



## STATUTORY REPORT TO CREDITORS

CASAB SERVICES PTY LTD (IN LIQUIDATION)

ACN: 156 397 385

ABN: 70 156 397 385 ("THE COMPANY")

T/AS RED FROG RECYCLING

6 March 2024

PETER KREJCI  
LIQUIDATOR

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## INTRODUCTION

I refer to my initial report to creditors dated 5 January 2024 in which my appointment as Liquidator of the Company was advised along with your rights as a creditor in the liquidation.

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

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

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

Creditors can find copies of all previous reports on this matter on our website.

- ▲ BRI Ferrier <https://briferrier.com.au/>

### COMPANY DETAILS

<b>Name</b>	Casab Services Pty Ltd (In Liquidation)
<b>Incorporated</b>	10 June 2021
<b>ACN</b>	650 941 076
<b>ABN</b>	41 650 941 076
<b>Registered Office</b>	24 Broughton Street Campbelltown NSW 2560
<b>Trading Address</b>	39 Rodeo Road Gregory Hills NSW 2557

### LIQUIDATOR

<b>Name</b>	Peter Krejci
<b>Date Appointed</b>	6 December 2023

### ADMINISTRATION CONTACT

<b>Name</b>	Sushma Mandira
<b>Email</b>	smandira@brifnsw.com.au
<b>Phone</b>	02 8263 2336

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## GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
Accountant	Bladen King & Associates
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
APM Recycling	Related Entity – APM Recycling Pty Ltd
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
BLA	Business Licence Agreement
CL	Court Liquidation
Company	Casab Services Pty Ltd (In Liquidation)
DCoT	Deputy Commissioner of Taxation
DEWR	Department of Employment and Workplace Relations
Director	Anthony Patrick Morrissey
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
FEG	Fair Entitlements Guarantee
FLV	Forced Liquidation Value
Firm	BRI Ferrier
iCare	Workers Compensation Nominal Insurer
IRN	Initial Remuneration Notice
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
NAB	National Australia Bank Limited
NSW	New South Wales
Petitioning Creditor	iCare
POD	Proof of Debt
PPSR	Personal Properties Securities Register
Red Frog Recycling	Related Entity – Red Frog Recycling Pty Ltd (In Liquidation)
RFAJM	Related Entity - RFAJM Services Pty Limited
ROCAP	Report on Company Activities and Property
Trading Premises	39 Rodeo Road, Gregory Hills, NSW 2557

## EXECUTIVE SUMMARY

As you are aware, I was appointed Liquidator of the Company on 6 December 2023, pursuant to an Order of the Supreme Court of Australia, on application by iCare.

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

The Company was incorporated on 10 June 2021 and provided labour hire services to APM Recycling under the trade name "Red Frog Recycling". The Company operated from leased premises at 39 Rodeo Road Gregory Hills NSW 2557 and employed twenty-three (23) staff as at the date of my appointment.

Following my appointment, I ran a public sale process seeking offers for the Company's business and its assets. In order to preserve the value of the business, I also entered into a Licence Agreement with RFJAM Services to continue trading the business for cash consideration of \$500.00 weekly. Whilst I received some interest for the Company's business, that interest did not advance to any offers to purchase same.

I have realised cash at bank funds of circa \$17K, and the Company has received indemnity funds of circa \$10K and \$4.5K in licence payments from RFJAM Services. My lawyers are following up the outstanding payments of \$2K owing by RFJAM Services pursuant to the Licence Agreement as at the date of this report. I have identified motor vehicles and plant & equipment which form other major realisable assets of the Company. However, a sale of these assets has not been pursued to date after I was advised by the Director's solicitor that the Director sought to have the Company enter into Voluntary Administration and thereafter propose a DOCA. My discussions with the Director are continuing in this regard. In terms of liabilities, my enquiries indicate that there are debts totalling \$2M, represented by priority creditor claims of \$145K, secured creditor claims of \$16K, and unsecured creditor claims of \$2M. The unsecured claims, consist of related party claims of at least \$1.79M and the claims have not been adjudicated upon to date. On review of the bank statements and discussions with the external accountant for the Company, I have formed the opinion that these debts have been incorrectly posted as a liability loan account in the Company's financials. Please refer to Section 9 of this report where I further detail the inaccuracies in the Company financial and management accounts.

I have conducted preliminary investigations of the Company's affairs and believe that the Company may have been insolvent from approximately June 2021 and there may be a potential insolvent trading claim against the Director of \$442K. I have also identified potential voidable transactions and/or breach of duty claims, unfair preference payments, unreasonable director related transactions and creditor defeating dispositions. However, my preliminary investigations into the Director's personal financial position suggest that he may not have the financial means to discharge any claims brought against him. As an alternative, a Liquidator can consider selling the cause of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. If creditors are interested, please contact this office by 22 March 2024.

Absent any funding, I may consider pursuing a commercial settlement of all potential claims identified against the Director.

In the near term, I intend to report my findings to ASIC pursuant to Section 533(1) of the Act. This report to ASIC is a legislative requirement in liquidations where potential offences and breaches of the Act by Directors and Officers of the Company have been identified and/or the estimated return to unsecured creditors is less than fifty (50) cents in the dollar.

At this stage, there have been minimal recoveries in the Liquidation, and I have been unable to discharge my professional costs in full. Any return to creditors is therefore contingent on pursuing and recovering the abovementioned potential claims against the Director, which may require obtaining further evidence and conducting further investigations.

Should any creditor have any relevant information which may assist my investigations or potential asset recoveries, **or wish to fund my further investigations**, they should contact my office by no later than **22 March 2024**. Otherwise, absent any substantive new information, the Liquidation may continue for the next six (6) to twelve (12) months.

## 1. BASIS OF REPORT

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

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

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

## 2. DISCLAIMER

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

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

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

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

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

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

### 3. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

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

### 4. CORPORATE INFORMATION

The following is a summary of the Company's statutory and business details obtained from the ASIC database and the Personal Property Securities Register ("PPSR") database:

#### 4.1 COMPANY DETAILS

<b>Company Name</b>	Casab Services Pty Ltd
<b>Registered Address</b>	24 Broughton Street Campbelltown NSW 2560
<b>Principal Place of Business</b>	24 Broughton Street Campbelltown NSW 2560
<b>Incorporation Date</b>	4 June 2021
<b>ACN</b>	650 941 076
<b>ABN</b>	41 650 941 076

#### 4.2 COMPANY OFFICE HOLDERS

Name	Position	Appointment Date	Cease Date
Anthony Patrick Morrissey	Director and Secretary	08/07/2019	Current

#### 4.3 SHAREHOLDERS

Name	Share Class	No. of Shares	Fully Paid Up	Status
Anthony Patrick Morrissey	ORD	50	Yes	Current

#### 4.4 RELATED PARTIES AND ASSOCIATES

A directorship search was undertaken in respect to the Company's Director and my investigations indicate that the Director held the following roles in other entities:



Company	Status	ACN	Position	Start Date	Cease Date
RFAJM Services Pty Ltd	Registered	673 521 705	Current Director / Secretary	08/12/2023	-
Recycling Education Super Pty Ltd	Registered	665 331 653	Current Director / Secretary	29/01/2023	-
Casab Services Pty Ltd	Registered (In Liquidation)	650 941 076	Current Director / Secretary	10/06/2021	-
APM Recycling Pty Ltd	Registered	650 534 857	Current Director / Secretary	27/05/2021	-
Casab Management Pty Ltd	Deregistered (Voluntary Deregistration)	650 555 892	Former Director / Secretary	27/05/2021	15/08/2021
Red Frog Recycling Pty Ltd	Registered (In Liquidation)	632 320 908	Current Director / Secretary	18/03/2019	-
Morrissey Superannuation Fund Pty Ltd	Deregistered (ASIC Strike Off Action)	623 403 109	Former Director / Secretary	13/12/2017	08/05/2022
Masters of the Ball Pty Ltd	Deregistered (Voluntary Deregistration)	600 486 002	Former Director / Secretary	2/07/2014	19/08/2018
Nepean Distributor Pty Ltd	Deregistered (Previously in Liquidation)	169 886 300	Former Director / Secretary	3/06/2014	23/07/2022
Go Logistics Pty Ltd	Registered	115 324 751	Former Director	18/07/2005	30/05/2014

## 5. LEGAL PROCEEDINGS

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

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

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

## 6. COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

The following information was obtained from the limited Company books and records received to date, enquiries with the Director, his advisors and information obtained from third parties.

