's statutory liabilities.

### 3.1.2.4 Trade Creditors

MPS's books and records discloses trade-creditors totalling \$4,291,801. We note that the trade creditor ledger includes statutory debts.

To date, seven (8) trade creditors have submitted claims within the liquidation totalling \$1,378,542. We are aware of an additional ten (10) trade creditors totalling \$29,226.

We also refer to section 2.1.2.1 of this Report and note that the estimated unsecured claims of security interest holders is \$262,701.

As not all creditors have submitted Formal Proof of Debts to this office, the total amount of creditor claims may change upon receipt of such claims.

For the purposes of this Report, we determined that the debt owed to MPS's trade creditors total at least \$1,670,469.

### 3.1.2.5 Related Party Creditors

MPS's books and records reveal the following debts to related parties. The findings of our preliminary investigations with respect to each related party creditor is detailed below:

Related Party	Purpose	Amount
Richstone Plumbing	Loan	\$14,988,545

#### - Richstone Plumbing Pty Ltd (In Liquidation) ("RP")

We have reviewed MPS's accounting records for the period 3 March 2021 to the date of our appointment and MPS's bank statements for the period 1 September 2022 to the date of our appointment.

Our investigations have identified two (2) payments from the MPS to RP totalling \$13,000.

We note that the majority of the creditor loan account appears to relate to journal entries relating to payments of approximately \$5.1 million made by RP on behalf of MPS. We note that the records are limited with respect to explaining these transactions.

For the purposes of this Report, the value of the RP creditor loan account is uncertain.

### 3.1.3 Receipts and Payments since appointment

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of MPS's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

## 3.2 RICHSTONE ADMINISTRATION PTY LTD ("RA")

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
<b>Total Assets</b>	-	-
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	Uncertain	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	-	-
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	-	1,851,840
Trade Creditors	-	-
Related Party Creditors	-	-
	-	1,851,840
<b>Total Liabilities</b>	-	<b>1,851,840</b>
<b>SURPLUS/DEFICIENCY</b>	-	<b>(1,851,840)</b>

### 3.2.1 Assets

#### 3.2.1.1 Cash at Bank

I refer to our previous report which identified bank accounts in the name of the Company held with CBA:

Account Name	Balance	Closed as at
CBA Business Transaction Account	\$0.00	12 April 2021

For the purposes of this Report, RA's cash at bank is nil.

### 3.2.2 Liabilities

#### 3.2.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the Personal Properties and Securities Register ("PPSR"), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).

We refer to our previous report to creditors and provide the below update:

- **Commonwealth Bank of Australia (“CBA”)**

The PPSR reveals that CBA has two (2) All-Present and After Acquired security interest registered against the property of RA.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

For the purpose of this Report, CBA’s debt in nil.

- **Swiss Re International Se (“SI”)**

The PPSR reveals that SI has registered an All Present and After Acquired Property (“All-PAAP”) against MPS.

SI has provided us with documentation to support its claim and appears to have a perfected security interest registered against MPS.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI’s claim is uncertain.

For the purposes of this report, the RA’s secured creditors are uncertain.

### 3.2.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Director’s ROCAP does not reveal any outstanding employee entitlements.

Our investigations to date have not revealed any outstanding employee entitlements.

For the purposes of this Report, priority creditors appear to be nil.

### 3.2.2.3 *Statutory Claims*

The Directors’ ROCAP does not disclose the ATO as a creditor.

The ATO has submitted a formal proof of debt in the amount of \$1,851,840 with respect to Income Tax liabilities.

We note that this claim relates to the consolidated income tax liabilities of the Companies, excluding RVIC.

Subsequent to our appointment, we wrote to the SRO but have not yet received a response with respect to outstanding payroll or land tax at this time.

For the purposes of this Report, we have attributed a value of \$1,851,840 with respect to RA's statutory liabilities.

#### **3.2.2.4 Trade Creditors**

The Directors' ROCAP does not disclose any amounts outstanding to trade creditors.

RA's external accountants have advised they are a creditor of the Company but have not yet quantified their claim.

For the purposes of this Report, trade creditors appear to be uncertain.

#### **3.2.2.5 Related Party Creditors**

The Director's ROCAP does not include any amounts outstanding to related party creditors.

To date, we have not received any related party claims at this time.

For the purpose of this Report, related party creditors appear to be nil.

#### **3.2.3 Receipts and Payments since appointment**

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of RA's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

### **3.3 RICHSTONE AUSTRALIA GROUP PTY LTD ("RAG")**

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
Related Party Debtors	409,509	-
<b>Total Assets</b>	<b>409,509</b>	<b>-</b>
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	Uncertain	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	-	-
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	1,836,593	1,851,840
Trade Creditors	-	222,106
Related Party Creditors	2,196,510	982,000
	4,033,103	3,055,946
<b>Total Liabilities</b>	<b>4,033,103</b>	<b>3,055,946</b>
<b>SURPLUS/DEFICIENCY</b>	<b>(3,623,594)</b>	<b>(3,055,946)</b>

### 3.3.1 Assets

#### 3.3.1.1 Cash at Bank

We refer to our previous report and note that we have not identified any bank accounts in the name of RAG.

For the purposes of this Report, RAG's cash at bank is nil.

#### 3.3.1.2 Related Party Debtors

We refer to our previous report and note that we have reviewed the limited books and records available to us.

The findings of our preliminary investigations with respect to each related party debtor is detailed below:

Related Party	Purpose	Amount
Richstone Plumbing ("RP")	Loan	\$285,071
Richstone Equipment Hire Trust ("RP VIC")	Loan	\$124,438

We advise that the creditors of RP resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

We advise that the creditors of RP VIC resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is unlikely at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

For the purpose of this Report, the value of RAG's related party debtor loan accounts is nil.

### 3.3.2 Liabilities

#### 3.3.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the Personal Properties and Securities Register ("PPSR"), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).

We refer to our previous report to creditors and provide the below update:

##### - **Commonwealth Bank of Australia ("CBA")**

The PPSR reveals that CBA has an All-Present and After Acquired security interest registered against the property of RAG.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

For the purpose of this Report, CBA's debt is nil.

##### - **Swiss Re International Se ("SI")**

The PPSR reveals that SI has registered an All Present and After Acquired Property ("All-PAAP") against RAG.

SI has provided us with documentation to support its claim and appears to have a perfected security interest registered against MPS.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI's claim is uncertain.



- **The Couta Group Pty Limited (“TCG”)**

The PPSR reveals that TCG has one (1) security interest registered against the Company.

TCG has provided us with documentation to support its claim. Our preliminary review of the documentation suggests that the security interest was registered subsequent to stock being provided by RAG and would not attach to any of the RAG stock.

TCG has advised it is owed \$78,354 and may rank as unsecured creditor of RAG.

For the purposes of this report, the RAG’s secured creditors are uncertain.

### 3.3.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Director’s ROCAP does not reveal any outstanding employee entitlements.

Our investigations to date have not revealed any outstanding employee entitlements.

For the purposes of this Report, priority creditors appear to be nil.

### 3.3.2.3 *Statutory Claims*

The RAG books and records disclose the ATO as a creditor in the amount of \$1,836,593.

The ATO has submitted a formal proof of debt in the amount of \$1,851,840 with respect to Income Tax liabilities.

We note that this debt relates to the consolidated income tax liabilities of the Companies, excluding RVIC.

Subsequent to our appointment, we wrote to the SRO regarding outstanding land and payroll tax but we have not yet received a response.

For the purposes of this Report, we have attributed a value of \$1,851,840 with respect to RAG’s statutory liabilities.

### 3.3.2.4 Trade Creditors

The Director's ROCAP does not disclose any amounts outstanding to trade creditors.

To date, six (6) trade creditors have submitted claims within the Liquidation totalling \$143,752.

We also refer to section 2.3.2.1 of this Report and note that the estimated unsecured claims of security interest holders is \$78,354.

For the purposes of this Report, we have attributed a value of \$222,106 with respect to RAG's trade creditors.

### 3.3.2.5 Related Party Creditors

Our review of the RAG books and records identified a balance sheet as at 31 December 2022. On 28 April 2023, we wrote to the Directors requesting the accounting files that supported this financial statement but not received a response.

The records in our possession identify the following related party creditors:

Related Party	Purpose	Amount
RSG Business Services Pty Ltd	Loan	\$1,668,679
Jutland Management Group Pty Ltd	Loan	\$527,831

We note that our investigations with respect to the related party creditors of RAG have been limited due to the lack of records and we are unable to comment of the validity of these debts owed by RAG.

We refer to the related entity, Major Crane Logistics Pty Ltd ("MCL") and advise that MCL is subject to external administration and has submitted a proof of debt in the amount of \$982,000.

For the purposes of this Report, related party creditors are at least \$982,000.

