

BRI Ferrier

STATUTORY REPORT TO CREDITORS

**AXL FINANCIAL PTY LIMITED
(CONTROLLER APPOINTED) (IN LIQUIDATION)**

ACN: 603 393 317

ABN: 56 603 393 317

4 March 2025

**PETER KREJCI
LIQUIDATOR**

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INTRODUCTION

I refer to my initial report to creditors dated 18 December 2024 in which my appointment as Liquidator of the Company was advised along with your rights as a creditor in the liquidation.

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

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

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

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

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

COMPANY DETAILS

Name	AXL Financial Pty Limited (Controller Appointed) (In Liquidation)
Incorporated	16 December 2014
ACN	603 393 317
Registered Office	Level 14, 309 Kent Street, Sydney NSW 2000
Trading Address	Level 14, 309 Kent Street, Sydney NSW 2000

LIQUIDATOR

Name	Peter Krejci
Date Appointed	4 December 2024

ADMINISTRATION CONTACT

Name	Joshua Coorey
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Phone	02 8263 2322

TABLE OF CONTENTS

1. Basis of Report	8
2. Disclaimer	8
3. Declaration of Independence, Relevant Relationships and Indemnities	9
4. Corporate Information	9
5. Legal Proceedings	10
6. Company Background and Events Leading to My Appointment	10
7. Reasons for Failure	10
8. Current Financial Position	12
9. Assets	13
10. Liabilities	13
11. Investigations	15
12. Findings and Recovery Actions	16
13. Voidable Transactions	19
14. Receipts and Payments	22
15. Estimated Return to Creditors	22
16. Remuneration of Liquidator	23
17. Matters Outstanding	23
18. Conclusion	24

TABLE OF ANNEXURES

- A** Form 535 Formal Proof of Debt or Claim (General Form)
- B** Shareholder Listing
- C** Related Entity Diagram
- D** Comparative Balance Sheets
- E** Comparative Profit and Loss Statements
- F** Remuneration Approval Report
- G** Proposal Without Meeting Forms
- H** ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders
- I** ARITA Information Sheet – Offences, Recoverable Transactions, and Insolvent Trading
- J** ARITA Information Sheet – Proposal without Meeting

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

44 Cummins	44 Cummins Pty Ltd (In Liquidation) ACN 605 229 463
ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AFSA	Australian Financial Securities Authority
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
CBA	Commonwealth Bank of Australia
Company	AXL Financial Pty Ltd (Controller Appointed) (In Liquidation) ACN 603 393 317
CVL	Creditors Voluntary Liquidation
DEWR	Department of Employment and Workplace Relations
DCoT	Deputy Commission of Taxation
Former Director	Mr Oliver Roths
Former Liquidator	Mr Jason Tang of KPT Restructuring
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier New South Wales
GPA	The Trustee for the GPA Law Trust
Hyper Build	Hyperbuild Pty Ltd (In Liquidation) ACN 081 211 761
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Macquarie	Macquarie Bank Limited
NAB	National Australia Bank Limited
NSW	New South Wales
POD	Proof of Debt
PPSR	Personal Properties Securities Register
RBA	Running Balance Account
RBP	Relation Back Period
ROCAP	Report on Company Activities and Property
Roths	Roths Holdings Australia Pty Ltd ACN 620 942 510

EXECUTIVE SUMMARY

As you are aware, at a meeting of creditors held on 4 December 2024, creditors resolved to appoint me as replacement Liquidator of the Company pursuant to Section 90-35 of the Insolvency Practice Schedule (Corporations) 2016.

This report has been prepared in accordance with Rule 70-40 of the Insolvency Practice Rules to provide creditors with an update on the developments of this Liquidation. I provide hereunder a summary of my preliminary investigations into the affairs of the Company to date, the potential return for creditors and the conduct of the Liquidation over the past two (2) months.

Creditors will recall in my capacity as Liquidator of 44 Cummins, I had secured litigation funding via a creditor to run Public Examinations of various parties in 2023. The same creditor is considering funding me to investigate potential causes of action in respect of the Company.

I advise it is my intention to again commence Public Examinations of various parties to gather evidence for potential claims that may be available to the Company subject to obtaining litigation funding. I will advise creditors if and when a further public examination is to be conducted.

As advised in my Initial Report to Creditors, the Company was incorporated on 16 December 2014 and operated a money lending business and acted as trustee for various property trusts from leased premises at Level 14, 309 Kent Street, Sydney NSW 2000.