- ▶ The Company was incorporated on 10 June 2021 and purchased the business name 'Red Frog Recycling' on 24 January 2023 (and other assets) from the Liquidator of Red Frog Pty Limited. The Company provides labour hire services to APM Recycling, a related entity that provides recycling services under a contract in relation to the "Return and Earn Scheme" operated by the NSW government.

- I understand that the Company acquired its assets as detailed in Section 10.1 of this report from Red Frog Recycling at or around the time Red Frog went into Liquidation on 19 July 2022. This was formalised by an invoice generated for the sale of assets from the Liquidator of Red Frog to the Company on 24 January 2023.
- The Company operated from leased premises at 39 Rodeo Road Gregory Hills NSW 2557 and was managed by the Director, Mr Anthony Patrick Morrissey and Ms. Kylie Howle.
- An ASIC Search of the Company disclosed Mr. Morrissey to be the sole Director and shareholder of the Company holding 50 ORD fully paid-up shares.
- Investigations into the historical directorships of the Director have revealed that Mr Morrissey was previously the Director of two failed entities - Red Frog Recycling Pty Ltd, that went into Liquidation on 19 July 2022, and Nepean Distributor Pty Ltd, that went into Liquidation on 13 August 2021.
- My investigations reveal that the Company was set up purely for the purpose of incurring expenses like wages, rent, lease, motor vehicle, and maintenance expenses under an arrangement with and for the benefit of RAFJM Services.
- It would appear that the Company did not maintain appropriate books and records such that the Company failed to meet its Workers Compensation insurance reporting obligations resulting in iCare issuing workers compensation premium assessments. The assessments were not paid by the Company resulting in significant interest penalties being accrued upon which iCare petitioned the Court to wind the Company up.
- The Director advised my staff that he was aware of the winding up proceedings and claimed that he had made attempts to terminate the winding up application prior to my appointment without success and the Company was wound up by the Court on 6 December 2023.
- The Director together with his accountant and solicitor have put forward a DOCA proposal that I have reviewed in conjunction with my lawyers. I have instructed my lawyers to liaise with the Director and his lawyers regarding the issues that will need to be actioned before I am in a position to recommended placing the Company into Voluntary Administration.

## 7. REASONS FOR FAILURE

In the Director's questionnaire and ROCAP, the Director has advised the reason for failure to be non-payment of outstanding debts with iCare.

Whilst I agree with the above, I also note the following additional causes of failure based on the investigations conducted to date:

- Poor financial control, including lack of records. As mentioned previously, the Company's management accounts had not been maintained for over two years prior to my appointment. Further, I have observed that the Company failed to lodge its wage declarations since 2022 and noticeably debts began accruing from around this time.

- ✦ Poor strategic management of business. I have identified the Company had acquired items of Plant and Equipment whilst statutory debts remained unpaid.

## 8. SALE OF BUSINESS CAMPAIGN

I refer to my report to creditors dated 5 January 2024 with respect to the discussion of the Company's business.

A BLA was entered into between the Company, being the licensor, and RFAJM Services, being the licensee, on 6 December 2023 following my appointment as Liquidator. I ran a public sale process seeking offers for the Company's business and its assets while the business continued trading under the BLA to preserve its value. A sale of business advertisement was placed in the Australian Financial Review on 12 January 2024, for which I received expressions of interest from two (2) unrelated parties. I requested a Confidentiality Agreement to be executed and returned prior to release of further information to external parties however neither party did so.

It was my view that securing a sale would have been an optimum outcome after reasonable efforts had been taken to preserve the value of the business via entering into the BLA with RAFJM Services. Regrettably, a sale of business was not achieved, and the Director expressed no interest in purchasing the business.

## 9. HISTORICAL FINANCIAL INFORMATION

I have reviewed the Company's management accounts for the years ending 30 June 2021 to 6 December 2023. Upon my appointment, the accountant advised the Company's Xero file had not been maintained for over two (2) years and there were no records being kept by the external accountant. Due to this, the Xero file had significant omissions with the iCare debt being considerably understated across the periods. Given the above, it appears that the figures contained in the Company's Xero file are unreliable and offer little insight into the true financial position of the Company. Notwithstanding, I have provided my commentary on the financial accounts below.

### 9.1 BALANCE SHEETS

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

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

- ✦ The Company's major asset was recorded as "Return and Earn Float" which recorded revenue earned from recycling services provided by the Company. The outstanding balance of the loan account increased significantly from \$2.2M as at 30 June 2022 to \$3.9M as at 30 June 2023. Conversations with the Accountant revealed that the 'Return and Earn Float' account recorded all expenses items incurred by the Company rather than recording it under the cost of goods sold account and/or expenses account.

- In respect of current liabilities, the accountant advised that funds recorded under 'APM transfers' account was recorded as "deposits" from APM Recycling whereas they should have rightfully been recorded as revenue for services rendered by the Company. I am further advised these funds were used by the Company to pay suppliers/customers for the recyclable items collection by the Company and/or paid to the Company under the Return and Earn Scheme by customers. The Company recorded this revenue as a liability which on the face of it showed a significantly deficiency in current assets over current liabilities. Further, it does not appear that any offset has been applied to this account when the Company handed over the inventory collected to APM Recycling.
- The Company's major external creditor is the DCoT, where the total statutory tax liabilities increased each financial year at a rate of over 45%. A review of the tax liabilities show statutory liabilities began to accrue from June 2021, and remained at circa \$100K until around June 2023. In my view, given the deficiencies in the accounts, the GST recorded on the balance sheets are not reliable and are not an accurate account of the statutory debts owed to the DCoT.

Given that the Director intends to propose a DOCA to the Company's creditors, I have requested that he update the financials of the Company to reflect an accurate position of the Company since incorporation together with bringing all of the company's lodgements with the DCoT up to date prior to advancing any discussions in this regard.

## 9.2 PROFIT AND LOSS STATEMENTS

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

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

- The Profit and Loss statements of the Company reflects its unmaintained records with no revenue being recorded from FY21 to FY23. This is clearly incorrect as the Company rendered labour/plant hire services to RFJAM Services.
- Whilst the Company Financial Statements recorded net profits after FY23, this appears incorrect given that the Company had not paid or accrued its statutory tax and insurance obligations, which means the financial results would have more than likely resulted in losses over these periods. As previously stated, the records of the Company appear unreliable and cannot be accepted as reflecting an accurate financial position of the Company.
- The Company's major expenses are wages and rent. Wages and salaries comprised 59% and 67% of total expenses during FY2023 and FY2024, respectively.

## 10. CURRENT FINANCIAL POSITION

Below is our analysis of the current financial position of the Company, with regard to the Director's SOA, available financial records and my enquiries to date.