### 3.3.3 Receipts and Payments since appointment

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of the RAG's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

### 3.4 RICHSTONE PLUMBING PTY LTD ("RP")

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Directors' ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
Plant & Equipment	Uncertain	377,975
Stock	Uncertain	237,500
Work in Progress	1,201,670	1,201,670
Debtors	1,622,810	79,366
Related Party Debtors	24,561,358	Uncertain
<b>Total Assets</b>	<b>27,385,838</b>	<b>1,896,511</b>
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	2,091,888	-
Other Security Interest Holders	Uncertain	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	1,580,809	816,151
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	14,531,315	16,455,923
Trade Creditors	18,607,205	16,749,698
Related Party Creditors	2,650,901	Uncertain
	35,789,421	33,205,621
<b>Total Liabilities</b>	<b>39,462,118</b>	<b>34,021,772</b>
<b>SURPLUS/DEFICIENCY</b>	<b>(12,076,280)</b>	<b>(32,125,261)</b>

### 3.4.1 Assets

#### 3.4.1.1 Cash at Bank

We refer to our previous report which identified bank accounts in the name of the Company held with CBA:

Account Name	Balance	As at
CBA Business Online Saver	\$4,639	13 March 2023
CBA Cheque Account Bearing Interest	(\$989,065)	10 March 2023

On 12 April 2023, we requested that the balance of the accounts to be remitted to our Administrators' RP bank account. To date, we have not received a response from CBA.

For the purposes of this Report, the RP's cash at bank appears to be nil.

#### 3.4.1.2 Tangible assets

We refer to the sale of the Companies' business and assets and note that the tangible assets of RP were realised for their going concern value.

For the purposes of this Report, RP's tangible assets total \$615,475.

#### 3.4.1.3 Work In Progress

We refer to the sale of the Companies' business and assets and note that the work in progress of RP were realised for their going concern value.

For the purposes of this Report, RP's work in progress totals at least \$1,201,670.

#### 3.4.1.4 Debtors

The Directors' ROCAP reports the estimated realisable value of debtors and retentions as \$1.62 million.

A summary is provided below:

#### Progress Claims

The RP records identify the following progress claims relating to contract works as being outstanding:

Debtor	Amount (\$)
Icon	12,791
Barpa	333,385
Barpa	5,765,495
	6,111,671

We refer to the above progress claims and note that the builders have submitted liquidated damages and/or counter claims.

Our solicitors are reviewing the validity of these counter claims and we advise that these matters are ongoing.

Prior to our appointment as Voluntary Administrators, Barpa had applied a set off claim totalling \$265,802 against a RP debtor invoice due to damage incurred to an NBN service line by a subcontractor. RP subsequently issued a claim against the subcontractor's liability indemnity insurance policy. During the course of the Liquidation, the claim was settled for \$261,459 and the proceeds were remitted to our Liquidators' RP bank account.

### Retentions

The RV records identify the following retentions as being accrued and due to be released at practical completion and/or the lapsing of the defect liability period:

Retentions	Amount (\$)
MaxCon	59,655
MaxCon	104,011
MaxCon	41,930
	<u>205,596</u>

We refer to the above retentions and note that the builder has submitted liquidated damages and/or counter claims.

Our solicitors have reviewed this counter claim and we advise that recovery procedures with respect to the retentions are ongoing.

### 3.4.1.5 Related Party Debtors

We refer to our previous report and note that we have reviewed RP's financial records for the period 3 March 2021 to the date of our appointment, and bank account statements from 1 September 2022 to 28 February 2023.

The findings of our preliminary investigations with respect to the related party debtors is provided below:

Related Party	Purpose	Amount
Shannon Leigh Egglestone	Loan	\$3,000
Hayden Richardson	Loan	\$138,884
Richstone Administration	Loan	\$1,990,308
Richstone Superfund	Loan	\$49,000
Richstone Civil P/L	Loan	\$21,321
Pro-Fit Plumbing & Main	Loan	\$20,346
Modular Prefab	Loan	\$14,509,142
RSG Business Services	Loan	\$7,071,612
Modular Design	Loan	\$757,745

#### - Shannon Leigh Egglestone ("Shannon")

The books and records reveal Shannon is a related party debtor in the amount of \$3,000.

We note that Shannon is a current director of RP.

We have reviewed RP's accounting records for the period 3 March 2021 to the date of our appointment. Our investigations have not identified any transactions in relation to this loan account during this period.

For the purposes of this Report, the realisable value of the Shannon debtor loan account is uncertain.

- **Hayden Richardson (“Hayden”)**

We note that Hayden is a former director of RP and is disclosed as a debtor for \$138,884

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have not identified any transactions in relation to the Hayden loan account during this period.

We note that investigations into the nature of this related party debtor account are ongoing.

For the purposes of this Report, the realisable value of the Hayden debtor loan account is uncertain.

- **Richstone Administration Pty Ltd (In Liquidation) (“RA”)**

The books and records reveal RA is a related party debtor in the amount of \$1,990,308.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have not identified any transactions in relation to the RA loan account during this period.

We note that investigations into the nature of this related party debtor account are ongoing.

We advise that the creditors of RA resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

For the purposes of this Report, the realisable value of the RA related party debtor is nil.

- **Richstone Superfund (“RS”)**

The books and records reveal RS is a related party debtor in the amount of \$49,000.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have not identified any transactions in relation to the RS loan account during this period.

We note that investigations into the nature of this related party debtor account are ongoing.

For the purposes of this Report, the realisable value of the RS related party debtor is uncertain.

- **Richstone Civil Pty Ltd (“RC”)**

The books and records reveal RC is a related party debtor in the amount of \$21,321.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have not identified any transactions in relation to the RC loan account during this period.

We note that investigations into the nature of this related party debtor account are ongoing.

For the purposes of this Report, the realisable value of the RC related party debtor is uncertain.

- **Pro-Fit Plumbing & Maintenance Pty Ltd (“PF”)**

The books and records reveal PF is a related party debtor in the amount of \$20,346.

RP’s externally prepared accounts reveal that the PF debtor loan account increased by \$3,884 but we have not sighted any cash payments in the RP bank account statements.

We note that investigations into the nature of this related party debtor account are ongoing.

We note that our understanding is that PF has ceased to trade.

For the purposes of this Report, the realisable value of the PF debtor loan account is uncertain.

- **Modular Prefab Solutions Pty Ltd (In Liquidation) (“MPS”)**

The books and records reveal MPS is a related party debtor in the amount of \$14,509,142.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have identified two-hundred and ninety-one (291) payments from RP totalling approximately \$11.5 million applied to the MPS loan account. Our review of the bank account statements have sighted seventy-six (76) payments totalling approximately \$1.1 million.

Our investigations have identified eighteen (18) repayments of the loan account totalling approximately \$5.8 million. We have only sighted five (5) repayments totalling \$15,991 in the RP bank account statements.

We advise that the creditors of MPS resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

For the purposes of this Report, the realisable value of the MPS related party debtor is nil.

- **RSG Business Services Pty Ltd (In Liquidation) (“RSG”)**

The books and records reveal RSG is a related party debtor in the amount of \$7,071,612.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have identified three-hundred and twenty-four (324) payments from RP totalling \$4,558,487 applied to the RSG loan account. Our review of the bank account statements have identified ninety-five (95) payments totalling approximately \$1 million.

Our investigations have identified five (5) payments to RP totalling \$748,973 applied to the RSG loan account. We note that these payments have not been sighted in the RP bank statements available to us.

We advise that the creditors of RSG resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

We note that our investigations into the nature of this loan account are ongoing.

- **Modular Design Pty Ltd (“MD”)**

The books and records reveal MD is a related party debtor in the amount of \$757,745.

We have reviewed RP’s accounting records for the period 3 March 2021 to the date of our appointment.

Our investigations have identified ninety (90) payments from RP totalling \$819,478 applied to the MD loan account. Our review of the bank statements have identified twenty-nine (29) of these payments totalling approximately \$271,000.

Our investigations have also identified five (5) receipts to RP totalling \$31,732 applied to the MD loan account. Our review of the bank statements have identified three (3) of these receipts totalling approximately \$25,000.

We note that it is our understanding that MD has ceased to trade.

We note that our investigations into the nature of this loan account are ongoing.

For the purposes of this Report, the realisable value of RP’s related party debtors is uncertain.

### **3.4.2 Liabilities**

#### **3.4.2.1 Secured Creditors**

The Australian Financial Services Authority (“AFSA”) is the current responsible authority for the operation of the Personal Properties and Securities Register (“PPSR”), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).



We refer to our previous report to creditors and provide the below update:

- **Alfasi Equipment Hire Pty Ltd (“AEH”)**

The PPSR reveals that AEH has registered one (1) security interest against the property RP.

AEH has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

AEH has advised it is owed \$51,989.

For the purposes of this report, AEH’s claim is \$51,989.

- **BOC Limited (“BOC”)**

The PPSR reveals that BOC has registered one (1) security interest against the property of RP.

BOC has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

BOC has advised it is owed \$15,267.