My investigations to date have been hindered due to non-compliance by the Company's Former Director, Mr Oliver Roths. To date, the Former Director has not;

- ▶ answered multiple phone calls from my office to discuss the matter; or
- ▶ attended my office for a scheduled meeting; or
- ▶ submitted a ROCAP; or
- ▶ provided the books and records to my office pursuant to section 475(4) of the Act.

A failure to submit a ROCAP and books and records within the required time frame is a breach of the Act and I have sought the assistance of ASIC to obtain compliance from the Director.

The Former Director advised the Former Liquidator the Company ceased trading on 30 June 2019. This is in line with the management accounts of the Company with no journal entries being posted after this date. However, based on my review of the Company's bank statements, it appears the Company had continued to trade in some capacity until December 2019.

I have reviewed the management accounts of the Company and identified historically its major assets were its investments in units and shares, and real property holdings in Shellharbour. My investigations have revealed the Former Director caused the Company to transfer shares to him in his personal capacity. I am yet to determine the validity of this transfer however prima facie it would appear as an uncommercial transaction and thus voidable. I provide further details of this transfer and other voidable transactions at Section 13 of this Report. Creditors should note that I am unable to commence recovery of the potentially voidable transactions due to my appointment falling outside of the three (3) year time frame for a Liquidator to commence recovery actions, and as such the claims are time barred.

My investigations into the Company's former Shellharbour properties are continuing. I note the Former Director has not provided any documentation or records pertaining to these properties, the purported mortgages or the respective sales of same.

A comprehensive search amongst Australian banks has identified one closed NAB account and two open Macquarie accounts registered in the Company's name. One of the Macquarie accounts holds a credit balance of \$30.

As at the date of this report, I have failed to identify any other realisable assets owned by the Company.

In terms of liabilities, the Company has:

- three (3) PPSR registrations being the Hyperbuild Deed Administrators, GPA and Roths. The Former Liquidator was of the opinion that the Roths security was invalid and applied for its discharge. AFSA have indicated that they would not be removing the registration. My investigations into the purported loan and security are continuing.
- One (1) employee claiming outstanding entitlements and the DCoT has lodged a claim for outstanding SGC claiming a total of c. \$76K.
- Fifty-one (51) unsecured creditors claiming a total of c. \$10.5M.

Whilst I am of the view that the Company has not satisfied the requirements set out in Section 286 of the Act and can rely on the presumption of insolvency pursuant to Section 588E of the Act, I have prepared a preliminary assessment of insolvency based on the available books and records. Please refer to section 12 of this report where I have detailed my findings in this regard.

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

At this stage, there have been no recoveries in the Liquidation to discharge any Liquidator costs. Whilst I have identified potential recoveries, subject to further information being obtained to strengthen these claims I do not anticipate pursuing same. Please see section 13 for further details on the Directors asset position. Accordingly, I do not anticipate there to be any dividends available for any class of creditors in this Liquidation.

Should a creditor have any relevant information which may assist my investigations or potential asset recoveries or wish to fund my further investigations, they should contact my office by no later than 25 March 2025.

1. BASIS OF REPORT

This report has been prepared primarily from information received from the Former Liquidator.

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

- ▲ ASIC;
- ▲ The books and records of the Company as provided by the Former Liquidator;
- ▲ Correspondence with creditors; and
- ▲ Extracts from public information databases.

2. DISCLAIMER

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

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

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

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

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

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

3. PUBLIC EXAMINATIONS

Creditors will recall in my capacity as Liquidator of 44 Cummins, I had secured litigation funding via a creditor to run Public Examinations of various parties in 2023 where it turned out the evidence obtained from that matter significantly overlapped with the affairs of the Company. That being the case, the same creditor has agreed to consider funding me to investigate potential causes of action in respect of the Company which led to my appointment replacing the Former Liquidator.

It is my intention to once again run Public Examinations of various parties relating to the Company to gather evidence of potential claims that may be available to the Company subject to securing creditor funding. I anticipate the examinations will take place later this year, I shall inform creditors once dates are set and available.

4. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

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

5. CORPORATE INFORMATION

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

5.1 COMPANY DETAILS

Company Name	AXL Financial Pty Limited (Controller Appointed) (In Liquidation)
Registered Address	Level 14, 309 Kent Street, Sydney NSW 2000
Principal Place of Business	Level 14, 309 Kent Street, Sydney NSW 2000
Incorporation Date	16 December 2014
ABN	56 603 393 317
ACN	603 393 317

5.2 COMPANY OFFICE HOLDERS

Name	Position	App Date	Cease Date
Oliver Roths	Director and Secretary	10/09/2019	08/08/2022
Duchess Nadine Marando	Director	09/09/2019	25/01/2020
	Director	26/04/2018	30/10/2018
Dr Richard Brauer	Director	30/09/2019	25/01/2020
Alexander Harmstorf	Director	20/01/2017	30/09/2019
	Secretary	20/01/2017	26/04/2018
	Director	12/05/2016	13/07/2016
Izabela Kwoka	Director & Secretary	16/12/2014	24/03/2016
	Director & Secretary	23/02/2016	20/01/2017
Derek Ziman	Director & Secretary	16/12/2014	15/05/2015
Hoilo Chan	Secretary	26/04/2018	28/10/2020

5.3 SHAREHOLDINGS

Please refer to **Annexure B** for a detailed listing of the Company's current and former shareholders as recorded with ASIC.

5.4 RELATED PARTIES AND ASSOCIATES

A directorship search was undertaken in respect to the Company's Directors and Former Directors and my investigations indicate that they held extensive roles in other entities.

Please refer to **Annexure C** for a detailed diagram of these related parties.

6. CONTROLLER APPOINTED

The Company has been subject to the appointment of a controller since February 2020. I note despite my appointment as Liquidator, the appointment of a controller remains on foot. A summary of the previous and current Company controllers are provided below:

Name	Position	App Date	Cease Date
Benjamen Jennings	Controller	17/07/2019	Current
Oliver Roths	Controller	17/09/2020	08/08/2022
Tal ArieH Silberman	Controller	24/02/2020	02/09/2020

Prior to my and the Former Liquidator's appointments, a number of assets on the Company's balance sheet (represented by investments and causes of action) were sold or assigned for nominal consideration to various parties by Mr Tal ArieH Silberman in his capacity as Controller of the Company. I am currently investigating whether these asset sales/transfers are a potential unreasonable director-related transaction and/or breach of duties claim as an officer of the Company. I provide further details at section 14 regarding the Report.

7. LEGAL PROCEEDINGS

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

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

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

8. COMPANY BACKGROUND AND EVENTS LEADING TO MY APPOINTMENT

The following information was obtained from enquiries with third parties and information obtained from same by me.

- ▲ The Company was incorporated on 16 December 2014 operating a money lending business and acting as trustee for various property trusts from its premises at Level 14, 309 Kent Street, Sydney NSW 2000.

- ▲ The Former Director advised the Former Liquidator that the Company ceased to trade on or around 30 June 2019. From my investigations, I gather this statement to mean the Company ceased offering new loans but continued to collect interest and debtors on old loans.
- ▲ On 27 August 2019, a related entity of the Company, Hyperbuild, executed a DOCA whereby the Company was required to contribute \$250K toward the deed fund within 60 days of its execution. These funds were intended to be sourced from the collection of a substantial debtor.
- ▲ Ultimately the Company was unsuccessful in its recovery of the debtor and thus was not in a position to pay the deed contribution. The Deed Administrators of Hyperbuild subsequently sought the Former Liquidators' consent to act as Administrators of the Company, who were appointed as same on 18 August 2021.
- ▲ The Company was placed into liquidation at its second meeting of creditors on 22 September 2021 with the Former Liquidators being appointed.
- ▲ In my capacity as Liquidator of 44 Cummins, I had secured litigation funding via a creditor to run Public Examinations of various parties in 2023 where evidence was obtained from which significantly overlapped with the affairs of the Company. That being the case, the same creditor will consider funding me to investigate potential causes of action in respect of the Company and it therefore made practical sense for me to replace the Former Liquidators.
- ▲ Accordingly, at a meeting of creditors held on 4 December 2024, creditors resolved to appoint me as Liquidator of the Company replacing the Former Liquidators.

9. REASONS FOR FAILURE

As at the date of writing, the Former Director is yet to attend to my correspondence or requests, as such I am yet to receive his reason for the Company's failure. The Former Liquidator has advised the Director attributed the Company's failure to its inability to collect its outstanding loans.

Based on my investigations to date, I have identified the following reasons for the Company's failure:

- ▲ Poor financial control, including lack of records. As at the date of this report I have been provided with limited financial records of the Company. I note since my previous report the Former Liquidator has attended to my request for his file to be transferred. Based on the records available to me, the Company does not appear to have maintained adequate books and records.
- ▲ Legal proceedings. The Company was subject to numerous legal proceedings brought against it by creditors. The Company was without funds to defend the proceedings and/or repay judgements made against it, namely the proceedings brought against the Company and the Former Director Sergei Sergienko.