	Ref No	ROCAP (\$)	Liquidators ERV (\$)
<b>Assets</b>			
Cash and Cash Equivalents	10.1.1	Nil	17,781.74
Motor Vehicles	10.1.2	78,000.00	88,006.97
Plant and Equipment	10.1.3	28,452.00	23,052.00
Intangible Asset	10.1.4	N/A	5,000.00
<b>Total assets</b>		<b>106,452.00</b>	<b>133,840.71</b>
<b>Liabilities</b>			
Petitioning Creditor Costs	10.2.1	8,434.50	8,434.50
Secured Creditors	10.2.2	16,000.00	15,993.03
Priority Creditors	10.2.3	145,404.00	95,988.00
Unsecured Creditors	10.2.4	2,099,387.00	2,097,754.76
<b>Total Liabilities</b>		<b>2,269,225.50</b>	<b>2,218,170.29</b>
<b>Estimated Net Asset / (Deficiency)</b>		<b>(2,162,773.5)</b>	<b>(2,084,329.58)</b>

## 10.1 ASSETS

### 10.1.1 Cash at Bank

On appointment, I made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. These enquiries along with the Company's management accounts revealed that the Company maintained three (3) bank accounts with NAB with a total credit balance of \$17,781.74 as at the date of appointment. I have recovered the sum of \$17K in full from the NAB.

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

### 10.1.2 Motor Vehicles

To date, I have identified three trucks with an estimated value of \$88K. In addition, through my enquiries with Hamilton Murphy, the Liquidator of Red Frog Recycling, I have been provided with a sale invoice which detailed that the Company purchased a BMW X3 from Red Frog Recycling during 2022. I have not located a BMW X3 at the Company's trading premises and external valuations conducted on the vehicle report an estimated value of approx. \$36K. I have additionally not noted any credits in the bank statements for sale proceeds should the vehicle have been sold to a third party. I have obtained confirmation from Transport NSW that the X3 is not registered in the Company's name. A vehicle purchase by the Company and registered in a third parties name does not grant the registered party ownership. Further enquiries are being made of the Director in relation to this vehicle.

### 10.1.3 Plant & Equipment

As discussed in my previous report, the Company held identified significant assets in the trading premises and I engaged O'Maras to perform a valuation on the equipment identified which included:

- ▲ Compressors
- ▲ Depot equipment
- ▲ Nally Bins
- ▲ Platform trolley
- ▲ Pressure Washer
- ▲ Bin Tipper
- ▲ Office Equipment

The valuation conducted produced a FLV of \$13K.

#### 10.1.4 Real Property

A search of the NSW Land Titles Office database reveals that the Company's registered office, principal place of business and the Director's registered address, 24 Broughton Street Campbelltown NSW 2560, is that of the Company's Accountant. My investigations have revealed the Company took an assignment of the lease of the trading premises located at '39 Rodeo Road Gregory Hills NSW 2559' from Red Frog Recycling, on 30 June 2022. The Director's solicitor has advised that the Director is currently liaising with the Landlord to continue occupying the premises.

#### 10.1.5 Intellectual Property

I understand that the Company currently holds intellectual property rights to the website 'Red Frog Recycling' and have valued it at \$5,000.

### 10.2 LIABILITIES

#### 10.2.1 PETITIONING CREDITOR COSTS

The Petitioning Creditor's costs in respect to this matter were determined by the Court at a fixed amount of \$8,434.50. Pursuant to Section 556(1)(b) of the Act, these costs are afforded a statutory priority over all other unsecured claims and costs incurred in the Liquidation, once expenses incurred in "preserving, realising or getting in" property of the Company are discharged. I have not discharged this liability.

#### 10.2.2 Priority Creditors

My investigations indicate outstanding employee entitlements as at the date of my appointment are as follows:

Entitlements	Unrelated Employee Claims \$	Related Employee Claims \$	Total \$
Superannuation	19,135.00	29,141.00	48,276.00
Annual Leave	67,691.00	21,244.00	88,935.00
Long Service Leave	3,709.00	4,484.00	8,193.00
<b>Total</b>	<b>90,535.00</b>	<b>54,869.00</b>	<b>145,404.00</b>

Employees are currently being paid by RFJAM Services under the license agreement. Under the proposed DOCA the employee entitlements would be assumed by RFAJM in the ordinary course of business. Should I not be provided a DOCA proposal that would allow me to place the Company into Administration, I will terminate all employees and advise them of their rights under FEG.

It should be noted that in the event of FEG providing employees with payments for outstanding entitlements, pursuant to Section 560 of the Act, FEG would subrogate into the position of employees who have had their entitlements paid. Employees may be eligible to apply to the Federal Government, which has established a safety net scheme known as FEG, for payment of outstanding employee entitlements. FEG is administered by the Department of Employment and Workplace Relations for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- ▲ The employee must be an Australian citizen or permanent resident (contact FEG for further details); and
- ▲ The end of their employment must be due to the insolvency of the employer; or have occurred less than six (6) months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- ▲ Up to thirteen (13) weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- ▲ Unpaid annual leave and long service leave;
- ▲ Up to a maximum of five (5) weeks unpaid payment in lieu of notice;
- ▲ Up to a maximum of four (4) weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- ▲ Outstanding superannuation entitlements;
- ▲ Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement or written contract of employment provides they are payable upon termination of employment; and

- Employee entitlements of the Directors and relatives of the Director as defined by the Corporations Act 2001.

To obtain further information, the Department may be contacted on 1300 135 040 or alternatively, please visit their website at: <https://www.dewr.gov.au/fair-entitlements-guarantee>.

### 10.2.3 Secured Creditors

A search of the PPSR indicates the following security interests registered over the Company's assets.

Registration Number	Secured Party	Start Date	Collateral Class
202110060018549	Leasewise Australia Pty Ltd	06/10/2021	Motor Vehicle
202110060018554	Leasewise Australia Pty Ltd	06/10/2021	Motor Vehicle
202208100037717	Lencrow Pty Ltd – Fork Force Australia Pty Ltd	10/08/2022	Motor Vehicle
202208100037738	Lencrow Pty Ltd – Fork Force Australia Pty Ltd	10/08/2022	Other Goods
202310050024073	Fork Force Australia Pty Ltd	05/10/2023	Motor Vehicle
202310050024104	Fork Force Australia Pty Ltd	05/10/2023	Other Goods

#### *Lease Wise Australia Pty Ltd*

Upon appointment, I wrote to Leasewise Australia Pty Ltd in relation to the Company's security interests and have received a discharge certificate for registration number 202110060018549 and mortgage schedule for registration number 202110060018554. In accordance with the BLA, the lease is to be paid in the ordinary course by RFAJM.

#### *Lencrow/Forkforce:*

Upon appointment, I wrote to Lencrow Pty Ltd/Fork Force Australia Pty Ltd in relation to the Company's security interests and have been provided with registration confirmations and a security agreement in relation to 202310050024073. I am currently liaising with Fork Force to confirm what the three (3) remaining security interest relate to.

### 10.2.4 Unsecured Creditors




#### *Unrelated Party Creditors*

My investigations indicate debts owed to unrelated party unsecured creditors as at the date of my appointment are as follows:



Unsecured Creditors	Liquidators' ERV \$
ATO	170,000.00
Other unrelated party unsecured creditors	110,792.76
<b>Total</b>	<b>280,792.76</b>

I provide my commentary on the above as follows:

-  The tax liabilities owed to the ATO at the date of our appointment disclosed in the ROCAP was for a sum of \$170K in respect of outstanding GST and PAYGW, which is less than the amounts recorded in the management accounts. The ATO have not lodged a claim in the Liquidation however there are outstanding tax lodgements, which are likely to increase the ATO's debt when they are lodged .
-  iCare lodged a POD in the amount of \$98,367.76 relating to unpaid insurance premiums since October 2022. As no actual declarations have been lodged for 2023, I believe that iCare's claim will increase upon provision of these figures.
-  The balance of the trade creditors includes minor debts incurred in the ordinary course of business.