For the purposes of this report, BOC’s claim is \$15,267.

- **Centre Hardware Supply (Sales) Pty. Limited (“CHS”)**

The PPSR reveals that CHS has registered one (1) security interest against the property of RP.

CHS has provided us with documentation to support its claim and appears to have an unperfected security interest.

CHS has advised it is owed \$423,390 and this may rank as unsecured claim against RP.

- **Coates Hire Operations Pty Limited (“CHO”)**

The PPSR reveals that CHO has registered two (2) security interests against the property of RP.

CHO has provided us with documentation to support its claim and appears to have perfected security interests registered against RP.

CHO has advised it is owed \$57,112.

For the purposes of this Report, CHO’s claim is \$57,112.

- **Commonwealth Bank of Australia (“CBA”)**

The PPSR reveals that CBA has two (2) All-Present and After Acquired security interest registered against the property of RP.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

- **E.B. Mawson & Sons Proprietary Limited (“EB”)**

The PPSR reveals that EB has registered one (1) security interest against the property of RP.

EB has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

EB has advised that it is owed \$41,805.

For the purposes of this Report, EB’s claim \$41,805.

- **Hilti (Aust.) Pty. Ltd. (“HA”)**

The PPSR reveals that HA has registered one (1) security interest against the property of RP.

HA has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

The Director’s ROCAP discloses HA is owed \$2,201.

For the purposes of this Report, HA’s claim \$2,201.

- **Hygrade Water Australia Limited Partnership (“HWA”)**

The PPSR reveals that HWA has registered one (1) security interest against the property of RP.

HWA has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

HWA has advised it is owed \$15,170.

For the purposes of this Report, HWA’s claim is \$15,170.

- **Plumbers Supplies Co-Operative Limited (“PSC”)**

The PPSR reveals that PSC has registered one (1) security interest against the property of RP.

PSC has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP.

PSC has advised it is owed \$61,740.

For the purposes of this Report, PSC’s claim is \$61,740.

- **Proquip Rental & Sales Operations Pty Ltd (“PRSO”)**

The PPSR reveals that PRSO has registered three (3) security interests against the property of RP.

PRSO has provided us with documentation to support its claim and appears to have perfected security interests registered against RP.

PRSO has advised it is owed \$513,508.

For the purposes of this Report, PRSO's claim is \$513,508.

- **Reece Australia Pty Ltd ("RA")**

The PPSR reveals that RA has registered an All Present and After Acquired Property ("All-PAAP") as well two (2) Purchase Money security interests registered against the property of RP.

RA has provided us with documentation to support its claim. I note that this matter is ongoing.

RA has advised it is owed \$97,966.

For the purposes of this Report, RA's claim is \$97,966.

- **Swiss Re International Re ("SI")**

The PPSR reveals that SI has registered an All Present and After Acquired Property ("All-PAAP") against the property of RP.

SI has provided us with documentation to support its claim and appears to have a valid interest registered against RP.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI's claim is uncertain.

- **Timelio Pty Ltd**

The PPSR reveals that Timelio has registered an All Present and After Acquired Property ("All-PAAP") against RP and one (1) non-circulating security interest with respect to present and future debtor accounts.

Timelio has provided documentation that appears to support its right to register security interests against RV and have advised that they are owed \$319,720.56 with debtors factored under its facility.

We note that Timelio appears to have a first ranking All-PAAP security interest against the property of RP.

For the purposes of this Report, Timelio's claim is \$319,720.

### 3.4.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts

owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Directors' ROCAP did not disclose any outstanding employee entitlements.

Our review of RP's books and records reveals that priority employee entitlements consist of:

Entitlements	Total (\$)
Superannuation	816,151
Unpaid Wages	263,684
Leave Entitlements	784,083
<b>TOTAL</b>	<b>1,827,918</b>

#### - **Superannuation**

RP's records and our preliminary investigations suggest the Company owes \$816,151 of superannuation to employees up to the date of our appointment as Voluntary Administrators.

In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992, any claim received from the ATO in relation to these amounts has a priority equal to the debts referred to in Section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.

We note that superannuation entitlements cannot be transferred from an entity and remain a priority claim of RP.

#### - **Employee Entitlements**

We refer to the sale of the Companies' business and assets and note that \$263,684 of unpaid wages and \$784,083 of annual leave and long service leave entitlements were assumed by the Purchasers.

For the purpose of this Report, the priority claims of RP are estimated to be \$816,151.

### **3.4.2.3 Statutory Claims**

The books and records of RP disclose the ATO as a creditor in the amount of \$11,141,547.

The ATO has submitted a formal proof of debt in the amount of \$14,739,880 with respect to GST and Income Tax liabilities.

We note that \$1,851,840 of this debt relates to the consolidated income tax liabilities relating of each of the Companies, excluding RVIC.

The Directors' ROCAP discloses the State Revenue Office of Victoria ("SRO") as a creditor in the amount of \$2,363,004.

The SRO has submitted a formal proof of debt in the amount of \$1,716,043 with respect to payroll tax debts incurred from 1 July 2019 in relation to MPS, RP and RSG.

For the purposes of this Report, we have attributed a value of \$16,455,923 with respect to RP's statutory liabilities.

### 3.4.2.4 Trade Creditors

RP's books and records of RP disclose trade creditors totalling \$18,539,656.

To date, thirty-four (34) creditors have submitted claims within the Liquidation totalling \$11,187,407. We are aware of an additional seventy-eight (78) trade creditors totalling \$5,138,901.

We refer to section 2.4.2.1 of this Report and note that security interest holder debts likely ranking as unsecured total \$423,390.

As not all creditors have submitted Formal Proof of Debts to this office, the total amount of creditor claims may change upon receipt of such claims.

For the purposes of this Report, we determined that the debt owed to RP's trade creditors total at least \$16,749,698.

### 3.4.2.5 Related Party Creditors

We have undertaken a review of the RP's financial records for the period 3 March 2021 to the date of our appointment and a review of the RP's bank account statement from 1 September 2022 to 28 February 2023.

The findings of our preliminary investigations with respect to the related party creditors is provided below:

Related Party	Purpose	Amount
RP VIC	Loan	\$1,054,556
Major Crane Logistics	Loan	\$1,581,345
Rhett Newell	Loan	\$15,000

#### - RP VIC

The books and records reveal RP VIC as a related party creditor in the amount of \$1,054,556.

Our investigations have identified sixty-one (61) payments from RP totalling \$575,601 applied against the RP VIC loan account. Our review of the bank statements have identified seventeen (17) payments totalling approximately \$115,000.

Our investigations have also identified nineteen (19) receipts totalling \$1,289,334 applied to the RP VIC loan account. Our review of the bank statements have identified six (6) deposits from RP VIC totalling approximately \$825,000.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, the value of RP VIC's debt is uncertain.

#### - Major Crane Logistics Pty Ltd (Subject to Deed of Company Arrangement) ("MCL")

The books and records reveal MCL as a related party creditor in the amount of \$1,581,345.

We note that MCL is subject to external administration. We note that the External Administrator submitted a claim against RP with respect to a loan account owed by that entity.

Our investigations have identified eight (8) payments from RP totalling \$1.1 million applied against the MCL loan account from 3 March 2021 to the date of our appointment. Our review of the bank statements has identified payments totalling \$225,000 from RP to MCL within the six (6) months prior to our appointment. Please refer to section 7.1.2 of this Report for further details.

Our investigations have identified fifteen (15) receipts to RP totalling \$2,163,000 applied against the MCL loan account that increase the outstanding amount from 3 March 2021 to the date of our appointment. Our review of the bank statements has identified four (4) receipts totalling \$710,000 within the six (6) months prior to our appointment.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, MCL's debt is uncertain.

#### - **Rhett Newell ("RN")**

The books and records reveal NR as a related party creditor in the amount of \$15,000.

Our investigations have identified two (2) payments totalling \$15,000 from RN to RP in late January 2022. We note that the bank statements in our possession do not include this period.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, RN's debt is uncertain.

#### **3.4.3 Receipts and Payments since appointment**

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of RP's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

### **3.5 RICHSTONE PLUMBING VIC PTY LTD ("RP VIC")**

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
Plant and Equipment	Uncertain	377,975
Related Party Debtors	709,926	Uncertain
<b>Total Assets</b>	<b>709,926</b>	<b>377,975</b>
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	309,106	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	-	-
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	6,321	1,864,812
Trade Creditors	865	46,580
Related Party Creditors	395,530	Uncertain
	402,716	1,911,392
<b>Total Liabilities</b>	<b>711,822</b>	<b>1,911,392</b>
<b>SURPLUS/DEFICIENCY</b>	<b>(1,896)</b>	<b>(1,533,417)</b>

### 3.5.1 Assets

#### 3.5.1.1 Cash at Bank

We refer to our previous report and note that we have not identified any bank accounts in the name of RP VIC.

For the purposes of this Report, RP VIC's cash at bank is nil.