10. HISTORICAL FINANCIAL INFORMATION

I have reviewed the Company's financial statements for the years ending 30 June 2016 to 30 June 2019. I note these financial statements were extracted from the Company's MYOB file.

10.1 BALANCE SHEETS

Attached as Annexure “D” is a comparative analysis of the Balance Sheets for the abovementioned periods. I make the following comments on the Company’s Financial Position for FY16 to FY19:

- The balance sheets for this period identify significant assets to have been owned by the Company. The assets are predominantly comprised of its investments in shares, units and real property located in Shellharbour. Due to the limited financial information available to me, I have largely been unable to determine how these assets were dealt with upon the Company ceasing to trade. Notwithstanding, I am aware of asset transfers made by the Former Director, further details are provided later in this report.
- The Company’s liabilities predominantly comprise of related party and intercompany loans. These liabilities largely eclipse its recorded assets, with the Company maintaining a net asset deficiency across all of the relevant periods.

10.2 PROFIT AND LOSS STATEMENTS

Attached as Annexure “E” is a comparative analysis of the Profit and Loss Statements for the abovementioned periods. I make the following comments on the Company’s Profit and Loss for FY21 and FY22:

- The Profit and Loss Statements indicate the business was largely unprofitable with net losses being recorded against all periods except FY18.
- The Company’s expenses more than doubled from FY17 to FY18 with the largest contributing expense being default loans. Throughout FY18, c. \$340K was attributed to default loans which indicates the Company was providing funds to entities who did not have the ability to repay. This is largely what the Director attributed the Company’s failure to, being its inability to recover debtors.
- Expenses fell slightly in FY19 likely due to the Company winding down its operations ahead of its trading cessation around August 2019. Notwithstanding, I have identified a loss on the sale of shares of c. \$500K expenses in FY19 that would likely have attributed to the Company’s inability to repay its debts and defend legal proceedings.
- I note there are no financial records post 30 June 2019 to provide any indication as to where the funds went from the sale of the Shellharbour assets.

11. CURRENT FINANCIAL POSITION

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

AXL Financial Pty Limited (Controller Appointed) (In Liquidation)
ACN 603 393 317
Summary of Director's Report on Company Activities and Property

	Report Reference	Book Value as at 18/08/2021 (\$)	Director's ERV (per ROCAP) (\$)	Liquidators' ERV (\$)
Assets				
Cash and Cash Equivalents	10.1.1	-	-	Nil
Total Assets		-	-	-
Liabilities				
Secured Creditors	10.2.1	-	-	332,646
Priority Creditors	10.2.2	-	-	76,030
Unsecured Creditors	10.2.3	-	-	10,534,012
Total Liabilities		-	-	10,534,012
Estimated Net Asset / (Deficiency)		-	-	(10,534,012)

11.1 ASSETS

11.1.1 CASH AND CASH EQUIVALENTS

Upon my appointment I made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. As a result of these enquiries, I have identified one bank account in the Company's name previously held with NAB, this account was closed on 3 October 2019. I have also identified two bank accounts held with Macquarie with a combined balance of \$30.

11.2 LIABILITIES

11.2.1 SECURED CREDITORS

A search of the PPSR identified four security interests registered against the Company.

Registration Number	Secured Party	Start Date	Collateral Class
201809120000364	Roths Holdings Australia Pty Ltd ("Roths")	12/09/2018	All present and after-acquired property
201809120000372	Roths Holdings Australia Pty Ltd ("Roths")	12/09/2018	Financial property – investment instrument

202009030002482	The Trustee for the GPA Law Trust ("GPA")	03/09/2020	All present and after-acquired property
202011120069977	Grahame Robert Ward and Domenico Alessandro Calabretta (Deed Administrators of Hyperbuild)	12/11/2020	All present and after-acquired property

I provide the following commentary with regards to the security interests:

- ▶ The two registrations held by Roths relate to loans provided to the Company in the vicinity of c. \$3M. The Former Liquidator was of the opinion that the purported debt was invalid and sought to discharge the securities by application to AFSA for dispute of the registrations. I note AFSA provided a response to the Former Liquidator advising registrations had not been removed. My investigations into the purported loan and security are continuing.
- ▶ GPA hold a registered security interest relating to unpaid legal fees of \$32,645.
- ▶ The Deed Administrators of Hyperbuild hold a registered security interest pertaining to the unpaid Deed Contribution of \$300,000.