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



#### *Related Party Creditors*

A review of the Company's management accounts indicates the related party creditors appears to be the Director and APM Recycling Pty Ltd (a related entity of which the Director is also the sole director). The management accounts reported debts totalling circa \$1.7M as at the date of my appointment and my review indicates there were regular transfers of funds between the related parties for operating the business. Please refer to Section 9.1 for my comments on this liability.

## 11. INVESTIGATIONS AND RECOVERY ACTIONS

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

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

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

## 11.1 INVESTIGATIONS UNDERTAKEN

During the course of my investigations, my staff and I have:

- Reviewed management accounts maintained electronically on Xero;
- Written to the relevant authorities requesting information required for investigations;
- Carried out ASIC and other searches available to me in relation to the Company;
- Ascertained by inquiring with the Director, and the Company's external accountant the history of the Company, the nature of its business and circumstances leading to its failure;
- Performed a review of the available bank statements to identify potential preferences, uncommercial transactions, and unfair loans (sections 588FA, 588FB, 588FD and 588FE of the Act).

## 11.2 BOOKS AND RECORDS

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

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

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

Upon my appointment, I requested the Company's Director and Accountant to deliver up the books and records of the Company to enable me to conduct an investigation into the affairs of the Company. Given that I was provided access to a Xero file with no source documentation to support the transactions recorded apart from bank statements obtained from NAB, I am of the view that the Company has not kept books and records in compliance with Section 286 of the Act.

## 12. FINDINGS AND RECOVERY ACTIONS

### 12.1 INSOLVENT TRADING

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

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

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

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

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

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

Based on my investigations conducted to date, it is my preliminary view that the Company may have been insolvent from around June 2021. The reasons for my assessment are as follows.

#### 12.1.1 Working Capital Analysis

- The working capital analysis has been based on a review of the Company's management accounts.
- Prima facie, there appears to have been insufficient working capital from the year ending 30 June 2021 to the date of my appointment. A summary is shown below.

	Year Ended 30-Jun-22	Year Ended 30-Jun-23	Period Ended 06-Dec-23
Working Capital Analysis	(\$)	(\$)	(\$)
Current Assets	-	2,270,748	3,980,146
Current Liabilities	46,023	3,573,934	6,156,022
<b>Net Working Capital</b>	<b>(46,023)</b>	<b>(1,303,185)</b>	<b>(2,175,876)</b>
<b>Current Asset Ratio</b>	<b>-</b>	<b>0.64</b>	<b>0.65</b>

#### 12.1.2 Indicators of Insolvency

- The Company failed to hold a current asset ratio (liquidity) above 1.00 from the years reported in the financial statements, which suggests the Company did not have sufficient working capital for these periods;
- The Company's tax debts and debts to iCare appear to have been outstanding since incorporation;
- An inability of the Company to produce timely and accurate financial information to record the Company's trading performance and financial position. The Company failed to maintain its books and records from inception leading up to my appointment and given the paucity of records available, I have deemed the Company's records to be largely incomplete and unreliable.

### 12.1.3 Assessment of Insolvency

In light of the above, I am of the view that the Company may have been insolvent since incorporation.

### 12.1.4 Potential Quantum of Claim

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Company was insolvent and remains outstanding. For the purposes of this Report, I have prepared a preliminary assessment of the claim, assuming the Company was insolvent since approximately July 2022.

I have completed a review of the Company's aged payables and determined that damages resulting from insolvent trading amount to \$442,197 excluding debts owed to related party creditors.

### 12.1.5 Defences available

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

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

I am not aware that any of the above defences available to the Director in relation to an insolvent trading claim, however it is incumbent upon the Director to raise such a defence.

### 12.1.6 Recovery of Claim

In respect of considering whether an insolvent trading claim could be pursued, a Liquidator would need to have regard to the financial positions of the potential defendant, being the Director.

A NSW Land Title search indicated that the Director does not appear to be the registered proprietor of any properties. The Director has also provided a statutory declaration in relation to his personal financial position which indicates he does not currently own any assets with substantial realisable value. As such, it is unlikely the Director would have the financial capacity to meet an insolvent trading claim should one be brought against him.

In the event an insolvent trading claim is pursued, it will require extensive investigations and funding to pursue the claim via litigation. As an alternative, a Liquidator can consider selling the cause of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. If creditors are interested, please contact this office **by 22 March 2024**. Absent any funding, I may consider pursuing a commercial settlement.

## 13. VOIDABLE TRANSACTIONS

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

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

### 13.1 UNFAIR PREFERENCES

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

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

The clawback provisions available to the Liquidator relate only to payments to unrelated parties made within six (6) months from the date of our appointment, if the Company is insolvent at that time, as the Relation Back Period (“RBP”).

I have reviewed the account statements for the Company’s bank accounts with NAB from June 2021 to appointment and have identified significant round-figure cash withdrawals of \$1.91M and online transfers of \$1.1M. As I have no evidence to confirm payments during the RBP period were made in the ordinary course of the business, I have identified these transactions to be potentially unfair preferences payments.

I have conducted a bank tracing request for a number of these transactions which I anticipate will be provided in the coming weeks.

### 13.2 UNCOMMERCIAL TRANSACTIONS (S588FB)

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

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

I have identified the transfer of the BMW to be an uncommercial transaction together with a creditor defeating disposition as the vehicle value at least \$36K and I have not noted any credits in the bank statements for receipt of sale proceeds. Further, I note the withdrawals of \$3M detailed in Section 13.1 above may also be considered as Uncommercial Transactions as defined under S588FB.

I have further identified payments of \$12K that appear to be of a personal nature, that could be uncommercial transactions. Further investigations are being undertaken in regard to these payments.

### 13.3 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

A transaction is an unreasonable Director-related transaction of the Company if:

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

As noted in 13.1 and 13.2, the transfer of motor vehicle to related parties and withdrawals of circa \$3M may also potential be Unreasonable Director Related transactions as defined under S588FDA. Further investigations are being undertaken in this regard.

### 13.4 UNFAIR LOANS (S588FD)

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

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

I have not identified any such transactions to date.

As previously discussed, the Director's personal financial position suggests he does not currently own any assets with substantial realisable value and as such it is unlikely the Director would have the financial capacity to meet any claims brought against him. As an alternative, a Liquidator can consider selling the cause of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. If creditors are interested, please contact this office **by 22 March 2024**. Absent any funding, we may consider pursuing a commercial settlement of all potential claims identified against the Director.

## 14. SUMMARY OF POTENTIAL OFFENCES

In summary, I consider there are various potential contraventions of the Act as follows:

Section	Potential Offence Identified	Summary of Offence
180	Failure to exercise reasonable care and diligence in discharge of Director's duties	<ul style="list-style-type: none"> <li>Insolvent Trading</li> <li>Non-Lodgment of Tax Obligations since incorporation</li> <li>Inadequate financial reporting mechanisms</li> <li>Transfer of the BMW X3</li> </ul>
181	Failure to act in good faith	<ul style="list-style-type: none"> <li>Transfer of the BMW X3</li> <li>Payments of a personal nature</li> </ul>
182	Improper use of position	<ul style="list-style-type: none"> <li>Transfer of the BMW X3</li> <li>Payments of a personal nature</li> </ul>
s286 (civil)	Failure to maintain adequate financial records	<p>My investigation via review of Xero records, the Company's bank statements and discussion with the accountant has revealed that the transactions have not been reconciled to the correct account and limited time was given to the accountant to prepare the Company's financials.</p> <p>In addition, the following records have not been submitted:</p> <ul style="list-style-type: none"> <li>The APM contract; and</li> <li>Records to match the relevant cash payments to the actual expense items.</li> </ul>
588G	Director's duty to prevent insolvent trading	As the Director has failed to prepare proper books and records pursuant to S286 of the Corporations Act, as per section 588E(4) of the Act, I have relied on a presumption of insolvency of the Company during the period of failure to maintain books and records.