#### 3.5.1.2 Tangible Assets

We refer to the sale of the Companies' business and assets and note that the tangible assets of RP VIC were realised for their going concern value.

For the purposes of this Report, RP VIC's tangible assets totals \$377,975.

### 3.5.1.3 Related Party Debtors

We refer to our previous report and note that we have reviewed RP VIC's financial records for the period 3 March 2021 to the date of our appointment.

The findings of our preliminary investigations with respect to the related party debtors is provided below:

Related Party	Purpose	Amount
Egglestone Trust	Loan	\$136,828
Newell Family Trust	Loan	\$1,145
James Williams Family Trust	Loan	\$29,126
Richstone Plumbing	Loan	\$542,828

#### - **Egglestone Trust ("ET")**

The books and records reveal ET is a related party debtor in the amount of \$136,828.

Our investigations have identified one (1) journal entry totalling \$79,197 increasing the amount owed to RP VIC and four (4) journal entries totalling \$792 repaying the debtor loan account.

We note that our investigations into the nature of this loan account are ongoing.

#### - **Newell Family Trust ("NFT")**

The books and records reveal NFT as a related party debtor in the amount of \$1,145.

The NFT debtor loan appears to relate to a journal entry in June 2021.

We note that our investigations into the nature of this loan account are ongoing.

#### - **James Williams Family Trust ("JWFT")**

The books and records reveal JWFT as a related party debtor in the amount of \$29,126.

Our investigations have identified five (5) repayments totalling \$29,126 applied to the JWFT loan account and we note that a majority of these transactions relate to journal entries.

We note that our investigations into the nature of this loan account are ongoing.

#### - **Richstone Plumbing Pty Ltd (In Liquidation) ("RP")**

The books and records reveal RP as a related party debtor in the amount of \$542,828.

Our investigations have identified sixteen (16) payments from RP VIC totalling \$1,134,674 applied to the RP loan account which appear to journal entries relating intergroup management fees.

Our investigations have also identified thirty-five (35) repayments to RP VIC from RP totalling \$591,846 applied to the RP loan account and that appear to be journal entries with respect to lease payments made by RP on behalf of RP VIC.



We advise that the creditors of RP resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

We note that our investigations into the nature of this loan account are ongoing.

### 3.5.2 Liabilities

#### 3.5.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the Personal Properties and Securities Register ("PPSR"), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).

We refer to our previous report to creditors and provide the below update:

##### - **BOQ Equipment Finance Limited ("BOQ")**

The PPSR reveals that BOQ has registered two (2) security interests against the property of RP VIC.

BOQ has provided us with documentation to support its claim and appears to have perfected security interests registered against RP VIC.

BOQ has advised that it is owed \$44,122. I refer to the Liquidation of the Purchasers and note that an asset subject to a BOQ security interest was realised and a payout of \$24,974 was remitted to BOQ.

For the purposes of this Report, BOQ's claim is \$19,148.

##### - **Capital Finance Australia Limited ("CFA")**

The PPSR reveals that CFA has registered one (1) security interest against the property of RP VIC.

CFA has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP VIC.

CFA has advised that it was paid out \$4,025 on 2 March 2023 in relation to the above interest.

##### - **Commonwealth Bank of Australia ("CBA")**

The PPSR reveals that CBA has one (1) security interest registered against the property of RP VIC.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

For the purpose of this Report, CBA's debt is nil.

##### - **Swiss Re International Se ("SI")**

The PPSR reveals that SI has registered an All Present and After Acquired Property ("All-PAAP") against the property of RP VIC.

SI has provided us with documentation to support its claim and appears to have a valid interest registered against RP VIC.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI's claim is uncertain.

- **Westpac Banking Corporation ("Westpac")**

The PPSR reveals that Westpac has one (1) security interest registered against the property of RP VIC.

Westpac has provided us with documentation to support its claim and appears to have a perfected security interest registered against RP VIC.

Westpac has advised it is owed \$44,531. I refer to the Liquidation of the Purchasers and note that an asset subject to the Westpac security interest was realised and Westpac was paid out in full.

For the purpose of this report, Westpac's claim is nil.

### 3.5.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Directors' ROCAP does not reveal any outstanding employee entitlements.

Our investigations to date have not reveal any outstanding employee entitlements.

For the purposes of this Report, priority creditors appear to be nil.

### 3.5.2.3 *Statutory Claims*

The books and records of RP VIC reveal the ATO as a creditor in the amount of \$6,321.

The ATO has submitted a formal proof of debt in the amount of \$1,864,812 with respect to GST and income tax liabilities.

We note that \$1,851,840 of this debt relates to the consolidated income tax liabilities of each of the Companies, excluding RVIC.

Subsequent to our appointment, we wrote to the SRO but have not yet received a response with respect to outstanding payroll or land tax at this time.

For the purposes of this Report, we have attributed a value of \$1,864,812 with respect to RP VIC's statutory liabilities.

### 3.5.2.4 Trade Creditors

The books and records of RP VIC disclose trade creditors of \$865.

To date, two (2) creditors have submitted claims with the Liquidation totalling \$46,580.

As not all creditors have submitted Formal Proof of Debts to this office, the total amount of creditor claims may change upon receipt of such claims.

For the purposes of this Report, we determined that the debt owed to RP VIC's trade creditors total at least \$46,580.

### 3.5.2.5 Related Party Creditors

We have undertaken a review of the RP VIC's financial records for the period 3 March 2021 to the date of our appointment.

The findings of our preliminary investigations with respect to the related party creditors is provided below:

Related Party	Purpose	Amount
Shannon Egglestone Pty Ltd	Loan	\$107,332
Shannonland Pty Ltd	Loan	\$243,873
Egglestone Trust	Loan	\$22
Modular Prefab Solutions	Loan	\$9,000
Pro-Fit Plumbing	Loan	\$35,303

#### - Shannon Egglestone Pty Ltd ("SE")

RP VIC's books and records reveal SE as a related party creditor in the amount of \$107,332.

Our investigations have identified one (1) journal entry increasing the debt owed by RP VIC by \$107,332.

We note that our investigations into the nature of this loan account are ongoing.

For the purposes of this Report, SE's debt is uncertain.

#### - Shannonland Pty Ltd ("Shannonland")

RP VIC's books and records reveal Shannonland as a related party creditor in the amount of \$243,873.

Our investigations have identified one (1) journal entry increasing the debt owed by RP VIC by \$243,873.

We note that our investigations into the nature of this loan account are ongoing.

For the purposes of this Report, Shannonland's debt is uncertain.

- **Egglestone Trust ("ET")**

RP VIC's books and records reveal ET as a related party creditor in the amount of \$22.

Our investigations have identified two (2) payments totalling \$22 to RP VIC applied against the ET loan account. We have not sighted these payments in the bank account statements.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, ET's debt is uncertain.

- **Modular Prefab Solutions Pty Ltd (In Liquidation) ("MPS")**

RP VIC's books and records reveal MPS as a related party creditor in the amount of \$9,000.

The MPS loan account consists of two (2) receipts totalling \$9,000 journaled against the MPS loan account.

We advise that the creditors of MPS resolved to wind up the company on 21 June 2023 and we became the Liquidators.

We note that our investigations into the nature of this loan account are ongoing.

- **Pro-Fit Plumbing & Maintenance Pty Ltd ("PFP")**

RP VIC's books and records reveal PFP as a related party creditor in the amount of \$35,303.

Our investigations suggest the PFP loan account comprises of one (1) journal entry increasing the debt owed by RP VIC.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, PFP's debt is uncertain.

### **3.5.3 Receipts and Payments since appointment**

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of RP VIC's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

### 3.6 RICHSTONE VIC PTY LTD ("RVIC")

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrator's/Liquidator's fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
<b>Total Assets</b>	-	-
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	-	-
<b><u>Priority Creditors</u></b>		
Employee Entitlements	-	-
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	-	1,500,627
Trade Creditors	-	616
Related Party Creditors	-	-
	-	1,501,243
<b>Total Liabilities</b>	-	<b>1,501,243</b>
<b>SURPLUS/DEFICIENCY</b>	-	<b>(1,501,243)</b>

#### 3.6.1 Assets

##### 3.6.1.1 Cash at Bank

We refer to our previous report and note that we have not identified any bank accounts in the name of RVIC.

For the purposes of this Report, RVIC's cash at bank is nil.

### 3.6.2 Liabilities

#### 3.6.2.1 Secured Creditors

AFSA is the current responsible authority for the operation of the PPSR, a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the PPSA.

The most fundamental premise of the legislation is the requirement that secured creditors register their security interests in order to enforce same in the event of insolvency.

A review of RVIC's comprehensive PPSR records, maintained by AFSA, revealed that there were no security interests registered against RVIC as at the date of our appointment.

#### 3.6.2.2 Priority Creditors

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Director's ROCAP does not reveal any outstanding employee entitlements.

Our investigations to date have not reveal any outstanding employee entitlements.