In any event, if you have leased property to the Company, have a retention of title claim or hold a Personal Property Security in relation to the Company, please contact this office as soon as possible.

11.2.2 PRIORITY CREDITORS

Upon review of the reports issued by the Former Liquidator, I understand that the Former Liquidator received a claim from a former employee of the Company amounting to \$33,922 and a claim from the DCoT for an outstanding SGC amounting to \$42,107, totalling \$76,030 in priority employee claims as at the date of the Company entering Voluntary Administration. I have not identified anything in the Former Liquidators previous reports or file advising if the employee lodged a claim with FEG.

Ordinarily employees would be able to submit a claim to FEG for their outstanding entitlements however FEG require all claims to be submitted within twelve months of a liquidator's appointment. As such, this scheme would no longer be available to employees.

11.2.3 UNSECURED CREDITORS

Based on the available books and records, and PODs received to date, unsecured creditor claims against the Company are c. \$10.5M as at the date of the Company entering Voluntary Administration.

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

12. INVESTIGATIONS

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

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

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

12.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, I have:

- ▲ Taken possession of limited books and records of the Company and reviewed same;
- ▲ Received the Former Liquidators file and reviewed same;
- ▲ Written to relevant authorities requesting information required for investigations;
- ▲ Carried out ASIC and other searches available to me in relation to the Company;
- ▲ Performed a review of the available bank statements to identify potential preferences, uncommercial transactions, and unfair loans (sections 588FA, 588FB, 588FD and 588FE of the Act).

12.2 BOOKS AND RECORDS

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

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

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

Books and records required to sufficiently prepare financial statements that would correctly record and explain its transactions and financial position and performance and that would enable true and fair financial statements to be prepared and audited, at minimum, include the following:

- ▲ Financial statements including P & L’s, balance sheets, depreciation schedule, tax returns;
- ▲ General Ledger;
- ▲ General Journal;
- ▲ Asset register;
- ▲ Computer Back up Discs;

- ▲ Cash records including bank statements cash receipts journal, bank deposit books, cash payments journal, cheque butts and petty cash books.

Upon my appointment, I requested the Company's Former Director to deliver all books and records currently in his possession to enable me to investigate the affairs of the Company. To date I have not received any books and records of the Company from the Director. From review of the Former Liquidators file and through my own enquiries, I obtained limited historical financial information of the Company however without source documents, these financials are incomplete and unreliable. Advice from the Former Director suggested the Company ceased trading on 30 June 2019, which is reflected with the management accounts in that there are no entries post this date. However, from my review of the Company's bank statements I have identified that trading continued through to December 2019, with no record or accounting of trade for this period seemingly recorded. Whilst I am of the view that the Company has not satisfied the requirements set out in Section 286 of the Act and can rely on the presumption of insolvency pursuant to Section 588E of the Act, I have prepared a preliminary assessment of insolvency based on the available books and records below.

12.3 RISK OF LITIGATION ACTIONS GENERALLY

Part 5.7B of the Act gives Liquidators the right to commence certain legal proceedings to recover money, property, or other benefits for the benefit of the Unsecured Creditors of a company.

Creditors should note that recovery actions:

- ▲ have the potential to increase the pool of funds available to Creditors;
- ▲ are usually expensive, lengthy and have unpredictable outcomes;
- ▲ should not be commenced unless defendants have the financial resources to satisfy any judgement; and
- ▲ must be funded out of the Company's existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

12.4 PROVING INSOLVENCY

Recovery actions under Part 5.7B of the Act, including unfair preferences, uncommercial transactions, and insolvent trading, require the Liquidators to demonstrate that the Company was insolvent at the time of the transaction. Proving insolvency may be a complex, lengthy and a costly exercise.

13. FINDINGS AND RECOVERY ACTIONS

13.1 INSOLVENT TRADING

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

- ▲ A person is a director at the time a company incurs a debt;

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

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

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

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

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

Based on my investigations conducted to date, it is my preliminary view that the Company may have been insolvent from as early as July 2015. Further details are provided below.

13.1.1 WORKING CAPITAL ANALYSIS

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

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

I have conducted a working capital analysis based on the management accounts, prima facie, there appears to have been sufficient working capital for throughout the Company's trading period. A summary is shown below.