## 15. RECEIPTS AND PAYMENTS

The receipts and payments up to date of this report are attached as "**Annexure B**".

## 16. ESTIMATED RETURN TO CREDITORS

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

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

At this stage, there have been minimal recoveries in the Liquidation, and I have been unable to discharge my professional costs in full. Any return to creditors is therefore contingent on pursuing and recovering the abovementioned potential claims against the Director, which may require obtaining further evidence and conducting further investigations. Absent any funding, I may consider pursuing a commercial settlement of all potential claims identified against the Director and unless there are significant recoveries from these claims, there will not be any dividends available for any class of creditors in this Liquidation.

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

## 17. REMUNERATION OF LIQUIDATOR

On 5 January 2023, I asked creditors to approve my retrospective and prospective remuneration of \$110,000.00 (excl. GST) which comprised of work completed for the period 6 December 2023 to 1 January 2024 for \$42,554.00 (excl. GST) and future work for the period 18 December 2023 to conclusion of the Liquidation for \$67,446.00 (excl. GST). Creditors approved both my retrospective and prospective fees on 29 January 2024.

I am now asking creditors to approve my further remuneration of \$50,000.00 (excl. GST)

Since the previous approval, additional time-costs have been incurred. It is my intention to seek creditor's approval for my remuneration incurred.

The additional time-costs that have been incurred for the period 6 December 2023 to 26 February 2024 are summarised as follows:

- ▲ Reviewing the Company bank statements in detail due to a lack of books and records.
- ▲ Recasting the financial accounts.
- ▲ Liaising with the Director and his adviser to finalise the BLA.
- ▲ Calculating the actual outstanding liabilities based on bank statements.



- ▶ Protracted discussions with the Director, his solicitor and accountant regarding potential sale of business, business licence agreement and DOCA proposal.

Creditors are referred to the following items set out at the Remuneration Approval Report attached as **Annexure E**:

- ▶ The hourly rates which also includes a guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation.
- ▶ The spreadsheet which sets out the calculation of remuneration by appointee, employee and position for the work undertaken by myself and my staff for the period 6 December 2023 to 29 February 2024.
- ▶ A summary sets out a general description of additional necessary work carried out for the period 1 March 2024 to conclusion of the Liquidation.

It is my intention to seek approval from creditors with respect to my remuneration incurred for the sum of \$50,000.00 for the period 6 December 2023 to the conclusion of the Liquidation in addition to any previously approved remuneration. I am seeking approval that will increase the previously approval approved by Creditors for the period I have been appointed as Liquidator of the Company. Attached as **Annexure F** is a copy of the Proposals without Meeting forms. These forms need to be returned to my office by **close of business, 28 March 2024**.

## 18. MATTERS OUTSTANDING

The outstanding matters in the administration are:

- ▶ Discussions with the Director and his advisors regarding the proposed DOCA;
- ▶ Lodgement of our confidential report pursuant to Section 533(1) of the Act and await response from ASIC;
- ▶ Consider commerciality of pursuing the Director with respect to the Director Loan;
- ▶ Consider commerciality of pursuing an insolvent trading claim;
- ▶ Consider further investigations (if necessary);
- ▶ Correspondence with creditors;
- ▶ Statutory lodgements and general administrative matter; and
- ▶ Finalise.

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

## 19. CONCLUSION

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

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

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

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

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

Any further reports will only be issued as considered appropriate.

Should you require assistance in completing the relevant forms or have any queries, please contact the admin contact listed at the start of the report.

Yours faithfully,

**CASAB SERVICES PTY LTD (IN LIQUIDATION)**



**PETER KREJCI**  
Liquidator

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**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "A"**

**Formal Proof of Debt**

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FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Casab Services Pty Ltd (In Liquidation) ACN 650 941 076 / ABN 41 650 941 076

1. This is to state that the company was, on 6 December 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 *(please attach documents to support your claim e.g. purchase orders, invoices, interest schedules)*:

Date	Consideration <sup>(3)</sup> state how the debt arose	Amount \$ (Incl. GST)	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: .....

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.

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

Contact Name: .....

Email Address: .....

DATED this ..... day of ..... 202...

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

Signature of Signatory .....

OFFICE USE ONLY

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

### Proof of Debt Form Directions

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

### Annexures

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

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The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the grey rectangle.

**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "B"**

**Summary of Receipts and Payments**

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## Summarised Receipts & Payments

### Casab Services Pty Ltd

(In Liquidation)

Transactions From 06 December 2023 To 06 March 2024

A/C	Account	Net	GST	Gross
36	Insurance (No GST)	4,149.60	0.00	4,149.60
74	Cash at Bank	17,781.74	0.00	17,781.74
89	Indemnity Funding	10,000.00	0.00	10,000.00
90	Business License Agreement	4,500.00	0.00	4,500.00
Total Receipts (inc GST)		\$36,431.34	\$0.00	\$36,431.34
35	Insurance	1,350.00	135.00	1,485.00
36	Insurance (No GST)	4,149.60	0.00	4,149.60
130	Agents/Valuers Fees (1)	1,800.00	180.00	1,980.00
167	Advertising Costs	1,768.18	176.82	1,945.00
Total Payments (inc GST)		\$9,067.78	\$491.82	\$9,559.60
Balance in Hand - By Bank Account				
212	Cheque Account			26,871.74
				\$26,871.74

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**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "C"**

**Comparative Balance Sheet**

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**Casab Services Pty Ltd (In Liquidation)**  
**ACN 650 941 076**  
**Balance Sheet**  
**Financial Year ended 30 June 2022 to 6 Dec 2023**

	End of Financial 30-Jun-22 (\$)	End of Financial 30-Jun-23 (\$)	End of Financial 06-Dec-23 (\$)
<b>ASSETS</b>			
<b>Current Assets</b>			
Accounts Receivable	-	1,376.00	42,876.00
Return and Earn Float	-	2,269,372.22	3,937,269.72
<b>Total Current Assets</b>	-	<b>2,270,748.22</b>	<b>3,980,145.72</b>
<b>Fixed Assets</b>			
Computer Equipment	-	77.23	13,054.01
Warehouse Equipment	-	7,050.00	7,050.00
<b>Total Non-Current Assets</b>	-	<b>7,127.23</b>	<b>20,104.01</b>
<b>TOTAL ASSETS</b>	-	<b>2,277,875.45</b>	<b>4,000,249.73</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	52,625.75	68,609.60	40,800.77
APM Transfers	-	3,342,407.16	5,721,894.65
Blue Bin Deposit	(429.00)	(877.00)	(1,009.00)
Business Fuel Loan	-	7,522.12	7,522.12
CASAB SERVICES MAIN ACCOUNT	-	19,314.04	12,273.21
GST	(4,638.82)	(52,675.37)	(73,704.54)
Owner Drawings	-	(26,711.90)	(52,781.60)
PAYG Withholdings Payable	-	151,640.00	225,166.00
Rounding	-	0.44	0.44
Superannuation Payable	-	61,029.36	45,402.43
Suspense	(1,534.51)	2,308.47	2,534.07
Vehicle Loan - EEH45A	-	(54,734.58)	(71,974.62)
Wages Payable - Payroll	-	56,101.18	299,897.94
<b>Total Current Liabilities</b>	<b>46,023.42</b>	<b>3,573,933.52</b>	<b>6,156,021.87</b>
<b>Non-Current Liabilities</b>			
A Morrissey Deposits	-	83,130.71	133,980.71
Loan	-	(65,195.66)	(151,933.13)
<b>Total Non-Current Liabilities</b>	-	<b>17,935.05</b>	<b>(17,952.42)</b>
<b>TOTAL LIABILITIES</b>	<b>46,023.42</b>	<b>3,591,868.57</b>	<b>6,138,069.45</b>
<b>NET ASSETS</b>	<b>(46,023.42)</b>	<b>(1,313,993.12)</b>	<b>(2,137,819.72)</b>
<b>EQUITY</b>			
Current Year Earnings / (Losses)	(46,023.42)	(1,267,969.70)	(824,326.00)
Retained Earnings	-	(46,023.42)	(1,313,993.12)
<b>TOTAL EQUITY</b>	<b>(46,023.42)</b>	<b>(1,313,993.12)</b>	<b>(2,138,319.12)</b>