For the purposes of this Report, priority creditors appear to be nil.

#### 3.6.2.3 Statutory Claims

The Director's ROCAP does not disclose the ATO as a creditor.

We note that RVIC does not appear to have been included in the consolidated income tax group of Companies by the ATO or the consolidated payroll tax group of Companies by the SRO.

The ATO has submitted a formal proof of debt in the amount of \$1,500,627 with respect to GST and income tax liabilities.

Subsequent to our appointment, we wrote to the SRO but have not yet received a response with respect to outstanding payroll or land tax at this time.

For the purposes of this Report, we have attributed a value of \$1,500,627 with respect to RVIC statutory liabilities.

#### 3.6.2.4 Trade Creditors

The Director's ROCAP does not disclose any amounts outstanding to trade creditors.

To date, one (1) trade creditor has submitted a claim within the Liquidation totalling \$616.

For the purposes of this Report, trade creditors appear to be \$616.

#### 3.6.2.5 Related Party Creditors

The Director's ROCAP does not disclose any amounts outstanding to related party creditors.

To date, we have not received any claims from related parties to this office.

For the purposes of this Report, related party creditors appear to be nil.

#### 3.6.3 Receipts and Payments since appointment

Enclosed as Annexure "A" is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of RVIC's receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

### 3.7 RSG BUSINESS SERVICES PTY LTD ("RSG")

Subsequent to our appointment, a notice was served to the Company's Director to prepare a Report on Company Activities and Property ("ROCAP").

The ROCAP lists the Company's assets and liabilities as at 3 March 2023, which was the date of the Voluntary Administration. The ROCAP does not take into account the Administrators'/Liquidators' fees and disbursements, which rank as a priority under Section 556 of the Act.

A summary of the Director's ROCAP, our respective comments and Estimated Realisable Values (ERV) is below.

Annotated ROCAP	ROCAP Valuation (\$)	Estimated Realisable Value (\$)
<b>ASSETS</b>		
Cash at Bank / Cash on Hand	-	-
Related Party Debtors	3,412,191	-
<b>Total Assets</b>	<b>3,412,191</b>	<b>-</b>
<b>LIABILITIES</b>		
<b><u>Secured Creditors</u></b>		
CBA	-	-
Other Security Interest Holders	Uncertain	Uncertain
<b><u>Priority Creditors</u></b>		
Employee Entitlements	252,710	6,750
<b><u>Unsecured Creditors</u></b>		
Statutory Creditors	5,144,649	4,979,398
Trade Creditors	1,343,015	103,803
Related Party Creditors	947,134	Uncertain
	7,434,797	5,083,201
<b>Total Liabilities</b>	<b>7,687,507</b>	<b>5,089,951</b>
<b>SURPLUS/DEFICIENCY</b>	<b>(4,275,316)</b>	<b>(5,089,951)</b>

### 3.7.1 Assets

#### 3.7.1.1 Cash at Bank

We refer to our previous report which identified a bank account in the name of RSG BS held with CBA:

Account Name	Balance	As at
CBA Business Transaction Account	\$0.00	28 February 2023

For the purposes of this Report, RSG's cash at bank appears to be nil.

#### 3.7.1.2 Related Party Debtors

We have undertaken a review of the RSG's financial records for the period 3 March 2021 to the date of our appointment and a review of the RSG's bank account statements from 1 September 2022 to 28 February 2023.



The findings of our preliminary investigations with respect to the related party debtors is provided below:

Related Party	Purpose	Amount
Richstone Plumbing	Trade	\$1,743,512
Richstone Australia Group	Loan	\$1,668,679

- **Richstone Plumbing Pty Ltd (In Liquidation) ("RP")**

The RSG debtor ledger reveals trade invoices raised to RP that remain outstanding.

We note that the debt owed to RP relating to services provided by RSG increased by approximately \$890,000 from 30 June 2022.

We advise that the creditors of RP resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

- **Richstone Australia Group Pty Ltd (In Liquidation) ("RAG")**

The books and records of RSG reveal RAG as a related party debtor in the amount of \$1,668,679. Our investigations suggest this related party debt comprises of two (2) journal entries that increase the debt owed to RSG.

We advise that the creditors of RAG resolved to wind up the company on 21 June 2023 and we became the Liquidators. We note that a return to unsecured creditors is uncertain at this time and for the purpose of this Report, the loan account does not appear to be recoverable.

For the purposes of this Report, the realisable value of RSG's related party debtors is nil.

### 3.7.2 Liabilities

#### 3.7.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the Personal Properties and Securities Register ("PPSR"), a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009 (PPSA).

We refer to our previous report to creditors and provide the below update:

- **Commonwealth Bank of Australia ("CBA")**

The PPSR reveals that CBA has one (1) security interest registered against the property of RSG.

CBA advised that it was owed \$2,148,868 in relation to the loan facility to RP and that this debt was cross-collateralised across the Companies. We note that the CBA debt was discharged subsequent to the execution of the sale of business and assets.

For the purpose of this Report, CBA's debt is nil.

- **Swiss Re International Se (“SI”)**

The PPSR reveals that SI has registered an All Present and After Acquired Property (“All-PAAP”) against the property of RSG.

SI has provided us with documentation to support its claim and appears to have a valid interest registered against RGS.

SI has subsequently advised that it is owed up to \$2.6 million with respect to performance bonds that it had issued to the Companies.

For the purpose of this Report, the quantum of SI’s claim is uncertain.

### 3.7.2.2 *Priority Creditors*

Creditors are advised that pursuant to Section 556 of the Act employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

Our review of RSG’s books and records reveals that priority employee entitlements consist of:

Entitlements	Total (\$)
Superannuation	6,750
Unpaid Wages	6,051
Leave Entitlements	239,909
<b>TOTAL</b>	<b>252,710</b>

- **Superannuation**

RSG’s records disclose \$6,750 of superannuation entitlements owed to employees up to the date of our appointment as Voluntary Administrators.

In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992, any claim received from the ATO in relation to these amounts has a priority equal to the debts referred to in Section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.

We note that superannuation entitlements cannot be transferred from an entity and remain a priority claim of RSG.

- **Employee Entitlements**

We refer to the sale of the Companies’ business and assets and note that \$6,051 of unpaid wages and \$239,909 of annual leave and long service leave entitlements were assumed by the Purchasers.

For the purpose of this Report, the priority claims of RSG are estimated to be \$6,750.

### 3.7.2.3 Statutory Claims

The books and records of RSG reveals the ATO as a creditor in the amount of \$1,239,212.

The ATO has submitted a formal proof of debt in the amount of \$3,263,355 with respect to GST and Income Tax liabilities.

We note that \$1,851,840 of this debt relates to the consolidated income tax liabilities of the Companies, excluding RVIC.

The Director's ROCAP discloses the SRO as a creditor in the amount of \$165,252. The SRO has submitted a formal proof of debt in the amount of \$1,716,043 with respect to payroll tax debts incurred from 1 July 2019 in relation to MPS, RP and RSG.

For the purposes of this Report, we have attributed a value of \$4,979,398 with respect to RSG's statutory liabilities.

### 3.7.2.4 Trade Creditors

The books and records of RSG discloses trade creditors totalling \$1,343,015.

To date, one (1) trade creditor has submitted a claim within the Liquidation totalling \$2,195. We note that the Director's ROCAP lists three (3) trade creditors totalling \$101,608.

As not all creditors have submitted Formal Proof of Debts to this office, the total amount of creditor claims may change upon receipt of such claims.

For the purposes of this Report, we are of the view that RSG's trade creditors total at least \$103,803.

### 3.7.2.5 Related Party Creditors

We have undertaken a review of the RSG's financial records for the period 3 March 2021 to the date of our appointment and a review of the RSG's bank account statement from 1 September 2022 to 28 February 2023.

The findings of our preliminary investigations with respect to the related party creditors is provided below:

Related Party	Purpose	Amount
Richstone Plumbing	Loan	\$947,134

#### - Richstone Plumbing Pty Ltd (In Liquidation) ("RP")

The books and records reveal RP is a related party creditor in the amount of \$947,134.

Our investigations suggest that this creditor loan account comprises substantially of journal entries.

We note that investigations into the nature of this related party creditor account are ongoing.

For the purposes of this Report, the value of RP's claim is uncertain.

### 3.7.3 Receipts and Payments since appointment

Enclosed as Annexure “A” is a summary of the Receipts and Payments for the period 21 June 2023 to 19 September 2023.

An account of RSG’s receipts and payments during the Voluntary Administration period, being 3 March 2023 to 21 June 2023, was submitted to the ASIC on 27 June 2023.

Creditors are advised pursuant to IPS 70-10(2) of the Act that the Liquidator’s account of receipts and payments can be inspected at the offices of BRI Ferrier, Level 10, 45 William Street, Melbourne VIC 3000 during business hours.

