

Report to Creditors

under Insolvency Practice Rule 70-45

ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589

KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182

26 September 2019

Peter Krejci
Liquidator

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
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1 EXECUTIVE SUMMARY

As you are aware, at the meetings of creditors held on 4 August 2017, creditors resolved to appoint me as replacement Liquidator of ABT Enterprises Pty Ltd (In Liquidation) (“ABT”) and KEM Group Pty Ltd (In Liquidation) (“KEM”) (collectively referred to as “the Companies”). My appointment replaced the former Liquidators of the Companies, Brent Trevor-Alex Kijurina and Richard Albarran of Hall Chadwick (“the Former Liquidators”).

This report has been prepared jointly for the Companies in accordance with Rule 70-45 of the *Insolvency Practice Rules (Corporations) 2016* to provide creditors with an update on the conduct of the Liquidations and to convene concurrent Meetings of Creditors to be held at the offices of BRI Ferrier at 11:00AM on 11 October 2019. A Notice of Concurrent Meeting is attached as **Annexure “1”**.

I have provided herein an update on these Liquidations.

Creditors will recall that the Companies operated businesses which provided payroll services to clients. The Companies traded for a relatively short period of time, and my enquiries indicate that they incurred substantial debts with the Australian Taxation Office (“ATO”), predominantly in respect of Pay As You Go Withholding taxes from wages, that were not paid. The Companies have the same Director, Mr Yahya Alameddine, and appear to have been managed and/or controlled by the same individuals.

My preliminary view is that the Director and parties involved, established the Companies as part of a “scheme” as a means to defeat creditor interests, in particular the ATO. The “scheme” appears to be quite egregious and blatant, and has been a substantial focus of the work undertaken during the Liquidations to date.

Recently I conducted public examinations of the Director and various parties involved, the evidence gathered from which is currently being considered. However, my preliminary view is that the evidence obtained at the examination supports the existence of a “scheme”, the effect of which appears to have been:

- Establish the Companies, with a Director of limited financial capacity and no requisite skillset with payroll or relevant financial matters.
- Introduce clients with payroll obligations to the Companies, for the Companies to perform the payroll services for the clients, where the law requires that the party that actually pays the wages, to deduct the relevant PAYG.
- The Companies pay the net wages and superannuation to the client’s employees.
- However, the Companies never pay the ATO for the PAYG. Those funds are paid out of the Companies and recorded as loans to the Director, which may be unrecoverable. The records are largely incomplete, however, my enquiries indicate various parties may have benefited from this arrangement, all to the detriment of the ATO.
- The Companies are placed into Liquidation, within 1-2 years without ever having lodged the required tax returns. There appears to be a pattern of this behaviour which extends beyond the Companies.

The examinations ran over two and a half days, and from the evidence obtained, it appears that various parties may have been involved in the “scheme”. Again, I am still considering the evidence obtained, and given that the examinations were stood over for 6 months (which is normal), then further investigations may be undertaken.

I am currently in discussions with the ATO, as the major creditor and funder of recent work, to determine next steps in these Liquidations. This may involve further examinations, commencing litigation from Companies/Liquidator and/or prosecution by the Commonwealth.

To date there have been no asset realisations or recoveries in the Liquidations. All work has been undertaken by me and my firm “on spec” for the benefit of creditors. However, I have entered into a limited funding agreement with the ATO for the work related to the recent examinations. The examinations are likely to produce evidence that will assist in any recovery action to pursue, and therefore is in creditors interests to have been entered into. I will seek creditor approval of the funding agreement with the ATO at the forthcoming creditors meetings, in addition to my remuneration.

Very few records have been provided to me for the Companies affairs, which has made this matter difficult and more costly. The majority of my investigations have been based on records obtained through third parties or via the recent examinations. The Director has not provided a completed Report on Company Affairs and Property (“ROCAP”) for the Companies, and has been prosecuted by the Australian Securities and Investments Commission (“ASIC”) for this failure, where fines in the order of \$20K have been issued to date.

Any return to creditors will be dependent on successfully pursuing a recovery in respect of the aforementioned Directors loans and/or compensation from parties involved in the alleged “scheme”. I am unable to quantify a return to creditors or the timing of same at this stage. I note that the creditor pool is effectively represented by the ATO and therefore I may seek further funding from the ATO subject to the ATO’s position in respect of future strategy.

Given the suspected offences and breaches of the Act identified, I intend to seek funding from ASIC to prepare supplementary reports for these matters in the near term. My reporting with ASIC is confidential. I can confirm that ASIC have expressed an interest in these Liquidations, however, it is unclear at this time, what actions they may take, if any.

In summary, further work is required on these Liquidations and funding will be required. At this stage, it is unclear what return (if any) will be available for creditors (largely the ATO) from the Liquidations. Subject to ATO and ASIC’s views, I anticipate that the Liquidations will continue for the foreseeable future.

1.1 PREVIOUS REPORTS TO CREDITORS

This report should be read in conjunction with my previous reports to creditors in respect of the Companies dated:

- ▲ 3 November 2017;
- ▲ 10 August 2018; and
- ▲ 30 August 2018.

Copies of all of the above listed reports can be made available to creditors upon request.

1.2 PREVIOUS MEETINGS OF CREDITORS

I held separate meetings of creditors of the Companies on 20 November 2019.

The Former Liquidator held separate meetings of creditors of the Companies on 4 August 2017.

I understand minutes of those meetings have been lodged with ASIC.

I note that in 2018, creditors approved my remuneration and the ATO funding agreement by way of a postal ballot. I understand that method of seeking the approval of the incorporated resolutions was not the appropriate method, and therefore the outcome was invalid. Accordingly, I have convened the forthcoming creditor meetings to seek the approval of those resolutions. If those resolutions are not approved at that meeting, then I intend to apply to the Court for an order approving my costs incurred to date.

1.3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

Attached to my reports to creditors for the Companies dated 10 August 2019 were copies of my revised Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI"), both dated 10 August 2018 and which superseded my previous DIRRIs. Those revised DIRRIs were prepared to incorporate my entering a funding agreement with the ATO in relation to investigation the alleged "scheme". No circumstances have arisen since issuance of that report which would require me to prepare further revised DIRRIs.

1.4 DISCLAIMER

This Report and the statements made herein are based upon available books and records, information provided by the Company's Director, Advisors, 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.

In considering the options available to Creditors and in formulating my opinions, I have necessarily made forecasts and estimates of asset realisations and recoveries and the ultimate quantum of Creditors' claims against the Company where appropriate. These forecasts and estimates may change in due course as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Liquidator's best assessment in the circumstances, Creditors should note that the Company's ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in 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 forecasts, estimates and assessments made for the purposes of these Reports.

2 FUNDING & PUBLIC EXAMINATIONS

My investigations to date have identified that the Director and other parties have caused the Companies to enter into a “scheme” to defeat creditors, specifically the ATO.

Since my previous reports, I have now held public examinations of certain parties involved with the Companies and the alleged “scheme”. I am presently considering the evidence obtained, and as such, my findings reported herein are preliminary.

Certain details cannot be disclosed to creditors generally so as not to prejudice potential recoveries or prosecutions. Creditors will however be updated as and when required.

2.1 ATO FUNDING AGREEMENT

I negotiated a funding agreement with the ATO in order to thoroughly investigate the alleged “scheme”. The ATO funding agreement (Deed of Indemnity) was entered into on 23 October 2018 and provides limited funding for legal and my professional costs to facilitate the public examinations.