**Working Capital Analysis**

	Year Ended 30-Jun-22 (\$)	Year Ended 30-Jun-23 (\$)	Period Ended 06-Dec-23 (\$)
<b>Working Capital Analysis</b>			
Current Assets	-	2,270,748	3,980,146
Current Liabilities	46,023	3,573,934	6,156,022
<b>Net Working Capital</b>	<b>(46,023)</b>	<b>(1,303,185)</b>	<b>(2,175,876)</b>
<b>Current Asset Ratio</b>	-	<b>0.64</b>	<b>0.65</b>

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**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "D"**

**Comparative Profit and Loss  
Statement**

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**Casab Services Pty Ltd (In Liquidation)**  
**ACN 650 941 076**  
**Comparative Profit and Loss Statements**  
**Financial Year ended 30 June 2022 to 6 Dec 2023**

	End of Financial 30-Jun-22 (\$)	End of Financial 30-Jun-23 (\$)	End of Financial 06-Dec-23 (\$)
<b>Income</b>			
Other Revenue	-	-	69,316.52
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>69,316.52</b>
<b>Less: Cost of Sales</b>			
Waste Management	-	5,596.18	18,065.04
<b>Total Cost of Sales</b>	<b>-</b>	<b>5,596.18</b>	<b>18,065.04</b>
<b>Gross Profit</b>	<b>-</b>	<b>(5,596.18)</b>	<b>51,251.48</b>
<b>Total Income</b>	<b>-</b>	<b>(5,596.18)</b>	<b>51,251.48</b>
<b>Expenses</b>			
Bank Fees	-	1,364.56	2,552.10
Cleaning	-	16,784.03	6,999.96
Consulting & Accounting	-	1,592.24	7,272.72
Equipment Hire	-	15,356.85	6,778.04
Freight & Courier	-	-	443.67
General Expenses	3,781.90	64,945.98	16,156.27
Gregory Hills Rent	-	204,465.76	23,636.45
Insurance	-	14,230.78	43,740.65
Legal expenses	-	5,586.20	4,454.54
Light, Power, Heating	-	10,000.10	10,000.10
Motor Vehicle Expenses	-	71,822.60	127,689.40
Repairs and Maintenance	-	783.63	3,040.01
Return and Earn Refund - Business Collections	1,759.98	-	(1,418.27)
Return and Earn Refund - Charity Collection	163.73	(5.46)	(50.91)
Return and Earn Refund - Home Collection	39,430.82	-	(18,909.11)
Return and Earn Refund - Schools Collection	886.99	-	-
Subscriptions	-	7,387.64	1,675.10
Superannuation	-	69,969.79	32,645.39
Telephone & Internet	-	19,730.23	7,488.05
Travel- International	-	-	6,699.92
Travel- National	-	10,181.21	7,348.13
Wages and Salaries	-	748,177.38	587,335.87
<b>Total Expenses</b>	<b>46,023.42</b>	<b>1,262,373.52</b>	<b>875,578.08</b>
Profit / (Loss) Before Income Tax	<b>(46,023.42)</b>	<b>(1,267,969.70)</b>	<b>(824,326.60)</b>
Income Tax Expense	-	-	-
<b>Profit / (Loss) After Income Tax</b>	<b>(46,023.42)</b>	<b>(1,267,969.70)</b>	<b>(824,326.60)</b>
<b>Retained Profits (Accum Losses) - Opening Balance</b>	<b>-</b>	<b>(46,023.42)</b>	<b>(1,313,993.12)</b>
<b>Less: Dividend Paid</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained Profits (Accum Losses) - Closing Balance</b>	<b>(46,023.42)</b>	<b>(1,313,993.12)</b>	<b>(2,138,319.72)</b>

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

**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "E"**

**Remuneration Approval Report**

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# Remuneration Approval Report

**Casab Services Pty Ltd**  
(In Liquidation)

ACN 650 941 076  
ABN 41 650 941 076

6 March 2024

Peter Krejci  
Liquidator

Novabrif Pty Ltd ABN 61 643 013 610  
Level 26, 25 Bligh Street, Sydney NSW 2000  
GPO Box 7079, Sydney NSW 2001  
Phone (02) 8263 2333  
Email: [info@brifnsw.com.au](mailto:info@brifnsw.com.au)  
Website: [www.briferrier.com.au](http://www.briferrier.com.au)



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## 1. EXECUTIVE SUMMARY

On 5 January 2024, I asked creditors to approve my retrospective and prospective remuneration of \$110,000.00 (excl. GST) which comprised of work completed for the period 6 December 2023 to 1 January 2024 for \$42,554.00 (excl. GST) and future work for the period 2 January 2024 to conclusion of the Liquidation for \$67,446.00 (excl. GST). Creditors have approved my retrospective and prospective fees on 29 January 2024.

I am now asking creditors to approve my further remuneration of \$50,000.00 (excl. GST).

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

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

I estimate the total cost of this Liquidation will be approximately \$160,000.00 (excl. GST). This has increased from my previous estimate of \$110,000.00 for the following reasons:

- Requests for the Director to complete a ROCAP and provide documents relating to the Company;
- Liaising with the Company's Accountant and the Director relating to the Company's affairs;
- Reviewing the Company bank statements in detail due to a lack of books and records;
- Recasting the financial accounts;
- Dealing with the Director and his lawyers regarding the finalisation of the Business Licence Agreement and potential discussions of a DOCA proposal;
- Engaging valuers to conduct a valuation on the assets identified at the Trading premises;
- Calculating the actual outstanding liabilities based on bank statements.

I anticipate that this is my final remuneration approval request. If further information is provided by creditors and additional work is required, then I will seek further remuneration approval from creditors as necessary in due course.

## 2. DECLARATION

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

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

## 3. REMUNERATION SOUGHT

The remuneration I am asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Future Work	6 December 2023 to conclusion	\$50,000.00	Provided in my Initial Remuneration Notice dated 6 December 2023	It will be drawn when approved and funds are available, and it is incurred
TOTAL		\$50,000.00 (Excl. GST)		

Details of work completed for the period 6 December 2023 to 29 February 2024 and future work to be undertaken for the period 1 March 2024 to conclusion are included in Schedule A.

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

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

#### 4. PREVIOUS REMUNERATION APPROVALS

The following remuneration approvals have previously been approved by creditors:

Means of Approval	For	Period	Amount Approved (excl. GST) (\$)	Amount Paid (excl. GST) (\$)
Proposal Without Meeting	Work completed	6 December 2023 to 1 January 2024	\$42,554.00	\$42,554.00
	Future Work	2 January 2024 to conclusion	\$67,446.00	\$67,446.00
	TOTAL		\$110,000.00	\$110,000.00

I am now seeking approval for a further \$50,000.00 (excl. GST) in the Liquidation which will bring the total remuneration claimed in the Liquidation to \$160,000.00 (excl. GST).

*A detailed explanation is at **Schedule E** of this report.*

#### 5. LIKELY IMPACT ON DIVIDENDS

The Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Liquidator have a priority ranking ahead of creditors.

I am unable to pay my remuneration without the approval of the Committee of Inspection, Creditors, or the Court. Approval by Creditors is efficient and timely and less costly than an application to the Court.