## 4 PROGRESS OF THE LIQUIDATIONS TO DATE

### 4.1 INVESTIGATIONS

#### 4.1.1 Uncommercial Transactions / Unreasonable Director Related Transactions

We refer to our previous report and the potential claims with respect to the potential unreasonable director related transactions, summarised below:

- ▲ Payments from RP to Major Crane Logistics Pty Ltd in the amount of \$225,000;
- ▲ Payments from RP to Pro-Fit Plumbing & Maintenance Pty Ltd in the amount of \$160,000;
- ▲ Payments from RP to Modular Design Pty Ltd in the amount of \$275,000; and
- ▲ Payments from RP VIC to Hayden Richardson in the amount of \$1.77 million.

We note that Major Crane Logistics is subject to external administration and we understand that Pro-Fit Plumbing & Maintenance Pty Ltd and Modular Design Pty Ltd have ceased to trade.

Our investigations with respect to the transactions relating to Hayden Richardson are continuing.

We note that these matters are ongoing.

#### 4.1.2 Unfair Preferences

We refer to the potential unfair preference claims identified in our previous report.

Our investigations with respect to RP have identified potential unfair preference claims against six (6) trade creditors and one (1) statutory creditor totalling approximately \$2 million.

Our investigations have included an assessment of the possible defences available to the creditors, including running account and good faith defences.

We have commenced recovery procedures with regards to these unfair preference claims and these matters are ongoing.

#### 4.1.3 Insolvent Trading

We refer to our previous report and the potential insolvent trading claim with regard to the Companies with respect to debts incurred from June 2020, summarised below:

- ▲ RP appears to have incurred \$11.6 million of debts during the period it traded whilst insolvent.
- ▲ MPS appears to have incurred \$3 million of debts during the period it traded whilst insolvent.
- ▲ RSG appears to have incurred \$3 million of debts during the period it traded whilst insolvent.

The Companies' directors have provided statutory declarations with respect to their assets, liabilities, income and expenses.

Our review of the commerciality of pursuing an insolvent trading claim, including the likelihood of success and the directors' financial capacity, are ongoing.

## 5 LIKELIHOOD OF A DIVIDEND BEING PAID IN THE LIQUIDATION

We refer you to the Estimated Outcome Statement attached as **Annexure "B"** which provides the estimated return to creditors in each of the entities of the Companies.

We note that the return to ordinary priority and unsecured creditors will be dependent on the value and validity of secured creditor claims.

## 6 REMUNERATION OF THE LIQUIDATOR

We refer to the Liquidation of RP and enclose a Remuneration Request Approval Report for your consideration. We are unable to pay our remuneration without the approval of creditors (either by a proposal without a meeting, or by a meeting) or alternatively, by an application to the Court.

In the interests of keeping costs to a minimum, we are seeking approval of our remuneration by a proposal without a meeting. Information about passing resolutions without a meeting and a voting form is included with this Report.

Should you have any questions concerning this Report, please contact this office on (03) 9622 1800.

DATED this 20th day of September 2023.

Yours faithfully



DAVID COYNE

Joint and Several Liquidator

**Annexure "A"**  
**Receipts and Payments**

Please find enclosed Receipts and Payments for the period 21 June 2023 to 18 September 2023 for:

- ▲ Modular Prefab Solutions VIC Pty Ltd (In Liquidation);
- ▲ Richstone Administration Pty Ltd (In Liquidation);
- ▲ Richstone Australia Group Pty Ltd (In Liquidation);
- ▲ Richstone Plumbing Pty Ltd (In Liquidation);
- ▲ Richstone Plumbing VIC Pty Ltd in its own right and ATF Richstone Equipment Hire Trust (In Liquidation);
- ▲ Richstone VIC Pty Ltd (formerly Richstone Manufacturing & Equipment Hire Pty Ltd) (In Liquidation); and
- ▲ RSG Business Services Pty Ltd (In Liquidation)

## **Annexure "A"**

### **Summarised Receipts & Payments**

**Modular Prefab Solutions VIC Pty Ltd**

**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
Transfer from Voluntary Administration	86,465.07
<b>Total (inc GST)</b>	<b>\$86,465.07</b>
<b>Payments</b>	
Bank Charges	15.40
Voluntary Administrators Remuneration	61,059.90
<b>Total (inc GST)</b>	<b>\$61,075.30</b>
<b>Balance in Hand</b>	<b>\$25,389.77</b>

## **Annexure "A"**

### **Summarised Receipts & Payments**

**Richstone Administration Pty Ltd**

**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Payments</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Balance in Hand</b>	<b>Nil</b>



## **Annexure "A"**

### **Summarised Receipts & Payments**

**Richstone Australia Group Pty Ltd  
(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Payments</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Balance in Hand</b>	<b>Nil</b>

## **Annexure "A"**

### **Summarised Receipts & Payments**

**Richstone Plumbing Pty Ltd**

**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
Transfer from Voluntary Administration	575,513.30
Insurance Claim	261,459.34
GST Clearing Account	13,199.00
<b>Total (inc GST)</b>	<b>\$850,171.64</b>
<b>Payments</b>	
Bank Charges	18.00
Liquidators Expenses	356.63
Voluntary Administrators Remuneration	189,858.90
Subscriptions	412.50
Insurance of assets	5,830.00
Legal Fees	25,287.64
<b>Total (inc GST)</b>	<b>\$221,763.67</b>
<b>Balance in Hand</b>	<b>\$628,407.97</b>

## **Annexure "A"**

### **Summarised Receipts & Payments**

**Richstone Plumbing VIC Pty Ltd**

**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Payments</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Balance in Hand</b>	<b>Nil</b>

## **Annexure "A"**

### **Summarised Receipts & Payments**

**Richstone VIC Pty Ltd (Formerly Richstone Manufacturing & Equipment Pty Ltd)**  
**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Payments</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Balance in Hand</b>	<b>Nil</b>

## **Annexure "A"**

### **Summarised Receipts & Payments**

**RSG Business Services Pty Ltd**

**(In Liquidation)**

**For the Period From 21 June 2023 To 18 September 2023**

	<b>Gross Amount</b>
<b>Receipts</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Payments</b>	
<b>Total (inc GST)</b>	<b>Nil</b>
<b>Balance in Hand</b>	<b>Nil</b>

## **Annexure “B”**

### **Estimated Outcome Statement**

Please find enclosed the Estimated Outcome Statement which provides the estimated return to creditors for:

- ▲ Modular Prefab Solutions VIC Pty Ltd (In Liquidation);
- ▲ Richstone Administration Pty Ltd (In Liquidation);
- ▲ Richstone Australia Group Pty Ltd (In Liquidation);
- ▲ Richstone Plumbing Pty Ltd (In Liquidation);
- ▲ Richstone Plumbing VIC Pty Ltd in its own right and ATF Richstone Equipment Hire Trust (In Liquidation);
- ▲ Richstone VIC Pty Ltd (formerly Richstone Manufacturing & Equipment Hire Pty Ltd) (In Liquidation); and
- ▲ RSG Business Services Pty Ltd (In Liquidation)

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Annexure "C"

# Remuneration Request Approval Report

## **Richstone Plumbing Pty Ltd**

(In Liquidation)

ACN 104 934 358

("The Company")

20 September 2023

David Coyne and Peter Krejci  
Joint and Several Liquidators

BRI Ferrier Victoria Pty Ltd ABN 18 638 454 029

Level 10, 45 William Street, Melbourne VIC 3000

PO Box 521, Collins Street West VIC 8007

Phone (03) 9622 1800

Email: [info@brifvic.com.au](mailto:info@brifvic.com.au)

Website: [www.briferrier.com.au](http://www.briferrier.com.au)





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## 1 DECLARATION

We, David Coyne and Peter Krejci of BRI Ferrier have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of Richstone Plumbing Pty Ltd in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, in the conduct of the Liquidation.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration and disbursements claimed are necessary and proper.

## 2 EXECUTIVE SUMMARY

A summary of the remuneration approved in the Voluntary Administration of Richstone Plumbing Pty Ltd is provided below. We confirm that no remuneration has been approved with respect to the Liquidation of Richstone Plumbing Pty Ltd.

Period	Amount (\$, ex GST)
<b>Past remuneration and disbursements approved:</b>	
21 June 2023: Voluntary Administration Remuneration for the period from 3 March 2023 to 6 June 2023	\$153,938.00
21 June 2023: Voluntary Administration Remuneration for the period from 7 June 2023 to completion of the Voluntary Administration.	\$30,000.00
21 June 2023: Voluntary Administrator disbursements with a potential profit element for the period from the commencement to completion of the Voluntary Administration	\$500
<b>Total past remuneration and disbursements approved</b>	<b>\$183,938.00</b>
<b>Total past remuneration and disbursements drawn</b>	<b>\$172,599.00</b>
<b>Past Liquidator disbursements:</b>	
21 June 2023: Liquidator disbursements with a potential profit element for the period from the commencement to completion of the Voluntary Administration	\$500.00
<b>Total past disbursements drawn:</b>	<b>Nil</b>

Current Remuneration Approval Sought	Rates to Apply	To Be Drawn	Amount (\$, ex GST)
<b>Creditors Voluntary Liquidation</b>			
Resolution #1:  21 June 2023 to 14 September 2023	As provided in Remuneration Request Approval Report dated 20 September 2023	On a monthly basis or as required.	\$51,162.00
Resolution #2:  15 September 2023 to Completion of the Liquidation	As provided in Remuneration Request Approval Report dated 20 September 2023	On a monthly basis or as required.	\$98,100.00
<b>Liquidation Total</b>			<b>\$149,262.00</b>

We estimate that the total cost of this Liquidation will be \$149,262.