Working Capital Analysis	Year Ended 30-Jun-16 (\$)	Year Ended 30-Jun-17 (\$)	Year Ended 30-Jun-18 (\$)	Year Ended 30-Jun-19 (\$)
Current Assets	332,016	1,577,934	1,189,661	458,003
Current Liabilities	(426)	98,524	474,218	458,679
Net Working Capital	332,442	1,479,411	715,443	(676)
Current Asset Ratio	778.96	16.02	2.51	1.00

As mentioned previously, the financial records of the Company available to me are extremely limited, as such I am unable to verify any of the figures in the management accounts. Having noted the Former

Director informing the Former Liquidator of the Company's inability to defend legal proceedings due to liquidity issues, I am of the opinion that the management accounts do not provide an accurate position of the Company's working capital.

13.1.2 OTHER INDICATORS OF INSOLVENCY

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

- ▲ The Company traded at a loss in FY16, FY17 and FY19
- ▲ The DCoT and Chief Commissioner of State Revenue have both lodged claims in the liquidation for outstanding taxes.
- ▲ Inability to produce timely and accurate financial information to record the Company's trading performance and financial position.
- ▲ Prior to my appointment, numerous creditors commenced legal proceedings against the Company in respect of outstanding debts.
- ▲ From my review of the available bank statements, there are significant transactions of rounded sums not reconcilable to invoices.

13.1.3 ASSESMENT OF INSOLVENCY

In light of the above, I am of the view that the Company may have been insolvent from 1 July 2015 which is the earliest records I have examined to date.

13.1.4 POTENTIAL QUANTUM OF CLAIM

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Company was insolvent and remains outstanding. For the purposes of this Report, I have prepared a preliminary assessment of the claim, assuming the Company was insolvency since approximately July 2015.

Based on the limited records available to me, an insolvent trading claim may be present in the amount of c. \$10.8M.

13.1.5 RECOVERY OF CLAIM

In respect of considering whether an insolvent trading claim could be pursued, a Liquidator would need to have regard to the financial position of the defendant, being the Former Director, Mr Oliver Roths. I note that on 8 August 2022, the Former Director filed a debtors petition with AFSA and was declared bankrupt on this date. I have reviewed correspondence from the Bankruptcy Trustee, Mr Andrew Barnden of Rodgers Reidy, who has advised of minimal assets being available in the Bankrupt Estate.

Should further information be forthcoming that would enable me to strengthen potential claims against any of the Former Directors, I shall consider pursuit of same.

14. VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Former Administrators, being 18 August 2021.

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

14.1 UNFAIR PREFERENCES (588FA)

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

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

The clawback provisions available to the Liquidator relate only to payments to unrelated parties made within six (6) months from the date of my appointment if the Company is insolvent at that time.

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

I have identified significant payments in the Company's bank statements being made to related parties, as I am absent of complete books and records of the Company, I have been unable to verify these payments and determine if they are preferential in nature. Whilst these payments appear to be preferential in nature, I note my appointment as Liquidator of the Company has fallen outside of the time frame to commence recovery proceedings. The Act imposes a three (3) year time limit from the RBP, being 18 August 2021 or the date the Company entered into Voluntary Administration, for liquidators to commence recovery of any identified voidable transactions.

14.2 UNCOMMERCIAL TRANSACTIONS (588FB)

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

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

I have identified a number of shares previously owned by the Company to have been transferred to the Former Director or an entity he controls. Similarly, my appointment as Liquidator has fallen outside of the required time frame to commence recovery of these transactions.

14.3 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

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

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

The aforementioned payments to related entities and transfer of shares would also constitute an unreasonable director-related transaction and thus voidable pursuant to S588FDA of the Act. Similarly, my appointment as Liquidator has fallen outside of the required time frame to commence recovery of these transactions.

Records provided to the Former Liquidator contained a loan agreement between Roths, the Former Director and the Company, purportedly entered into in 2018. This loan agreement gave rise to the aforementioned security registration that the Former Liquidator believed to be invalid and sought its discharge.

Further records provided to the Former Liquidator contained a Deed of Assignment of Chose in Action, an Assignment of Debt and Benefit of Guarantee between the Company, Mr Tal Arie Silberman in his capacity as controller of the Company, Roths and the Former Director dated 20 August 2020 ("**Deed of Assignment**").

The Deed of Assignment assigned the Company's numerous loan accounts and debtors totalling c. \$4.9M for consideration of \$45K. The Deed of Assignment makes reference to a loan agreement between Roths, the Former Director and the Company however does not specify if this is a reference to the loan agreement mentioned above. The Former Director advised the Former Liquidator that the \$45K was offset against the monies owed to Roths.