However, any dividend will ultimately be impacted by the realisations achieved by the Liquidator and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

## 6. SUMMARY OF RECEIPTS & PAYMENTS

A summary of the receipts and payments for the Liquidation as of 6 March 2024 is attached as **Annexure B** to the Statutory Report to Creditors.

## 7. QUERIES & INFORMATION SHEET

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

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

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

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

## 8. ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spends by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – Explanation where remuneration already approved

## SCHEDULE A – DETAILS OF WORK

Company	Casab Services Pty Ltd (In Liquidation)	Period From	1 March 2024	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
<b>Period</b>		<b>6 December 2023 to 29 February 2024</b>	<b>1 March 2024 to Conclusion</b>
<b>Amount to be approved (excl. GST)</b>		<b>\$110,896.00</b>	<b>\$50,000.00</b>
<b>Task Area</b>	<b>General Description</b>		
<b>Assets</b>		<b>22.0 hours \$12,945.00</b>	<b>\$7,500.00</b>
	Other Assets	Tasks associated with realising other assets Review motor vehicle documentation including payout confirmation	
	Sale of Business as a Going Concern	Liaising with Browns Advertising for the sale of business advert Liaising with Director Liaising with purchasers Internal meetings to discuss/review offers received	
	Debtors	Correspondence with debtors Reviewing and assessing debtors' ledgers	
	Plant and Equipment	Liaising with valuers, auctioneers Reviewing asset listings Liaising with Director regarding ownership of plant and equipment	Liaising with valuers, auctioneers
	Assets subject to specific charges	Conducted vehicle search to identify assets under Company's name Conducted vehicle buyer search to identify BMW Discussions with secured creditor regarding security interests against Trucks	All tasks associated with realising a charged asset

Task Area	General Description		
Creditors		<b>22.0 hours</b> <b>\$9,767.00</b>	<b>\$10,000.00</b>
	Creditor Reports	Preparing Initial Report by Liquidator Preparing annexures to support the Initial Report Preparing Statutory Report by Liquidator Preparing annexures to support the Statutory Report	Preparing and finalising Statutory Report Preparing and finalising annexures to support the Statutory Report
	Secured Creditor Reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries Request security documentation from secured creditor	Responding to secured creditor's queries Request security documentation from secured creditor
	Dealing with Proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend	Receipting and filing POD when not related to a dividend
	Proposals to Creditors	Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC	Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
	Creditor Enquiries	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Considering reasonableness of creditor requests	Receive and respond to creditor enquiries Maintaining creditor request log
Investigation		<b>160.2 hours</b> <b>\$65,497.00</b>	<b>\$10,000.00</b>
	Conducting Investigation	Conducting initial investigations in relation to the Company's business and affairs	Correspondence with bank regarding specific transfers Investigating bank traces conducted

Task Area	General Description		
		Conducting and summarising statutory searches Review of the Company's books and records to conduct investigations Review and preparation of narrative of business nature and history Preparation of adjusted comparative financial statements Conducting investigations to identify potential voidable transactions and consider potential recovery actions to be taken Preparation of investigation file Correspondence with bank regarding specific transfers	
	Litigation/Recoveries		Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions
	ASIC reporting	Preparing statutory investigation reports	Preparing statutory investigation reports
Trade On		<b>11.6 hours</b> <b>\$6,588.00</b>	<b>10,000.00</b>
	Trade on management	Liaising with management Attendance on site Liaising with Director regarding superannuation obligations Liaising with OSR regarding payroll tax issues Liasing with lawyers regarding the business licence agreement	Liaising with OSR regarding payroll tax issues
	Processing receipts and payments	Entering receipts and payments into accounting system	Entering receipts and payments into accounting system
	Budgeting and Reporting	Reviewing Company's financial statements Meetings to discuss trading position	Reviewing Company's financial statements Meetings to discuss trading position
Employees		<b>0.2 hours</b> <b>\$146.00</b>	<b>5,000.00</b>

Task Area	General Description		
	Other Employee Issues	Review of email from director to employees and lists regarding employees Correspondence with Child Support	
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and Company's books and records Reconciling superannuation accounts	
	Employees enquiries	Review and prepare correspondence to creditors and their representatives via facsimile, email and post Preparation of notice to employees advising of their entitlements and options available	Review and prepare correspondence to creditors and their representatives via facsimile, email and post Preparation of notice to employees advising of their entitlements and options available
	Workers compensation claims	Review insurance policies Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing workers compensation insurance requirements Correspondence with previous brokers	Identification of potential issues requiring attention of insurance specialists
Administration		<b>37.4 hours</b> <b>\$15,953.00</b>	<b>\$7,500.00</b>
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations	Bank account reconciliations
	Correspondence	Communication by phone and email when not related to the above matters	Communication by phone and email when not related to the above matters
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists

Task Area	General Description		
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurance broker regarding initial and ongoing insurance requirements Reviewing Insurance Policies	
	Planning/Review	Discussions regarding status of administration	Discussions regarding status of administration
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505, 507, 5022, 533, 5602/03 Correspondence with ASIC regarding statutory forms	Preparing and lodging ASIC forms including 505, 5022, 533, 5602/03 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS Quarterly Bank Reconciliations Correspondence with ATO Completing STP reporting obligations	Preparing BAS Quarterly Bank Reconciliations

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

Casab Services Pty Ltd (In Liquidation)  
ACN 650 941 076  
For the period 6 December 2023 to 29 February 2024

Staff Classification	Name	Hourly Rate \$	Administration Hrs \$	Assets Hrs \$	Creditors Hrs \$	Employees Hrs \$	Investigation Hrs \$	Trade On Hrs \$	Total Hrs	Sum of Net WIP \$
Appointee	Peter Krejci	730.00	4.2 3,066.00	5.4 3,942.00	- -	- -	- -	- -	9.6	7,008.0
Principal	David Cocker	730.00	5.6 4,088.00	6.3 4,599.00	4.2 3,066.00	0.2 146.00	13.4 9,782.00	6.3 4,599.00	36.0	26,280.0
Senior Manager	Katherine La	590.00	0.2 118.00	- -	- -	- -	- -	- -	0.2	118.0
Supervisor	Ethan Wang	480.00	3.4 1,632.00	6.3 3,024.00	6.1 2,928.00	- -	63.6 30,528.00	0.6 288.00	80.0	38,400.0
Senior 2	Joshua Coorey	380.00	1.7 646.00	1.2 456.00	- -	- -	- -	3.0 1,140.00	5.9	2,242.0
Intermediate 1	Sushma Mandira	330.00	9.5 3,135.00	2.8 924.00	10.1 3,333.00	- -	38.3 12,639.00	1.7 561.00	62.4	20,592.0
Intermediate 2	Mankirth Mandair	280.00	1.7 476.00	- -	- -	- -	44.3 12,404.00	- -	46.0	12,880.0
Intermediate 2	Zachary George	280.00	3.2 896.00	- -	1.4 392.00	- -	- -	- -	4.6	1,288.0
Senior Administration	Andrea Moulikova	240.00	- -	- -	- -	- -	0.6 144.00	- -	0.6	144.0
Senior Administration	Sarita Gurung	240.00	3.6 864.00	- -	- -	- -	- -	- -	3.6	864.0
Senior Administration	Sonia Stelmach	240.00	4.3 1,032.00	- -	0.2 48.00	- -	- -	- -	4.5	1,080.0
<b>Grand Total</b>			<b>37.4 15,953.00</b>	<b>22.0 12,945.00</b>	<b>22.0 9,767.00</b>	<b>0.2 146.00</b>	<b>160.2 65,497.00</b>	<b>11.6 6,588.00</b>	<b>253.4</b>	<b>110,896.00</b>
										GST 11,089.60
										Total (incl. GST) <b>121,985.60</b>
<b>Average rate per hour</b>			<b>426.55</b>	<b>588.41</b>	<b>443.95</b>	<b>730.00</b>	<b>408.85</b>	<b>567.93</b>		<b>437.63</b>