The funding agreement is currently capped at \$197,098 (inclusive of GST), however, this amount may be varied (increased or decreased) if the parties agree.

The funding agreement gives the ATO a right of recovery from the Liquidations for the funds advanced. However, it does not provide for any “premium” to be paid to the ATO. In this regard, the funding is economical and in the interests of creditors (again mainly represented by the ATO).

Pursuant to Section 477(2B) of the *Corporations Act 2001* (“the Act”), I seek approval from creditors for the ATO funding agreement, given that it extends longer than three months.

I have also engaged Craddock Murray Neumann Lawyers as my solicitors to run the examinations, the majority of whose costs will be paid via the ATO funding agreement. I also seek approval from creditors for my engagement of Craddock Murray Neumann Lawyers pursuant to Section 477(2B) of the Act, given that their engagement extends longer than three months.

2.2 PUBLIC EXAMINATIONS

On 24 July 2019, I obtained orders from the Federal Court to hold public examinations in respect of the Companies.

As part of that process, I obtained orders to produce documents from the following parties:

- National Australia Bank Limited ACN 004 044 937 (“NAB”);
- MYOB Australia Pty Ltd ACN 086 760 198 (“MYOB”);
- Macquarie Accountants Pty Ltd ACN 150 897 046 (“Macquarie Accountants”);
- Maxamize Scaffolding Pty Ltd ACN 608 991 162 (“Maxamize Scaffolding”);
- Excite IT Pty Ltd ACN 126 260 660 (“Excite IT”);
- RBK Corp Pty Ltd ACN 613 524 959 (“RBK Corp”);

- ▲ Elephants Foot Waste Compactors Pty Ltd ACN 001 378;
- ▲ ABT Holdings Pty Ltd ACN 620 501 797 (“ABT Holdings”); and
- ▲ Brent Trevor-Alex Kijurina and Richard Albarran.

NAB, MYOB, Macquarie Accountants, Maxamize, Excite IT, Hall Chadwick/Brent Trevor-Alex Kijurina and Richard Albarran produced certain documents ahead of the examinations. Further documents were produced by certain examinees at or as a consequence of the examinations.

Public Examinations were held in the Federal Court on 12, 13 and 18 September 2019 with Mr Alwyn Narayan of Craddock Murray Neumann acting for me in my capacity as Liquidator of the Companies. I attended the examinations with my staff.

The following persons were examined:

- ▲ Mr Bryan Saba (Director of Excite IT – client)
- ▲ Mr Michael Whitton (Former employee of Excite IT – client)
- ▲ Mr Andrew To’ofohe (Employee of Maxamize Scaffolding– client)
- ▲ Ms Jennifer Wolfgramm (Contractor to Macquarie Accountants)
- ▲ Mr Yahya Alameddine (Director of the Companies)
- ▲ Mr Hafez Alameddine (Principal of Macquarie Accountants)
- ▲ Mr Raed Kouayder (Director of RBK Corp)
- ▲ Mr Marcus Barber (Director of Maxamize Scaffolding – client)

I note that Mr Marcus Barber did not attend the examination as ordered, and therefore a warrant was issued for his arrest. On receipt of the arrest warrant, Mr Barber, attended Court and was examined on 18 September 2019.

All examinations have been stood over for six (6) months. As such, if further investigations are required and queries to be raised to these (or other) parties, they may be called back.

I have requested transcripts of the examinations be produced, and the examinees will be asked to certify same as a true record, in due course.

I am currently considering the evidence obtained, and I am liaising with ATO in respect of next steps for these Liquidations. This may include further examinations, litigation to pursue recoveries (including potential commercial settlement) and/or prosecution by regulators.

3 ESTIMATED RETURN TO CREDITORS

As discussed earlier, any return to creditors is contingent on successfully pursuing the Directors loan accounts and/or recoveries related to the alleged “scheme”. Those potential recovery actions have progressed as a result of the public examinations held, however no recoveries have been made to date and there is further work to do. At this stage, I am unable to estimate what return (if any) will be available to creditors, or a timeframe for same.

Regardless, I encourage any creditors who have not already done so, to lodge a POD together with relevant supporting documentation. A copy of the POD is attached as **Annexure “2”**.

4 LIQUIDATOR’S RECEIPTS AND PAYMENTS

Attached as **Annexure “4”** is a summary of my receipts and payments during the Liquidation period to 20 September 2019.

I am required to lodge a statement of account annually during the Liquidation. To date, I have not lodged same but will proceed to do so in accordance with the statutory timeframe. Creditors may inspect the lodged accounts in due course by contacting this office.

5 LIQUIDATOR’S REMUNERATION

I have undertaken a significant amount of work in these Liquidations, none of which has been paid to date. The majority of the work has related to my investigations into the Companies affairs and the alleged “scheme” to defeat creditors (in particular the ATO), which recently resulted in public examinations being held.

My remuneration has previously been approved by creditors by way of proposals (without a meeting), however ASIC has informed me that this is not appropriate for these Liquidations due to the transitional rules with the new legislation. As such, I have convened the forthcoming creditor meetings to seek approval of my remuneration and the ATO funding agreement.

My Remuneration Approval Report is attached as **Annexure “5”**. My Remuneration Report provides further detail about the remuneration sought.

The calculation of remuneration is based on the time spent by my staff and myself and is calculated in accordance with the schedule of hourly rates charged by my firm in the Advice to Creditors About Remuneration, attached as **Annexure “6”**.

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

- <https://asic.gov.au/regulatory-resources/insolvency/insolvency-information-for-directors-employees-creditors-and-shareholders/>
- https://www.arita.com.au/ARITA/Insolvency_help/Insolvency-explained.aspx

6 MEETING OF CREDITORS

A Meeting of Creditors of the Companies will be held concurrently on 11 October 2019 at 11:00AM. The formal Notice of Meetings is attached as **Annexure "1"** for your reference.

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

- Submit a Proof of Debt detailing your claim to be a Creditor and/or eligible employee Creditor. Proofs of Debt are enclosed as **Annexure "2"**. If you have previously provided a proof of debt and wish to supplement it, you may do so.
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which are attached as **Annexure "3"**, must be in accordance with Form 532. It is necessary for all Creditors to submit new proxies for these Meetings of Creditors. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each resolution.

Proxy forms or facsimiles thereof must be lodged at my office by 4:00 PM one (1) business day prior to the meetings. Where a facsimile copy of a proxy is sent, the original must be lodged with my office within seventy-two hours after receipt of the facsimile. An attorney of a Creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

7 TASKS REQUIRED IN THE LIQUIDATION

As detailed above, I anticipate that the following matters will be dealt with during the Liquidations moving forward, subject to funding and the outcome of recovery actions:

- Consider evidence obtained at the public examinations and prepare a report to ATO;
- Consider any further investigations required;
- Consider potential recovery actions available and pursue same, subject to funding;
- Prepare further reporting to ASIC pursuant to Section 533(2) of the Act, and seek funding from ASIC for same;
- Declare a dividend to creditors, subject to recoveries;
- Deal with and respond to creditor queries;
- Finalise investigations; and
- Lodge final statement of account with ASIC.

Should any creditor or interested party have any relevant information that they wish to provide me, they are requested to contact my office before 31 October 2019.

These liquidations may take some time to complete, given the complex nature of the issues involving the alleged scheme and the need for litigation. Subject to the intentions and funding from ASIC and the ATO, I anticipate that these Liquidations may take one (1) to two (2) years to complete.