The Former Liquidator noted in his report to creditors that no documents had been provided to evidence that Roths is owed any monies by the Company, nor validate any security interest with respect to same.

Based on the documentation currently available to me, I am of the opinion that this transaction may constitute an unreasonable director-related transaction. Having noted my appointment as Liquidator has fallen outside of the required time frame to commence recovery of this transaction, I am currently exploring a breach of duties claim against Mr Tal Silberman as an officer of the Company in his capacity as controller.

14.4 UNFAIR LOANS (S588FD)

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

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

Based on the limited financial information currently available to me, I have not identified unfair loans.

14.5 CREDITOR-DEFEATING DISPOSITIONS (S588FDB)

A disposition of company's property is a creditor-defeating disposition if the consideration payable to the company for the disposition was less than the market value of the property and if the disposition has the effect of preventing the property from becoming available for the benefit of the company's creditors in the winding-up of the company.

Based on the limited financial information available to me, it appears that the transfer of shares may also constitute a creditor-defeating disposition. Similarly, my appointment as Liquidator has fallen outside of the required time frame to commence recovery of these transactions.

15. SUMMARY OF POTENTIAL OFFENCES

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

Breach	Commentary
s180—Failure to exercise due care and diligence (civil)	Former Director's transfer of shares owned by the Company to himself personally to the detriment of the Company. Rounded payments made to related entities, unreconcilable to invoices of the Company. Deed of Assignment of Chose in Action
s181(1)—Absence of good faith or proper purpose (civil)	Former Director's transfer of shares owned by the Company to himself personally to the detriment of the Company. Rounded payments made to related entities, unreconcilable to invoices of the Company. Deed of Assignment of Chose in Action
s182 - Use of Position	Former Director's transfer of shares owned by the Company to himself personally to the detriment of the Company.

Breach	Commentary
	<p>Rounded payments made to related entities, unreconcilable to invoices of the Company.</p> <p>Deed of Assignment of Chose in Action</p>
S183 – Use of information	<p>Former Director’s transfer of shares owned by the Company to himself personally to the detriment of the Company.</p> <p>Rounded payments made to related entities, unreconcilable to invoices of the Company.</p> <p>Deed of Assignment of Chose in Action</p>
s286 (civil)/ —Failure to maintain adequate financial records	<p>As I have not been provided with the Company’s complete books and records, my preliminary view is that the Company has failed to maintain sufficient books and records to meet the requirements of Section 286 of the Act.</p>
S588G(2) - Trading whilst insolvent (civil)	<p>As the Director has failed to provide the Company’s books and records, as per section 588E(4) of the Act, failure to maintain books and records allows for a presumption that the Company was insolvent from the date of its incorporation.</p> <p>The insolvency of the Company is further supported by indicators of insolvency outlined in Section 11.1.2 of this report.</p>
S530A/B – Officers to help Liquidator/Director obligation to provide books and records	<p>To date, the Director has not attended my office for a scheduled meeting or submitted a ROCAP or books and records to my office pursuant to section 475(4) of the Act.</p>

16. RECEIPTS AND PAYMENTS

There have been no receipts or payments to date in the Liquidation.

17. ESTIMATED RETURN TO CREDITORS

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

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

At this stage, there have been no recoveries in the Liquidation, thus, I have been unable to discharge my costs in full. Subject to any potential recoveries from claims being brought against the Former Director, there is unlikely to be a dividend paid to any class of creditor in this Liquidation.

18. REMUNERATION OF LIQUIDATOR

On 18 December 2024, I asked creditors to approve my retrospective and prospective remuneration of \$40,000 (excl. GST) which comprised of work completed for the period 4 December 2024 to 15 December 2024 for \$7,425(excl. GST) and future work for the period 16 December 2024 to conclusion of the Liquidation for \$32,575 (excl. GST). I advise creditors have approved both my retrospective and prospective remuneration.

During the Liquidation, additional time-costs have been incurred. It is my intention to seek creditors approval for my remuneration incurred and to be incurred.