This differs to the estimate of costs provided in the estimated outcome statement provided in our Second Report to Creditors dated 14 June 2023, which estimated a cost to completion for the Liquidation of \$100,500, the following reasons:

- Greater than expected time incurred and to be incurred pursuing potential Liquidator recoveries such as unfair preferences.
- Greater than expected time to be incurred pursuing undertaking recovery procedures with respect to debtors.

We note that there may be further approval requests for our remuneration. Any further request will be dependent on the progress procedures relating to the recovery of retentions and voidable transactions.

### 3 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED

#### Resolution #1

Company	Richstone Plumbing Pty Ltd	Period From	21/06/2023	To	14/09/2023
Practitioner	David Coyne Peter Krejci	Firm	BRI Ferrier		
Administration Type	Creditors Voluntary Liquidation				

### 3.1 REMUNERATION FOR THE PERIOD 21 JUNE 2023 TO 14 SEPTEMBER 2023

Task Area	General Description	Includes
<b>Assets</b>  <b>20.5 hrs</b>  <b>\$ 10,800.00</b>	Plant and Equipment	Liaised with auctioneers  Liaised with VicRoads regarding transferring vehicles
	Debtors	Corresponded with debtors Reviewed and assessed debtors ledgers Reviewed debtor claims Liaised with solicitors regarding raised counter claims
	Other Assets	Corresponded with insurer regarding insurance claim  Reviewed documentation relating to insurance claim
	Leasing	Liaised with landlord regarding trading premises
<b>Creditors</b>  <b>15.3 hrs</b>  <b>\$ 6,051.00</b>	Creditor Enquiries	Received and followed up creditor enquiries by telephone Reviewed and prepared correspondence to creditors and their representatives by email and post
	Retention of Title/Purchase Money Security Interest Claims	Received initial notification of creditor's intention to claim
	Secured creditor reporting	Corresponded with secured creditors including responding to queries Reviewed secured creditor's position
	Creditor reports	Prepared Statutory Report to Creditors and annexures
	Dealing with proofs of debt	Receipted and filed Proofs when not related to a dividend
	Meeting of Creditors	Prepared and lodged of minutes of meetings with ASIC
<b>Employees</b>  <b>1.1 hrs</b>  <b>\$ 530.00</b>	Employees enquiry	Received and followed up employee enquiries by telephone
	Fair Entitlements Guarantee	Corresponded with FEG regarding assumption of employee entitlements

Task Area	General Description	Includes
<b>Investigation</b>  <b>75.6 hrs</b>  <b>\$ 30,953.00</b>	Conducting investigation	Collected and reviewed company's books and records  Undertook further investigations with respect to unfair preferences including reviewing bank statements and records relating to good faith defences
	Litigation / Recoveries	Prepared brief to solicitors regarding debtor counter claims  Liaised with solicitors regarding recovery procedures  Prepared correspondence including letters of demand with respect to recovery of unfair preferences
	ASIC reporting	Liaised with ASIC regarding statutory reports
<b>Dividend</b>  <b>1.3 hrs</b>  <b>\$ 325.00</b>	Processing proofs of debt	Adjudicated Proofs of Debt  Requested further information from claimants regarding Proofs  Prepared of correspondence to claimant advising outcome of adjudication
<b>Administration</b>  <b>8.8 hrs</b>  <b>\$ 2,503.00</b>	Correspondence	Prepared general correspondence to stakeholders
	Document maintenance/file review/checklist	Filed documents  Updated checklists
	Insurance	Corresponded with insurer regarding ongoing insurance requirements
	Bank account administration	Prepared bank account reconciliations
	ASIC Forms	Prepared and lodged ASIC forms including 505, etc
	ATO and other statutory reporting	Notified ATO of appointment  Prepared BASs
	Books and records / storage	Dealt with records in storage
<b>Total 122.6 hrs</b>	<b>Total Cost</b>	<b>\$51,162.00 (plus GST)</b>

## 4 CALCULATION OF REMUNERATION

The remuneration request is summarised by employee by area of activity on the following page.

Richstone Plumbing Pty Ltd (In Liquidation)  
For the period from 21 June 2023 to 14 September 2023

Name	Position	Charge Out Rate	Assets		Creditors		Employees		Investigations		Dividend		Administration		Grand Total	
			Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)
David Coyne	Principal	650.00	7.60	4,940.00	1.50	975.00	-	-	18.30	11,895.00	-	-	-	-	27.40	17,810.00
JM	Manager	500.00	10.20	5,100.00	6.70	3,350.00	1.00	500.00	16.60	8,300.00	-	-	1.30	650.00	35.80	17,900.00
BS	Senior Accountant 2	300.00	2.00	600.00	1.60	480.00	0.10	30.00	11.90	3,570.00	-	-	1.90	570.00	17.50	5,250.00
ST	Intermediate Accountant 1	250.00	0.20	50.00	1.20	300.00	-	-	28.40	7,100.00	1.30	325.00	1.70	425.00	32.80	8,200.00
BS	Intermediate Accountant 2	220.00	-	-	0.90	198.00	-	-	0.10	22.00	-	-	1.00	220.00	2.00	440.00
ST	Intermediate Accountant 2	220.00	-	-	-	-	-	-	-	-	-	-	0.50	110.00	0.50	110.00
RM	Intermediate Accountant 2	220.00	0.50	110.00	3.40	748.00	-	-	0.30	66.00	-	-	2.40	528.00	6.60	1,452.00
<b>Grand Total</b>			<b>20.50</b>	<b>10,800.00</b>	<b>15.30</b>	<b>6,051.00</b>	<b>1.10</b>	<b>530.00</b>	<b>75.60</b>	<b>30,953.00</b>	<b>1.30</b>	<b>325.00</b>	<b>8.80</b>	<b>2,503.00</b>	<b>122.60</b>	<b>51,162.00</b>
<b>Average Hourly Rate</b>				<b>526.83</b>		<b>395.49</b>		<b>481.82</b>		<b>409.43</b>		<b>250.00</b>		<b>284.43</b>		<b>417.31</b>

## Resolution #2

Company	Richstone Plumbing Pty Ltd	Period From	15/09/2023	To	Completion
Practitioner	David Coyne Peter Krejci	Firm	BRI Ferrier		
Administration Type	Creditors Voluntary Liquidation				

## 4.1 REMUNERATION FOR THE PERIOD 15 SEPTEMBER 2023 TO COMPLETION

Task Area	General Description	Includes
Assets 62 hrs \$22,300	Debtors	Corresponding with debtors in relation to the release of retentions Reviewing and assessing debtors ledgers Liaising with debt collectors and solicitors Attending to disputes with respect to defects, counter claims and liquidated damages claims
Creditors 43 hrs \$15,200	Creditor Enquiries	Receiving and following up creditor enquiries by telephone Reviewing and preparing correspondence to creditors and their representatives by email and post
	Creditor reports	Preparing statutory report to creditors and annexures, including Remuneration Approval Request Report
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend
Employees 23 hrs \$7,900	Employees enquiry	Receiving and following up employee enquiries by telephone Reviewing and preparing correspondence to creditors and their representatives by email and post
	Fair Entitlements Guarantee	Corresponding with FEG
	Employee dividend	Corresponding with employees regarding dividend Corresponding with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Preparing distribution Receipting Proofs Adjudicating Proofs

Task Area	General Description	Includes
<b>Investigation</b>  <b>97 hrs</b>  <b>\$39,900</b>	Conducting investigation	Undertaking further investigations with respect to insolvent trading and uncommercial transactions Preparing investigation file Lodging investigation with the ASIC Preparing and lodging supplementary report if required
	Litigation / Recoveries	Internal meetings to discuss status of litigation Undertaking recovery procedures with respect to unfair preferences Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
<b>Dividend</b>  <b>29.50 hours</b>  <b>\$9,700</b>	Processing proofs of debt	Preparing correspondence to potential creditors inviting lodgement of Proofs Receipt of Proofs Maintaining Proofs of Debt register Adjudicating Proofs of Debt Requesting further information from claimants regarding Proofs Preparing correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparing correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtaining clearance from ATO to allow distribution of company's assets Preparing dividend calculation Preparing correspondence to creditors announcing declaration of dividend Advertising announcement of dividend Preparing distribution Preparing dividend file Preparing payment vouchers to pay dividend Preparing correspondence to creditors enclosing payment of dividend
<b>Administration</b>  <b>10 hrs</b>  <b>\$3,100</b>	Correspondence	Preparing general correspondence to stakeholders
	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Bank account administration	Preparing correspondence closing accounts Preparing bank account reconciliations



Task Area	General Description	Includes
	ASIC Forms	Preparing and lodging ASIC forms including 505, etc
	ATO and other statutory reporting	Preparing BASs
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussing status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	<b>Total 264.5 hrs</b>	<b>Total Estimated Cost</b> <b>\$98,100 (plus GST)</b>

## 5 STATEMENT OF REMUNERATION CLAIM

We are seeking approval for the following resolutions from creditors:

### Liquidators' Remuneration Resolution #1

"That the remuneration of the Joint and Several Liquidators from 21 June 2023 to 14 September 2023 is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 20 September 2023 such sum to be fixed at the amount of \$51,162, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

### Liquidators' Remuneration Resolution #2

"That the remuneration of the Joint and Several Liquidators from 15 September 2023 to completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 20 September 2023 such sum to be capped at the amount of \$98,100, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

The total amount of remuneration sought with respect to this request is \$149,262.