8 CREDITORS' RIGHTS

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

Accordingly, I attach as **Annexure "7"** further information regarding 'Creditor Rights in Liquidations'.

9 FURTHER INFORMATION

I attached as **Annexure "8"** an ASIC information sheet entitled "Insolvency information for directors, practitioners, employees, creditors and investors". This publication provides basic information about the different types of external administrations, including Liquidation, and reference to further sources of information available on the ASIC website at www.asic.gov.au.

ARITA has issued a creditor information sheet "Offences, Recoverable Transactions and Insolvent Trading" providing further information about voidable transactions. This information sheet is attached as **Annexure "9"**.

Please note that I am not required to publish notices in the print media. ASIC maintains an online notices page for external administrators to publish notices in respect of the Company. Creditors are encouraged to visit <https://insolvencynotices.asic.gov.au> throughout the liquidation to view any notices which may be published by me in my capacity as Liquidator of the Companies. These notices include:

- ▲ notices relating to appointments
- ▲ notices of meetings of creditors
- ▲ notices calling for proofs of debt and intention to declare dividends

10 QUERIES

The BRI Ferrier staff member responsible for these liquidations is as follows:

- ▲ BRI Contact: Mr Luke O'Connor
- ▲ Phone: (02) 8263 2300
- ▲ Email: loconnor@brifnsw.com.au (preferred)
- ▲ Mailing: GPO Box 7079, Sydney NSW 2001
- ▲ Facsimile: (02) 8263 2399

Yours faithfully,

ABT ENTERPRISES PTY LTD (IN LIQUIDATION)

KEM GROUP PTY LTD (IN LIQUIDATION)



PETER KREJCI

Liquidator

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

BRI Ferrier

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "1"
Notice of Concurrent Meeting of
Creditors**

CORPORATIONS ACT 2001

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

NOTICE OF CONCURRENT MEETING OF CREDITORS

ABT ENTERPRISES PTY LTD (IN LIQUIDATION)
ACN 610 301 589

KEM GROUP PTY LTD (IN LIQUIDATION)
ACN 613 362 182

("THE COMPANIES")

NOTICE is given that a concurrent meeting of the creditors of the Companies will be held at the Offices of BRI Ferrier Level 30 Australia Square 264 George Street Sydney NSW 2000 on 11 October 2019 at 11:00a.m.

A G E N D A

1. To receive the Report of the Liquidator;
2. To consider and, if thought fit, approve the Deed of Indemnity with the Australian Taxation Office which exceeds three (3) months;
3. To consider and, if thought fit, approve the engagement of a solicitor which exceeds three (3) months;
4. To consider and, if thought fit, approve the remuneration of the Liquidator;
5. To consider and, if thought fit, approve the future remuneration of the Liquidator; and
6. Any other business that may be lawfully brought forward.

A person, or the proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred by the person, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the company.

Proxies to be used at the meeting should be given to me as Liquidator to the person named a convening the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D.

Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the company in accordance with IPR 75-85 and that claim has been admitted for voting purposes wholly or in part by the Liquidator.

Telephone conference facilities will be available at the meeting. Please note under Insolvency Practice Rules (Corporations) (IPR) 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than 9 October 2019 a written statement setting out:

- (a) the name of the person and of the proxy or attorney (if any); and
- (b) an address to which notices to the person, proxy or attorney may be sent; and
- (c) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

DATED this 26th day of September 2019.



PETER KREJCI
LIQUIDATOR

BRI FERRIER (NSW) PTY LTD
Level 30
Australia Square
264 George Street
Sydney NSW 2000

Telephone: (02) 8263 2300

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green and yellow diagonal graphic element to the right.

BRI Ferrier

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "2"
Formal Proof of Debt Forms**

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
ABT ENTERPRISES PTY LTD (IN LIQUIDATION)
ACN 610 301 589

To the Liquidator of ABT Enterprises Pty Ltd (In Liquidation),

1. This is to state that the Company was, on 17 July 2017 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾ (full name):

.....
('Creditor')

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

OR

☐ I am a related creditor of the Company ⁽⁵⁾
relationship:

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

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

DATED this day of 2019

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

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

Proof of Debt Form Directions

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

Annexures

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

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
KEM GROUP PTY LTD (IN LIQUIDATION)
ACN 613 362 182

To the Liquidator of KEM Group Pty Ltd (In Liquidation),

1. This is to state that the Company was, on 17 July 2017 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$dollars andcents.

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

OR

☐ I am a related creditor of the Company ⁽⁵⁾
relationship:

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

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

DATED this day of 2019

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

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

Proof of Debt Form Directions

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

Annexures

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

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

ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589

KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182

Annexure “3”
Appointment of Proxy Forms

APPOINTMENT OF PROXY
CREDITORS MEETING

ABT ENTERPRISES PTY LTD (IN LIQUIDATION)
ACN 610 301 589 ("the Company")

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 11 October 2019 at 11:00am, or at any adjournment of that meeting.	

Proxy Type: ☐ General ☐ Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution 1: <i>"Pursuant to Section 477(2B) of the Corporations Act 2001, that on behalf of the Company, the Liquidator was authorised to enter into the funding agreement with the Australian Taxation Office on 23 October 2018 as disclosed in the Liquidator's Report to Creditors dated 26 September 2019."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"Pursuant to Section 477(2B) of the Corporations Act 2001, that on behalf of the Company, the Liquidator was authorised to enter into an agreement with Craddock Murray Neumann as disclosed in the Liquidator's Report to Creditors dated 26 September 2019."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: <i>"That the additional remuneration of the Liquidator, his partners and staff for the period 4 August 2017 to 23 September 2019, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, be fixed and approved at \$151,593.00 (plus GST) and that the Liquidator be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark boxes with an "X"	For	Against	Abstain
Resolution 4: <i>"That the remuneration of the Liquidator, his partners and staff for the period 24 September 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, approved to an interim cap of \$50,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: <i>"That the Liquidator be allowed internal disbursements at the rates of charge annexed to the Liquidator's Remuneration Approval Report dated 26 September 2019, up to an amount of \$3,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2019.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
 certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

(3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

APPOINTMENT OF PROXY
 CREDITORS MEETING

KEM GROUP PTY LTD (IN LIQUIDATION)
 ACN 613 362 182 ("the Company")

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 11 October 2019 at 11:00am, or at any adjournment of that meeting.	

Proxy Type: ☐ General ☐ Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution 1: <i>"Pursuant to Section 477(2B) of the Corporations Act 2001, that on behalf of the Company, the Liquidator was authorised to enter into the funding agreement with the Australian Taxation Office on 23 October 2018 as disclosed in the Liquidator's Report to Creditors dated 26 September 2019."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"Pursuant to Section 477(2B) of the Corporations Act 2001, that on behalf of the Company, the Liquidator was authorised to enter into an agreement with Craddock Murray Neumann as disclosed in the Liquidator's Report to Creditors dated 26 September 2019."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: <i>"That the additional remuneration of the Liquidator, his partners and staff for the period 1 November 2017 to 23 September 2019, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, be fixed and approved at \$141,715.50 (plus GST) and that the Liquidator be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark boxes with an "X"

	For	Against	Abstain
Resolution 4: <i>"That the remuneration of the Liquidator, his partners and staff for the period 24 September 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, approved to an interim cap of \$50,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2019.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

(3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green and yellow diagonal graphic element to the right.