## SCHEDULE C – RESOLUTIONS

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

**Resolution 1: Liquidator's Remuneration for the period 6 December 2023 to Conclusion**

*"That the remuneration of the Liquidator, his partners and staff for the period 6 December 2023 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 5 January 2024 and approved to an interim cap of \$50,000.00 (excl. GST), and that the Liquidator be authorised to draw that amount as and when incurred."*

*[This area is intentionally left blank]*



## SCHEDULE D – DISBURSEMENTS

*Disbursements are divided into three types:*

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

I advise that, to date, I have paid the following disbursements incurred during this Liquidation out of BRI Ferrier:

### External Disbursements:

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

Disbursement Type	Rate	Amount (\$, excl GST)
Externally provided non-professional costs		
Roads and Maritime Services Search Fee	At cost	\$50.00
ABR Searches	At cost	\$763.99
Toll Charges	At cost	\$27.27
<b>TOTAL</b>		<b>\$841.26</b>

### *Internal Disbursements:*

*I am required to seek creditor approval for internal disbursements where there could be a profit or advantage. I have incurred the following internal disbursements to date:*

Disbursement Type	Rate	Amount (\$, excl GST)
Internal disbursements		
Staff Vehicle Use	In accordance with ATO mileage allowance	\$88.55
<b>TOTAL</b>		<b>\$88.55</b>

Creditors have previously approved payment of my disbursements in the amount of \$1,000.00. As I have sufficient approval remaining to draw any disbursements I may incur in the near future, I will not be seeking further approval from creditors for internal disbursements.

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

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

*[This area is intentionally left blank]*

## SCHEDULE E – EXPLANATION WHERE REMUNERATION ALREADY APPROVED

As detailed in Section 1 of this report, on 29 January 2024, creditors approved my retrospective remuneration totalling \$110,000.00 (excl. GST).

My remuneration has exceeded this cap, and, in this report, I am now seeking approval of a further capped amount of \$160,000.00 in respect of additional remuneration incurred/to be incurred.

To assist creditors with understanding how the total remuneration has incurred, the table below shows remuneration to date, including the current claim, divided by task categories.

Task	Fees already approved as at 6 March 2024 (excl. GST) \$	Approval sought for future work (excl. GST) \$	Total per task (excl. GST) \$
Assets	18,178.36	7,500.00	25,678.36
Creditors	17,215.04	10,000.00	27,215.04
Investigation	37,493.50	10,000.00	47,493.50
Employees	8,166.52	7,500.00	15,666.52
Trade On	14,700.06	7,500.00	22,200.06
Administration	14,246.52	7,500.00	21,746.52
<b>TOTAL</b>	<b>110,000.00</b>	<b>50,000.00</b>	<b>160,000.00</b>
Total remuneration previously approved			110,000.00
Difference (see table below for further explanation)			50,000.00
<b>Payment Reconciliation:</b>			
TOTAL (incl. amount claimed now)			160,000.00
Amount paid to date			-
<b>Amount outstanding (incl. amount claimed now)</b>			<b>160,000.00</b>

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

Task	Fees already approved as at 6 March 2024 (excl. GST) \$	Total task (from previous table) (excl. GST) \$	Difference \$	Reason for differences
Assets	18,178.36	25,678.36	7,500.00	Additional time has been incurred in relation to the following: - Search for unclaimed monies - Correspondence with banks - Requesting and reviewing bank statements for Company's pre-appointment account - Dealing with valuers

<b>Trade On</b>	14,700.06	24,700.06	10,000.00	Additional time has been incurred in relation to the following: - Attendance on site - Finalising Business Licence Agreement - Processing premium funding payments to pre-appointment insurance broker
<b>Creditors</b>	17,215.04	27,215.04	10,000.00	Additional time has been incurred in relation to the following: - Correspondence with creditors regarding Company's affairs - Preparing and finalising Statutory report to Creditors - Preparing and finalising annexures in support of Report to Creditors
<b>Investigation</b>	37,493.50	47,493.50	10,000.00	Further time costs have been incurred with respect to the following matters: - Conducting initial investigations in relation to the Company's business and affairs - Conducting investigations to identify potential voidable transactions and consider potential recovery actions to be taken - Conduct further investigation in relation to the date of insolvency - Conduct further investigation in relation to the insolvent trading claims and investigation of the Director's asset position
<b>Employees</b>	8,166.52	13,166.52	5,000.00	Additional time has been incurred in relation to the following: - Review workers compensation claims and wage declarations submitted over the years of trade - Reviewing employee files and Company's books and records - Calculating employee entitlements - Review and prepare correspondence to creditors and their representatives via facsimile, email and post
<b>Administration</b>	14,246.52	21,746.52	7,500.00	Additional time has been incurred in relation to the followings: - Preparing and lodging ASIC forms - Correspondence with Tax Office - Filing of documents - Monthly Bank Reconciliations - Discussion regarding status of liquidation, procedural requirements, priority milestones and future direction  Increase in Administration costs correlates

				highly with the length of time for which the Liquidation runs. Therefore, some more additional time is expected to be incurred leading up to the finalisation of the Liquidation
<b>TOTAL</b>	110,000.00	160,000.00	50,000.00	

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

**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "F"**

**Proposal without Meeting Forms**

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## NOTICE OF PROPOSAL TO CREDITORS

Dated: 6 March 2024

Voting Poll Closes: 28 March 2024

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**CASAB SERVICES PTY LTD (IN LIQUIDATION)**  
**ACN 650 941 076**  
**ABN 41 650 941 076**  
**("the Company")**

### Proposal No. 1 for creditor approval

*"That the remuneration of the Liquidator, his partners and staff for the period 6 December 2023 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Initial Report to Creditors dated 5 January 2024 and approved to an interim cap of \$50,000.00 (excl. GST), and that the Liquidator be authorised to draw that amount as and when incurred."*

### 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 liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

### Vote on the Proposal No. 1

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

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

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

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

**Creditor details**

*Name of creditor*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

☐

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

☐

I am a related creditor of the Company\*

relationship: \_\_\_\_\_

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

**Name of creditor  
/authorised person:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

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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 close of business on **28 March 2024**, by email to Sushma Mandira at [smandira@brifnsw.com.au](mailto:smandira@brifnsw.com.au). Should you have any queries in relation to this matter, please contact Sushma Mandira on (02) 8263 2322.

BRI FERRIER  
Level 26  
25 Bligh Street  
Sydney NSW 2000



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**BRI Ferrier**

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**Casab Services Pty Ltd**

**(In Liquidation)**

**ACN 650 941 076**

**ABN 41 650 941 076**

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**Annexure "G"**

**ARITA Information Sheet**

**Proposals without a Meeting**

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## 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.**

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**Annexure "H"**

**ARITA Information Sheet**

**Offences, Recoverable Transactions  
and Insolvent Trading**

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# Voluntary Administration

## Creditor Information Sheet

### Offences, Recoverable Transactions and Insolvent Trading



#### Offences

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

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

#### Recoverable Transactions

##### **Preferences**

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

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

##### **Creditor-defeating disposition**

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

### **Uncommercial Transaction**

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

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

### **Unfair Loan**

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

### **Arrangements to avoid employee entitlements**

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

### **Unreasonable payments to directors**

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

### **Voidable charges**

Certain charges over company property are voidable by a liquidator:

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

## **Insolvent trading**

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

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

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

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

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

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

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

**Queries about the voluntary administration should be directed to the administrator's office.**

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**Annexure "I"**

**ASIC Information Sheet**

**Insolvency Information for**

**Directors, Employees, Creditors and**

**Shareholders**

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**ASIC**

Australian Securities & Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

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

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

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

### List of information sheets

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

### Where can I get more information?

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

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