If our time costs are less than the amount approved by creditors then we will only draw the lesser amount.

## 6 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 charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. We also intend to charge the ASIC Industry Funding levy, detailed below, as an internal disbursement.

The ASIC Industry Funding Model levy commenced on 1 July 2017. The levy is calculated per metric events including certain lodgements with ASIC and certain advertisements on the ASIC Public Notice Website ("PNW"). These include the following:

- Notice of meetings advertised on the PNW;
- Notice of intention to declare dividend on the PNW; and
- Notice of the outcome of a proposal to pass resolution without meeting lodged with ASIC.

In this Liquidation, we consider that we will incur the ASIC levy for the following metric events:

- New appointment for financial year ending 30 June 2023;
- Ongoing appointment for financial year ending 30 June 2024;
- Notice calling for formal proof of debt or claim; and
- Notice of intention to declare dividend on the PNW.

We will not be provided with an invoice for the exact amount of the fee for the year to 30 June 2023 until 2024.

Our current best estimate based on indications from ASIC is the fee will be calculated on a basis of \$125 per event and we are seeking creditor approval to recover these costs as internal disbursements with a potential profit element in accordance with the recommendations from our professional body, the Australia Restructuring Insolvency and Turnaround Association.

We have undertaken a proper assessment of disbursements claimed for the Liquidation of Richstone Plumbing Pty Ltd, in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.

To date, we have not drawn any disbursements in the Voluntary Administration or Liquidation.

We have undertaken a proper assessment of disbursements claimed for the Liquidation of Richstone Plumbing Pty Ltd, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

In respect of internal disbursements, to the extent that these may be recovered at more than their cost, they may be considered as deriving a profit or advantage and must therefore be approved by creditors, a committee of inspection (if one is appointed), or by the Court prior to them being drawn.

Future disbursements with a potential profit element derived by my firm will be charged to the administration on the following basis, subject to creditors' approval:

Disbursements with a profit element	Rate (excl GST) (\$)
ASIC Industry Funding Levy	\$125 per event
Printing and Photocopying	\$0.25 per page

We are not seeking any further approval of Liquidator disbursements with a potential profit element at this time.

## 7 LIKELY IMPACT ON DIVIDENDS

The Corporations Act 2001 sets the order for payment of claims against the company and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date,
- estimated future realisations,
- my estimated remuneration to complete the Liquidation and
- the estimated total of creditor claims based on the company's records and claims lodged now,

Please refer to our Report to Creditors dated 15 September 2023 for further details with respect to the estimated return to creditors.

## 8 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of our receipts and payments have been provided in our Report to Creditors dated 20 September 2023.

## 9 QUERIES

The above information is provided to assist creditors in considering the appropriateness of the remuneration claims that are being made.

Creditors should contact Mr Joshua May of the Joint and Several Liquidators' office on 03 9622 1800 or by email at [jmay@brifvic.com.au](mailto:jmay@brifvic.com.au) to seek further information concerning the remuneration claims if they need so.

## 10 INFORMATION SHEET

The ARITA has produced a document entitled "Creditor Information Sheet: Approving remuneration in external administrations" that can be downloaded from the ARITA website [www.arita.com.au](http://www.arita.com.au) or alternatively a copy can be obtained from this office.

## 11 ADVICE TO CREDITORS

### 11.1 REMUNERATION METHODS

There are four basic methods that can be used to calculate the remuneration charged by an insolvency Practitioner. They are:

- Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

- Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

- Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

- Contingency

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

### 11.2 METHOD CHOSEN

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

- It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of

assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

Given the nature of this Liquidation, we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Company assets or, if there are insufficient assets realised, to the indemnity provided to us (if any).
- It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 2024. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date.

### 11.3 EXPLANATION OF HOURLY RATES

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

HOURLY RATES		
Title	Description	Rate (excl GST)
Principal / Appointee	A Registered Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$650
Director	An accountant with more than 10 years' experience. May be a Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$570
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.	\$530
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills, and studying or has completed specialised study in Insolvency and Reconstruction. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$500
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.	\$400

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.	\$350
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.	\$300
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.	\$250
Intermediate 2	An accountant with less than 1 years' experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$220
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$200
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

### 11.3.1 Notes

- The abovementioned hourly rates are exclusive of GST.
- The above staff descriptions are intended a general guide only to the experience and qualifications of staff engaged in the external administration.
- Time is recorded and charged to the administration in six-minute increments.

## NOTICE OF PROPOSAL TO CREDITORS

Dated: 20 September 2023

Voting Poll Closes: 18 October 2023

**RICHSTONE PLUMBING PTY LTD**  
**(IN LIQUIDATION)**  
**ACN 104 934 358 ("the Company")**

**Proposal No. 1 for creditor approval**

"That the remuneration of the Joint and Several Liquidators from 21 June 2023 to 14 September 2023 is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 20 September 2023 such sum to be fixed at the amount of \$51,162, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

**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 Joint and Several Liquidators. Please select the option that applies to you:

- ☐ 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
- ☐ 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.

**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.
- The drawing of remuneration will reduce the funds available in the Liquidation.

**Creditor details**

*Name of creditor*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

**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 **4.00PM AEST on 18 October 2023**, by email to Joshua May at [jmay@brifvic.com.au](mailto:jmay@brifvic.com.au). Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER  
PO Box 521  
Collins Street West VIC 8007



## NOTICE OF PROPOSAL TO CREDITORS

Dated: 20 September 2023

Voting Poll Closes: 18 October 2023

**RICHSTONE PLUMBING PTY LTD  
(IN LIQUIDATION)  
ACN 104 934 358 ("the Company")**

**Proposal No. 2 for creditor approval**

"That the remuneration of the Joint and Several Liquidators from 15 September 2023 to completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 20 September 2023 such sum to be capped at the amount of \$98,100, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

**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 Joint and Several Liquidators. Please select the option that applies to you:

- ☐ 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
- ☐ 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.

**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.
- The drawing of remuneration will reduce the funds available in the Liquidation.

**Creditor details**

*Name of creditor*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

**Name of creditor /  
authorised person:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than **4.00PM AEST on 18 October 2023**, by email to Joshua May at [jmay@brifvic.com.au](mailto:jmay@brifvic.com.au). Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER  
PO Box 521  
Collins Street West VIC 8007

## 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](http://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](http://asic.gov.au) (search for "insolvency information sheets").

**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors).  
Specific queries should be directed to the external administrator's office.**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

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

- ☐ Modular Prefab Solutions VIC Pty Ltd
- ☐ Richstone Administration Pty Ltd
- ☐ Richstone Australia Group Pty Ltd
- ☐ Richstone Plumbing Pty Ltd
- ☐ Richstone Plumbing VIC Pty Ltd
- ☐ Richstone VIC Pty Ltd
- ☐ RSG Business Serviced Pty Ltd

1. This is to state that the company was, on 3 March 2023 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)

.....  
of (full address)

for \$..... dollars and ..... cents.

Particulars of the debt are:

Date	Consideration <sup>(3)</sup> state how the debt arose	Amount \$	GST included \$	Remarks <sup>(4)</sup> 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 <sup>(5)</sup>

☐ I am a related creditor of the Company <sup>(5)</sup>

relationship: .....

**If the form is being used for the purpose of voting at a meeting:**

Is the debt you are claiming assigned to you?

No ☐ Yes ☐

**If yes**, attach written evidence of the debt, the assignment and consideration given.

☐ Attached

**If yes**, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ .....

3A.<sup>(6)\*</sup> 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.<sup>(6)\*</sup> I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this ..... day of ..... 2023

Signature of Signatory.....

NAME IN BLOCK LETTERS.....

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	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.