BRI Ferrier

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "4"
Liquidator's Summary of Receipts
and Payments**

Summarised Receipts & Payments

ABT Enterprises Pty Ltd

(In Liquidation)

Transactions From 04 August 2017 To 26 September 2019

A/C	Account	Net	GST	Gross
74	Cash at Bank	23,140.92	0.00	23,140.92
89	ASIC Funding	7,500.00	750.00	8,250.00
233	GST Clearing Account	2,292.00	0.00	2,292.00
240	Suspense Account	23,129.72	0.00	23,129.72
Total Receipts (inc GST)		\$56,062.64	\$750.00	\$56,812.64
132	Bank Charges	12.30	0.00	12.30
152	Liquidators Remuneration	28,449.59	2,844.96	31,294.55
153	Liquidators Expenses	1,979.34	197.93	2,177.27
240	Suspense Account	23,129.72	0.00	23,129.72
Total Payments (inc GST)		\$53,570.95	\$3,042.89	\$56,613.84
Balance in Hand - By Bank Account				
212	Cheque Account			198.80
				\$198.80

Summarised Receipts & Payments

Kem Group Pty Ltd

(In Liquidation)

Transactions From 04 August 2017 To 26 September 2019

A/C	Account	Net	GST	Gross
89	ASIC Funding	7,500.00	750.00	8,250.00
Total Receipts (inc GST)		\$7,500.00	\$750.00	\$8,250.00
152	Liquidators Remuneration	7,500.00	750.00	8,250.00
Total Payments (inc GST)		\$7,500.00	\$750.00	\$8,250.00
Balance in Hand - By Bank Account				
213	Cheque Account			0.00
				\$0.00

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.

ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589

KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182

Annexure "5"
Remuneration Approval Reports

Remuneration Approval Report

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

26 September 2019

PETER KREJCI
Liquidator

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier 

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1 DECLARATION

I, Peter Krejci, of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of ABT Enterprises Pty Ltd (In Liquidation) in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

2 EXECUTIVE SUMMARY

Below is a summary of the total remuneration incurred and approved to date in respect of the Liquidation:

Past remuneration approved:	Amount Approved (\$, ex GST)
4 August 2017 to 31 October 2017	24,344.50
Total	24,344.50

This remuneration report details approval sought for the following fees:

Current remuneration approval sought:	Report Ref	Amount (\$, ex GST)
Resolution [1]: For the period 1 November 2017 to 23 September 2019, not previously approved	3.1	\$151,593.00
Resolution [2]: For the period 24 September 2019 to Conclusion	5.1	50,000.00
Total		\$201,593.00

I refer to my Report to Creditors dated 10 August 2018, and note that in seeking creditors' approval of my addition remuneration, I have dealt with the following major tasks which were not included in my initial estimate:

- Liaising with and instructing my solicitor with respect to locating and serving various examinees with examinations summonses and notices to produce;
- Additional time spent attending to obtaining pre-appointment Company banking records.
- Attendance at examinations for a further half day as a result of one examinee failing to attend court as originally required;

- Seeking and obtaining an order for an arrest warrant in relation to the one examinee who did not present to court as required.
- Additional attendances with my solicitors all in relation to the public examinations.

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

3 DESCRIPTION OF WORK COMPLETED

Company	ABT Enterprises Pty Ltd (In Liquidation)	Period From	4 August 2017	To	23 September 2019
	Practitioner		Peter Krejci		Firm
	Administration Type	Creditors' Voluntary Liquidation			

3.1 REMUNERATION FOR THE PERIOD 4 AUGUST 2017 TO 23 SEPTEMBER 2019

Task Area	General Description	Includes
Administration 73.7 Hours \$21,419.00 (excl. GST)	Correspondence	General correspondence. Correspondence with Company's accountant and former liquidators to collect Company's books and records and Report as to Affairs.
	Document maintenance/file review/checklist	Filing of documents. File reviews.
	Bank account administration	Preparing correspondence opening liquidation account and close pre-appointment account. Requesting bank statements. Preparing receipt and payment vouchers. Updating cashbook. Requesting bank statements. Monthly bank reconciliations.
	ASIC forms and other forms	Preparing and lodging ASIC forms including 524 and 505.

Task Area	General Description	Includes
	ATO and other statutory reporting	Notification of appointment. Preparing Business Activity Statements.
	Insurance	Correspondence with insurance broker regarding appropriate insurance cover for the Company's assets.
	Planning / Review	Discussions regarding status of liquidation.
Creditors 54.0 Hours \$17,910.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone and email. Review and prepare correspondence to creditors and their representatives by email or post. Attend to enquiries from the ATO.
	Creditor Reports	Preparing Statutory Report to Creditors and related annexures. Mail out of Statutory Report to creditors. Preparing further Report to Creditors regarding update on investigations and related annexures.
	Dealing with Proofs of Debt	Preparing and sending correspondence to creditors requesting further supporting documentation for their proofs. Preparing and sending Form 537s to relevant creditors – Notice of Rejection of Proofs.
	Meeting of Creditors	Preparation and attendance at Meeting of Creditors. Prepared and lodged minutes of meeting.
	Proposals to Creditors	Preparing proposal notices and voting forms. Forward notice of proposals to all known creditors. Reviewing votes and determining outcome of proposals. Preparation and lodgement of proposal outcomes.

Task Area	General Description	Includes
Employees 7.8 Hours \$2,099.00 (excl. GST)	Employee Enquiries	<p>Receive and follow up employee enquiries by telephone and email.</p> <p>Review and prepare correspondence to employees and their representatives by email or post.</p>
Investigation 286.0 Hours \$134,509.50 (excl. GST)	Conducting investigations	<p>Telephone discussions with identified employees regarding the history and structure of the Company.</p> <p>Collection of Company books and records from the Company's accountant.</p> <p>Collection of Company books and records from the Former Liquidators.</p> <p>Analysis of Company's banking records.</p> <p>Reviewing Company's books and records.</p> <p>Conducting and summarising statutory searches.</p> <p>Peruse information provided by the ATO.</p> <p>Preparation of investigation file.</p> <p>Ordering bank transaction traces.</p> <p>Analysing bank trace results.</p> <p>Analysing books and records of the Company in regards to scheme.</p> <p>Physical attendance at public examinations in the Federal Court of Australia.</p>
	ASIC Reporting	<p>Preparation and lodgement of ASIC Form 533.</p> <p>Preparation of Prosecution statement sent to ASIC.</p> <p>Preparation of ASIC Form EX03 – request for funding.</p> <p>Prepare second prosecution statement of Director.</p> <p>Report to ASIC on Director prosecution.</p> <p>Review of ASIC funding agreement in regards to potential Director Banning.</p>
	Examinations	<p>Internal discussions regarding preparation for public examination.</p> <p>Preparing brief to solicitors.</p>

Task Area	General Description	Includes
		<p>Reviewing originating process and affidavit for public examination.</p> <p>Considering notices to produce issued to Director and other various parties.</p> <p>Reviewing evidence/material in regards to the public examination of the Director and other parties.</p> <p>Teleconferences and meetings with solicitors regarding preparation for public examination.</p> <p>Physical attendance at public examinations in the Federal Court of Australia.</p> <p>Reporting to ATO regarding outcome of examinations and further actions.</p>
	Litigation / Recoveries	<p>Prepared and submitted funding request to ATO for further investigations and public examinations.</p> <p>Liaising with ATO regarding funding agreement.</p> <p>Settling and entering into Deed of Indemnity with ATO.</p>
Total Hours: 421.5 Total: \$175,937.50 (excl. GST)		

I note that of the above amount, \$24,344.50 (excl. GST) was previously approved by creditors.

My professional costs incurred for the period 4 August 2017 to 23 September 2019 exceeded the previously approved amount. At the forthcoming meeting, I intend to seek approval from creditors for the additional remuneration in respect of this period.

4 CALCULATION OF REMUNERATION

ABT Enterprises Pty Ltd (In Liquidation)
ACN 610 301 589
For the Period 4 August 2017 to 23 September 2019

Staff Classification	Name	Rate	Administration		Creditors		Employees		Investigation		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Peter Krejci	\$680.00							45.0	30,600.00	45.0	30,600.00
Principal	Geoffrey Granger	\$650.00	0.1	65.00							0.1	65.00
Principal	John Keenan	\$650.00	0.3	195.00	1.5	975.00			14.0	9,100.00	15.8	10,270.00
Appointee	Peter Krejci	\$650.00	1.2	780.00					52.6	34,190.00	53.8	34,970.00
Director	Geoffrey Granger	\$570.00	0.9	513.00	0.1	57.00			0.1	57.00	1.1	627.00
Director	John Keenan	\$570.00							1.9	1,083.00	1.9	1,083.00
Director	Geoffrey Granger	\$540.00	1.8	972.00	2.1	1,134.00			4.9	2,646.00	8.8	4,752.00
Manager	Carol Cheng	\$505.00	0.1	50.50					0.1	50.50	0.2	101.00
Manager	Katherine La	\$505.00							0.1	50.50	0.1	50.50
Consultant	James Sekhas	\$425.00	0.1	42.50							0.1	42.50
Supervisor	Jack Sampson	\$420.00	1.7	714.00	2.0	840.00			17.3	7,266.00	21.0	8,820.00
Supervisor	Katherine La	\$420.00			0.1	42.00					0.1	42.00
Supervisor	Jack Sampson	\$400.00	7.8	3,120.00	14.1	5,640.00	0.7	280.00	54.0	21,600.00	76.6	30,640.00
Senior 1	Luke O'Connor	\$360.00	1.1	396.00	0.6	216.00			22.7	8,172.00	24.4	8,784.00
Senior 1	Isabella Allen	\$360.00							1.5	540.00	1.5	540.00
Senior 1	Teresa Zhang	\$360.00	0.2	72.00							0.2	72.00
Senior 1	James Sekhas	\$340.00	1.6	544.00			0.4	136.00	2.8	952.00	4.8	1,632.00
Senior 1	Teresa Zhang	\$340.00			0.6	204.00					0.6	204.00
Senior 1	Tom Watson	\$340.00	2.0	680.00							2.0	680.00
Senior 2	Andrew Coles	\$290.00	5.9	1,711.00	14.4	4,176.00	0.2	58.00	24.1	6,989.00	44.6	12,934.00
Senior 2	Andrew Coles	\$275.00	0.3	82.50	1.8	495.00			0.3	82.50	2.4	660.00
Senior 2	Teresa Zhang	\$275.00	0.2	55.00							0.2	55.00
Intermediate 1	Zen Taureka	\$260.00	2.9	754.00							2.9	754.00
Intermediate 1	Andrew Coles	\$250.00	16.8	4,200.00	15.6	3,900.00	6.5	1,625.00	43.9	10,975.00	82.8	20,700.00
Intermediate 1	Zen Taureka	\$250.00	0.2	50.00							0.2	50.00
Intermediate 2	Clair Daher	\$235.00	0.9	211.50							0.9	211.50
Intermediate 2	Karen Enriquez	\$235.00	0.9	211.50							0.9	211.50
Intermediate 2	Liam Toohey	\$235.00	0.4	94.00							0.4	94.00
Intermediate 2	Patrick Mao	\$235.00	0.2	47.00							0.2	47.00
Intermediate 2	Xiaoyan Lin	\$235.00	2.0	470.00							2.0	470.00
Intermediate 2	Xiaoyan Lin	\$225.00	0.7	157.50							0.7	157.50
Intermediate 2	Zen Taureka	\$225.00	2.8	630.00							2.8	630.00
Intermediate 2	Xiaoyan Lin	\$225.00	12.6	2,835.00							12.6	2,835.00
Intermediate 2	Zen Taureka	\$225.00	3.6	810.00					0.4	90.00	4.0	900.00
Senior Administration	Jessica Mula	\$220.00	0.3	66.00					0.3	66.00	0.6	132.00
Senior Administration	Sonia Stelmach	\$220.00	1.6	352.00							1.6	352.00
Senior Administration	Vivienne McCarthy	\$220.00	1.3	286.00							1.3	286.00
Senior Administration	Jessica Mula	\$210.00	0.7	147.00	1.1	231.00					1.8	378.00
Senior Administration	Sonia Stelmach	\$210.00	0.5	105.00							0.5	105.00
Total			73.7	21,419.00	54.0	17,910.00	7.8	2,099.00	286.0	134,509.50	421.5	175,937.50
Less: previously approved												(24,344.50)
Additional amount sought												151,593.00
GST												15,159.30
Total (incl. GST)												166,752.30
Average rate per hour				290.62	331.67		269.10		470.31		417.41	

5 DESCRIPTION OF WORK TO BE COMPLETED

Company	ABT Enterprises Pty Ltd (In Liquidation)	Period From	24 September 2019	To	Conclusion
	Practitioner		Peter Krejci		
Administration Type	Creditors Voluntary Liquidation				

5.1 REMUNERATION FOR THE PERIOD 24 SEPTEMBER 2019 TO CONCLUSION

Task Area	General Description	Work completed
Assets \$7,000.00 (excl. GST)	Other Assets	Further Investigations into Company's financials regarding director loan account. Further Investigations into Company's financials regarding Trade Debtor account. Correspondence with legal representatives regarding collection of director loan account/Trade Debtor (if required).
Creditors \$10,000.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone. Review and prepare correspondence to creditors and their representatives by facsimile, email or post.
	Concurrent Meeting of Creditors	Preparation and attendance at concurrent Meeting of Creditors. Prepare and lodge minutes of meeting.
	Creditor reports	Prepare further Report to Creditors regarding update on investigations and public examinations. Preparing annexures for further Report. Mail out of creditor's report to all known creditors. Prepare further Report to Creditors regarding update on Liquidation.
	Dealing with proofs of debt	Process proof of debt claims received when not related to a dividend.

Task Area	General Description	Work completed
Investigation \$30,000.00 (excl. GST)	Litigation / Recoveries	Prepare information for solicitors to be used in proceedings against Director and/or other parties (as necessary). Preparing brief to solicitors. Liaising with solicitors regarding recovery actions. Commence legal proceedings against various parties (as necessary). Internal meetings to discuss status of litigation. Attending to negotiations. Attending to settlement matters (as necessary).
	Examinations	Review documents in regards to the public examination of the Director and other parties. Liaising with solicitors regarding examinations. Reviewing examination transcripts Liaising with solicitors and ATO regarding outcome of examinations and further actions available
	Conducting investigations	Review Company's books and records not previously received. Updating investigation file with new information gathered. Conduct further investigations into the Company's scheme and relevant parties involved in scheme.
	ASIC Reporting	Further reporting to ASIC with update of investigations (if required).
Administration \$3,000 (excl. GST)	Correspondence	General correspondence.
	Document maintenance/file review/checklist	Filing of documents. File reviews. Updating checklists.
	Bank account administration	Updating cashbook. Preparing receipts and payment vouchers. Monthly bank account reconciliations. Preparing correspondence closing bank account.
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524 and 5601.
	ATO and other statutory reporting	Notification of ceasing to act Preparing Business Activity Statements
	Finalisation	Tasks associated with finalisation of the liquidation.
Total: \$50,000.00 (excl GST)		

6 STATEMENT OF REMUNERATION CLAIM

By Resolution, I will be seeking approval from the creditors for the following resolutions:

Resolution 3: Liquidator's Remuneration for the period 1 November 2017 to 23 September 2019, not previously approved

"That the additional remuneration of the Liquidator, his partners and staff for the period 1 November 2017 to 23 September 2019, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, be fixed and approved at \$175,937.50 (plus GST) and that the Liquidator be authorised to draw that amount."

Resolution 4: Liquidator's Remuneration for the period 24 September 2019 to Conclusion

"That the remuneration of the Liquidator, his partners and staff for the period 24 September 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, approved to an interim cap of \$50,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as and when incurred."

At this time, I do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of my investigations and I wish to seek further remuneration then I will be required to convene a meeting of the creditors and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

7 LIKELY IMPACT ON DIVIDENDS

The Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a Liquidator. 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 (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.

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.

8 REMUNERATION RECOVERABLE FROM EXTERNAL SOURCES

I received \$8,250 from the Australian Securities and Investments Commission ("ASIC") pursuant to a funding agreement for the purpose of preparing a supplementary report to ASIC. To date, I have not received funds from any other external source.

9 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 am not obliged to seek creditor approval for disbursements, 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 Report.

I am required to seek creditor approval for internal disbursements where there could be a profit or advantage. In this regard, I note that creditors have previously approved internal disbursements in respect of the Liquidation up to \$1,000.00 (plus GST). Disbursements have been drawn in this matter to date as follows:

Disbursements Claimed	Basis	Total (Excl GST) (\$)
Search Fees	At cost	349.17
Black & White/Colour Photocopying	4,000 pages x \$0.25 per page	1,000.00
Courier Charges	At cost	13.10
Search	At cost	59.00
Postage	At cost	612.05
Statutory Advertising	At cost	5.00
TOTAL		1,979.32

Accordingly, I will be seeking approval from creditors for the following resolution:

Resolution 5: Liquidator's Internal Disbursements for the period 1 November 2017 to Conclusion:

"That the Liquidator be allowed internal disbursements at the rates of charge annexed to the Liquidator's Remuneration Approval Report dated 26 September 2019, up to an amount of \$3,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as accrued."

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

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

10 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the Liquidation to date.

11 QUERIES & INFORMATION SHEET

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

Creditors should contact the Liquidator's office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, www.arita.com.au, or can be obtained from this office.

Remuneration Approval Report

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

26 September 2019

PETER KREJCI
Liquidator

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
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BRI Ferrier

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1 DECLARATION

I, Peter Krejci, of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of KEM Group Pty Ltd (In Liquidation) in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

2 EXECUTIVE SUMMARY

Below is a summary of the total remuneration incurred and approved to date in respect of the Liquidation:

Past remuneration approved:	Amount Approved (\$, ex GST)
4 August 2017 to 31 October 2017	19,931.00
1 November 2017 to Conclusion	20,000.00
Total	39,931.00

This remuneration report details approvals sought for the following fees:

Current remuneration approval sought:	Report Ref	Amount (\$, ex GST)
Resolution [1]: For the period 1 November 2017 to 23 September 2019, not previously approved	3.1	\$141,715.50
Resolution [2]: For the period 24 September 2019 to Conclusion	5.1	\$50,000.00
Total		\$50,000.00

I refer to my Report to Creditors dated 10 August 2018, and note that in seeking creditors' approval of my addition remuneration, I have dealt with the following major tasks which were not included in my initial estimate:

- Liaising with and instructing my solicitor with respect to locating and serving various examinees with examinations summonses and notices to produce;
- Additional time spent attending to obtaining pre-appointment Company banking records.
- Additional attendances with my solicitors all in relation to the public examinations.

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

3 DESCRIPTION OF WORK COMPLETED

Company	KEM Group Pty Ltd (In Liquidation)	Period From	1 November 2017	To	23 September 2019
Practitioner	Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Creditors' Voluntary Liquidation				

3.1 REMUNERATION FOR THE PERIOD 1 NOVEMBER 2017 TO 23 SEPTEMBER 2019

Task Area	General Description	Includes
Administration 38.6 Hours \$12,387.50 (excl. GST)	Correspondence	General correspondence. Correspondence with Company's accountant and former liquidators to collect Company's books and records and Report as to Affairs.
	Document maintenance/file review/checklist	Filing of documents. File reviews.
	Bank account administration	Preparing receipt and payment vouchers. Updating cashbook. Requesting bank statements. Monthly bank reconciliations.
	ASIC forms and other forms	Preparing and lodging ASIC forms including 524 and 505.
	ATO and other statutory reporting	Preparing Business Activity Statements.
	Planning / Review	Discussions regarding status of liquidation.

Task Area	General Description	Includes
Creditors 43.5 Hours \$14,840.50 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone and email. Review and prepare correspondence to creditors and their representatives by email or post. Attend to enquiries from the ATO.
	Creditor Reports	Preparing Statutory Report to Creditors and related annexures. Mail out of Statutory Report to creditors. Preparing further Report to Creditors regarding update on investigations and related annexures.
	Dealing with Proofs of Debt	Preparing and sending correspondence to creditors requesting further supporting documentation for their proofs. Preparing and sending Form 537s to relevant creditors – Notice of Rejection of Proofs.
	Meeting of Creditors	Preparation and attendance at Meeting of Creditors. Prepared and lodged minutes of meeting.
	Proposals to Creditors	Preparing proposal notices and voting forms. Forward notice of proposals to all known creditors. Reviewing votes and determining outcome of proposals.
Employees 0.3 Hours \$82.50 (excl. GST)	Employee Enquiries	Receive and follow up employee enquiries by telephone and email. Review and prepare correspondence to employees and their representatives by email or post

Task Area	General Description	Includes
Investigation 219.0 Hours \$114,405.00 (excl. GST)	Conducting investigations	<p>Telephone discussions with identified employees regarding the history and structure of the Company.</p> <p>Collection of Company books and records from the Company's accountant.</p> <p>Collection of Company books and records from the Former Liquidators.</p> <p>Analysis of Company's banking records.</p> <p>Reviewing Company's books and records.</p> <p>Conducting and summarising statutory searches.</p> <p>Peruse information provided by the ATO.</p> <p>Preparation of investigation file.</p> <p>Ordering bank transaction traces.</p> <p>Analysing bank trace results.</p> <p>Analysing books and records of the Company in regards to scheme.</p> <p>Investigations into potential claims against Director.</p>
	ASIC Reporting	<p>Preparation and lodgement of ASIC Form 533.</p> <p>Preparation of Prosecution statement sent to ASIC.</p> <p>Preparation of ASIC Form EX03 – request for funding.</p> <p>Prepare second prosecution statement of Director.</p> <p>Report to ASIC on Director prosecution.</p> <p>Review of ASIC funding agreement in regards to potential Director Banning.</p>
	Examinations	<p>Internal discussions regarding preparation for public examination.</p> <p>Preparing brief to solicitors.</p> <p>Reviewing originating process and affidavit for public examination.</p> <p>Considering notices to produce issued to Director and other various parties.</p> <p>Reviewing evidence/material in regards to the public examination of the Director and other parties.</p> <p>Teleconferences and meetings with solicitors regarding preparation for public examination.</p>

Task Area	General Description	Includes
		Physical attendance at public examinations in the Federal Court of Australia. Reporting to ATO regarding outcome of examinations and further actions.
	Litigation / Recoveries	Prepared and submitted funding request to ATO for further investigations and public examinations. Liaising with ATO regarding funding agreement. Settling and entering into Deed of Indemnity with ATO.
Total Hours: 301.4 Total: \$141,715.50 (excl. GST)		

4 CALCULATION OF REMUNERATION

KEM Group Pty Ltd (In Liquidation)
ACN 613 362 182
For the Period 1 November 2017 to 23 September 2019

Staff Classification	Name	Rate	Administration		Creditors		Employees		Investigation		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Peter Krejci	\$680.00							44.5	30,260.00	44.5	30,260.00
Principal	Geoffrey Granger	\$650.00	0.1	65.00							0.1	65.00
Principal	John Keenan	\$650.00	0.3	195.00	2.4	1,560.00			15.5	10,075.00	18.2	11,830.00
Appointee	Peter Krejci	\$650.00	1.2	780.00	0.3	195.00			52.8	34,320.00	54.3	35,295.00
Director	Geoffrey Granger	\$570.00	1.0	570.00	0.1	57.00			0.1	57.00	1.2	684.00
Director	John Keenan	\$570.00							2.6	1,482.00	2.6	1,482.00
Director	Peter Sheppard	\$570.00							0.2	114.00	0.2	114.00
Director	Geoffrey Granger	\$540.00	1.4	756.00	0.8	432.00			2.6	1,404.00	4.8	2,592.00
Manager	Carol Cheng	\$505.00	0.1	50.50					0.2	101.00	0.3	151.50
Manager	Katherine La	\$505.00							0.1	50.50	0.1	50.50
Consultant	James Sekhas	\$425.00	0.1	42.50							0.1	42.50
Supervisor	Jack Sampson	\$420.00	1.8	756.00	2.0	840.00			5.2	2,184.00	9.0	3,780.00
Supervisor	Jack Sampson	\$400.00	5.5	2,200.00	11.2	4,480.00			49.8	19,920.00	66.5	26,600.00
Senior 1	Isabella Allen	\$360.00	0.1	36.00							0.1	36.00
Senior 1	Luke O'Connor	\$360.00	1.3	468.00	0.6	216.00			22.3	8,028.00	24.2	8,712.00
Senior 1	Teresa Zhang	\$360.00	0.1	36.00							0.1	36.00
Senior 2	Andrew Coles	\$290.00	5.9	1,711.00	12.8	3,712.00			15.9	4,611.00	34.6	10,034.00
Senior 2	Andrew Coles	\$275.00	0.3	82.50	1.9	522.50	0.3	82.50	0.3	82.50	2.8	770.00
Senior 2	Teresa Zhang	\$275.00	0.2	55.00							0.2	55.00
Intermediate 1	Zen Taureka	\$260.00	4.1	1,066.00							4.1	1,066.00
Intermediate 1	Andrew Coles	\$250.00	4.2	1,050.00	10.8	2,700.00			6.6	1,650.00	21.6	5,400.00
Intermediate 1	Zen Taureka	\$250.00	0.2	50.00							0.2	50.00
Intermediate 2	Clair Daher	\$235.00	0.5	117.50							0.5	117.50
Intermediate 2	Karen Enriquez	\$235.00	1.0	235.00							1.0	235.00
Intermediate 2	Liam Toohey	\$235.00	0.3	70.50							0.3	70.50
Intermediate 2	Patrick Mao	\$235.00	0.1	23.50							0.1	23.50
Intermediate 2	Xiaoyan Lin	\$235.00	1.6	376.00							1.6	376.00
Intermediate 2	Xiaoyan Lin	\$225.00	3.3	742.50							3.3	742.50
Intermediate 2	Zen Taureka	\$225.00	0.8	180.00							0.8	180.00
Senior Administration	Jessica Mula	\$220.00							0.3	66.00	0.3	66.00
Senior Administration	Sonia Stelmach	\$220.00	1.4	308.00							1.4	308.00
Senior Administration	Vivienne McCarthy	\$220.00	1.4	308.00							1.4	308.00
Senior Administration	Jessica Mula	\$210.00			0.6	126.00					0.6	126.00
Senior Administration	Sonia Stelmach	\$210.00	0.2	42.00							0.2	42.00
Junior Administration	Carmelle Mabalhin	\$150.00	0.1	15.00							0.1	15.00
Total			38.6	12,387.50	43.5	14,840.50	0.3	82.50	219.0	114,405.00	301.4	141,715.50
											GST	14,171.55
											Total (incl. GST)	155,887.05
Average rate per hour				320.92		341.16		275.00		522.40		470.19

5 DESCRIPTION OF WORK TO BE COMPLETED

Company	KEM Group Pty Ltd (In Liquidation)	Period From	24 September 2019	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Creditors Voluntary Liquidation				

5.1 REMUNERATION FOR THE PERIOD 24 SEPTEMBER 2019 TO CONCLUSION

Task Area	General Description	Work completed
Assets \$7,000.00 (excl. GST)	Other Assets	Further Investigations into Company's financials regarding director loan account. Further Investigations into Company's financials regarding Trade Debtor account. Correspondence with legal representatives regarding collection of director loan account/Trade Debtor (if required).
Creditors \$10,000.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone. Review and prepare correspondence to creditors and their representatives by facsimile, email or post.
	Creditor reports	Prepare further Report to Creditors regarding update on investigations and public examinations. Preparing annexures for further Report. Mail out of creditor's report to all known creditors. Prepare further Report to Creditors regarding update on Liquidation.
	Dealing with proofs of debt	Process proof of debt claims received when not related to a dividend.
	Concurrent Meeting of Creditors	Preparation and attendance at concurrent Meeting of Creditors. Prepare and lodge minutes of meeting.

Task Area	General Description	Work completed
Investigation \$30,000.00 (excl. GST)	Litigation / Recoveries	Prepare information for solicitors to be used in proceedings against Director and/or other parties (as necessary). Preparing brief to solicitors. Liaising with solicitors regarding recovery actions. Commence legal proceedings against various parties (as necessary). Internal meetings to discuss status of litigation. Attending to negotiations. Attending to settlement matters (as necessary).
	Examinations	Review documents in regards to the public examination of the Director and other parties. Liaising with solicitors regarding examinations. Reviewing examination transcripts Liaising with solicitors and ATO regarding outcome of examinations and further actions available
	Conducting investigations	Review Company's books and records not previously received. Updating investigation file with new information gathered. Conduct further investigations into the Company's scheme and relevant parties involved in scheme.
	ASIC Reporting	Further reporting to ASIC with update of investigations (if required).
Administration \$3,000.00 (excl. GST)	Correspondence	General correspondence.
	Document maintenance/file review/checklist	Filing of documents. File reviews. Updating checklists.
	Bank account administration	Updating cashbook. Preparing receipts and payment vouchers. Monthly bank account reconciliations. Preparing correspondence closing bank account.
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524 and 5601.
	ATO and other statutory reporting	Notification of ceasing to act Preparing Business Activity Statements
	Finalisation	Tasks associated with finalisation of the liquidation.
Total: \$50,000.00 (excl. GST)		

6 STATEMENT OF REMUNERATION CLAIM

By Resolution, I will be seeking approval from the creditors for the following resolutions:

Resolution 3: Liquidator's Remuneration for the period 1 November 2017 to 23 September 2019, not previously approved

"That the additional remuneration of the Liquidator, his partners and staff for the period 1 November 2017 to 23 September 2019, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, be fixed and approved at \$141,715.50 (plus GST) and that the Liquidator be authorised to draw that amount."

Resolution 4: Liquidator's Remuneration for the period 24 September 2019 to Conclusion

"That the remuneration of the Liquidator, his partners and staff for the period 24 September 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator's Report to Creditors dated 26 September 2019, approved to an interim cap of \$50,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as and when incurred."

At this time, I do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of my investigations and I wish to seek further remuneration then I will be required to convene a meeting of the creditors and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

7 LIKELY IMPACT ON DIVIDENDS

The Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a Liquidator. 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 (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.

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.

8 REMUNERATION RECOVERABLE FROM EXTERNAL SOURCES

I received \$8,250 from the Australian Securities and Investments Commission ("ASIC") pursuant to a funding agreement for the purpose of preparing a supplementary report to ASIC. To date, I have not received funds from any other external source.

9 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 am not obliged to seek creditor approval for disbursements, 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 Report.

I am required to seek creditor approval for internal disbursements where there could be a profit or advantage. In this regard, I note that creditors have previously approved internal disbursements in respect of the Liquidation up to \$1,000.00 (plus GST), however as at the date of this report, I have not been paid from the Liquidation for internal disbursements. At this stage, I do not intend to seek 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	
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

10 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the Liquidation to date.

11 QUERIES & INFORMATION SHEET

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

Creditors should contact the Liquidator's office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, www.arita.com.au, or can be obtained from this office.

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 rectangle.

BRI Ferrier

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "6"
Advice to Creditors about
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

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

ABT Enterprises Pty Ltd (In Liquidation)
ACN 610 301 589

KEM Group Pty Ltd (In Liquidation)
ACN 613 362 182

("the Companies")

A REMUNERATION METHOD

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

- Time based / hourly rates or "Time Cost"

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

- Fixed Fee

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

- Percentage

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

- Contingency

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

B METHOD CHOSEN

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

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

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

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted effective from 1 August 2018 remain current until 30 June 2020. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, I will seek approval from creditors.

C EXPLANATION OF HOURLY RATES

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

Title	Description	Hourly Rate to 31 July 2018 (ex GST)	Hourly Rate from 1 August 2018 (ex GST)
Appointee	A Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	\$650	\$680
Principal	A Registered Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$620	\$650
Director	An accountant with more than 10 years' experience. May be a Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$540	\$570
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$500	\$525
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$480	\$505
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$400	\$420
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$340	\$360
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$275	\$290
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$250	\$260
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$225	\$235
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$210	\$220
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150	\$150

E DISBURSEMENTS

Disbursements are divided into three types:

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

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

I am required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve my internal disbursements prior to these disbursements being paid from the Liquidations.

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

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

Dated this 26th day of September 2019.



PETER KREJCI
Liquidator

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.

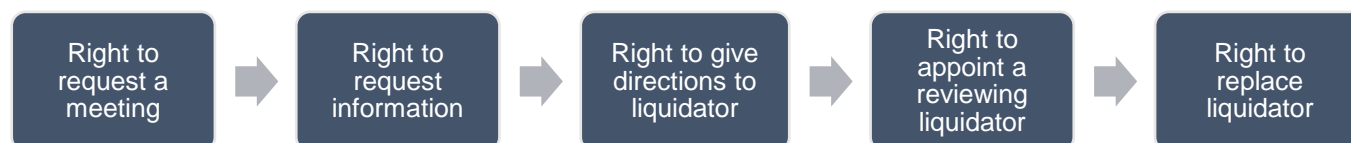
ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589

KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182

Annexure "7"
ARITA Information Sheet – Creditor
Rights in Liquidations

Creditor Rights in Liquidations

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



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

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

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

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

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

Right to request information

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

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

Specific queries about the liquidation should be directed to the liquidator's office.

Right to give directions to liquidator

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

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

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

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

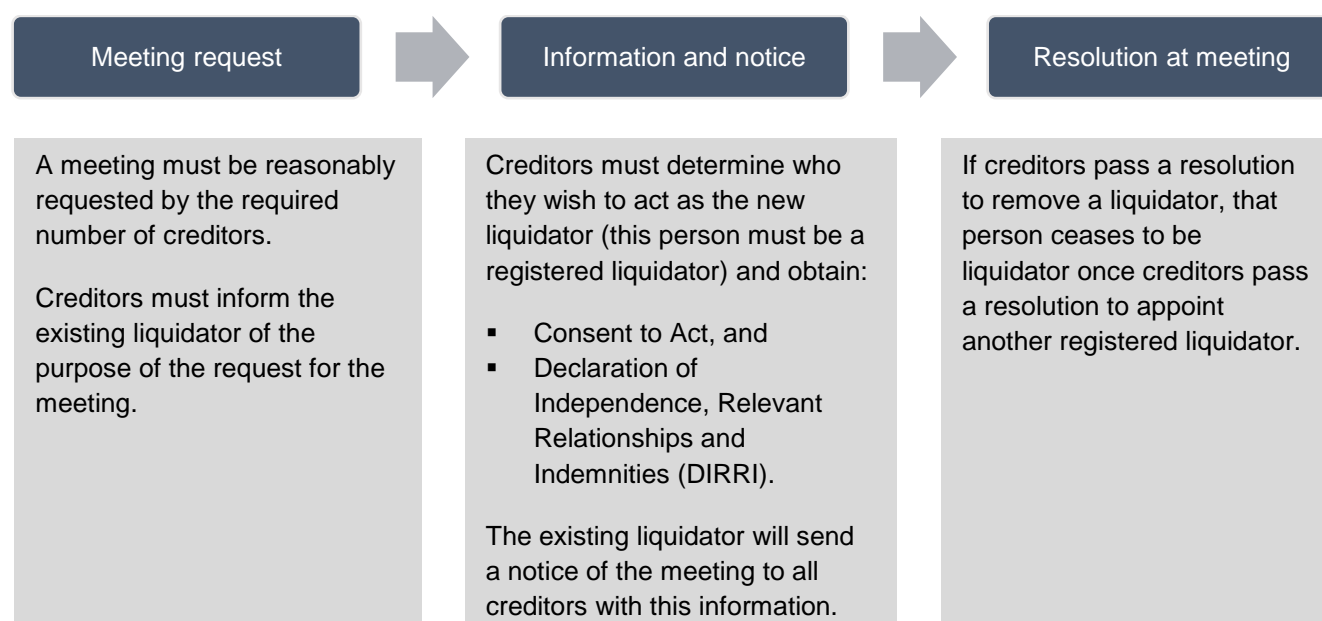
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



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

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

**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "8"
ASIC Information Sheet**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

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

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

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**ABT Enterprises Pty Ltd
(In Liquidation)
ACN 610 301 589**

**KEM Group Pty Ltd
(In Liquidation)
ACN 613 362 182**

**Annexure "9"
ARITA Information Sheet –
Offences, Recoverable Transactions
and Insolvent Trading**

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

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

Recoverable Transactions

Preferences

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

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

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

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

Voidable charges

Certain charges over company property are voidable by a liquidator:

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

Insolvent trading

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

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

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

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

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

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

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