The additional time-costs that have been incurred for the period 4 December 2024 to conclusion of the Liquidation are summarised as follows:

- ▲ Additional work than anticipated in conducting investigations relating to the Company's affairs;
- ▲ Considering recovery actions against third parties;
- ▲ Liaising with solicitors to consider and prepare for potential public examinations of various parties;
- ▲ Liaising with creditors and former employees of the Company;
- ▲ Repeated requests and delays from the Former Liquidator providing me with access to his file and Company records;
- ▲ Entering into funding agreement with third party; and
- ▲ Compiling reports to creditors;

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

- ▲ The hourly rates which also includes a guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation.
- ▲ The spreadsheet which sets out the calculation of remuneration by appointee, employee and position for the work undertaken by myself and my staff for the period 4 December 2024 to 2 March 2025.
- ▲ A summary sets out a general description of additional necessary work carried out for the period 4 December 2024 to the conclusion of the Liquidation.

It is my intention to seek approval from creditors with respect to my remuneration incurred from 4 December 2024 to conclusion of the Liquidation in the amount of \$60,000. I am seeking approval that

will increase the previous approval approved by Creditors for the period I have been appointed as Liquidator of the Company.

19. MATTERS OUTSTANDING

The outstanding matters in the administration are:

- ▲ Await ASIC response regarding Director compliance;
- ▲ Correspondence with creditors;
- ▲ Obtaining access to the Company's ATO portal;
- ▲ Confirming the total \$ owed to the Creditors;
- ▲ Liaising with lawyers regarding recovery action, pending the total \$ owed to the Creditor;
- ▲ Conduct public examinations of relevant parties;
- ▲ Conduct recovery actions if it's commercial to proceed with same;
- ▲ Statutory lodgements and general administrative matter; and
- ▲ Finalise.

Subject to the timing of the finalisation of the above matters and any unforeseen circumstances, I currently estimate that the administration will be finalised within 12-18 months.

20. CONCLUSION

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

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

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

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

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

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

Any further reports will be issued as considered appropriate.

Yours faithfully,

AXI FINANCIAL PTY LTD (CONTROLLER APPOINTED) (IN LIQUIDATION)



PETER KREJCI
LIQUIDATOR

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BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "A"
Form 535 Formal Proof of Debt or Claim
(General Form)**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of AXL Financial Pty Limited (In Liquidation) ACN 603 393 317 / ABN 56 603 393 317

1. This is to state that the company was, on 18 August 2021, ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

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

Particulars of the debt are (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

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

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

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

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

Contact Name:

Email Address:

DATED this.....day of.....2024

NAME IN BLOCK LETTERS

Occupation.....

Address.....

Signature of Signatory

OFFICE USE ONLY

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

Proof of Debt Form Directions

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

Annexures

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

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BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "B"
Shareholder Listing**

AXL FINANCIAL PTY LTD (CONTROLLER APPOINTED) (IN LIQUIDATION)

ACN 603 393 317

Share Structure and Shareholders

Class	Share	No. of Shares	Ben. Owned	Status	Name
A	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
A	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
B	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
B	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
C	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
C	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
D	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
D	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
E	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
E	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
F	50.00%	10	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
F	50.00%	10	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
ORD	16.67%	100	No	Current	117 688 356 A.C.N. 117 688 356 PTY LTD
ORD	16.67%	100	Yes	Current	158 063 873 THE HARMSTORF HOUSE PTY LTD
ORD	50.00%	300	Yes	Current	620 942 510 ROTH'S HOLDINGS AUSTRALIA PTY LTD
ORD	16.67%	100	Yes	Current	DUCHESS NADINE MARANDO
ORD	16.67%	100	Yes	Current	620 942 510 ROTH'S HOLDINGS AUSTRALIA PTY LTD
A	100.00%	20	No	Ceased/Former	IZABELA KWOKA
B	100.00%	20	No	Ceased/Former	IZABELA KWOKA
ORD	33.33%	200	No	Ceased/Former	IZABELA KWOKA
A	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
B	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
C	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
D	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
E	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
F	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
ORD	16.67%	100	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
A	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
B	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
C	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
D	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.

E	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
F	50.00%	10	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
ORD	16.67%	100	No	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
A	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
B	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
C	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
D	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
E	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
F	50.00%	10	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
ORD	16.67%	100	Yes	Ceased/Former	164 053 641 AXL LEGAL SOLUTIONS PTY. LTD.
A	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
B	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
C	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
D	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
E	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
F	50.00%	10	No	Ceased/Former	DEREK ERROL ZIMAN
ORD	16.67%	100	No	Ceased/Former	DEREK ERROL ZIMAN
A	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
B	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
C	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
D	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
E	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
F	50.00%	10	Yes	Ceased/Former	ALEXANDER HARMSTORF
ORD	16.67%	100	Yes	Ceased/Former	ALEXANDER HARMSTORF

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BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)**

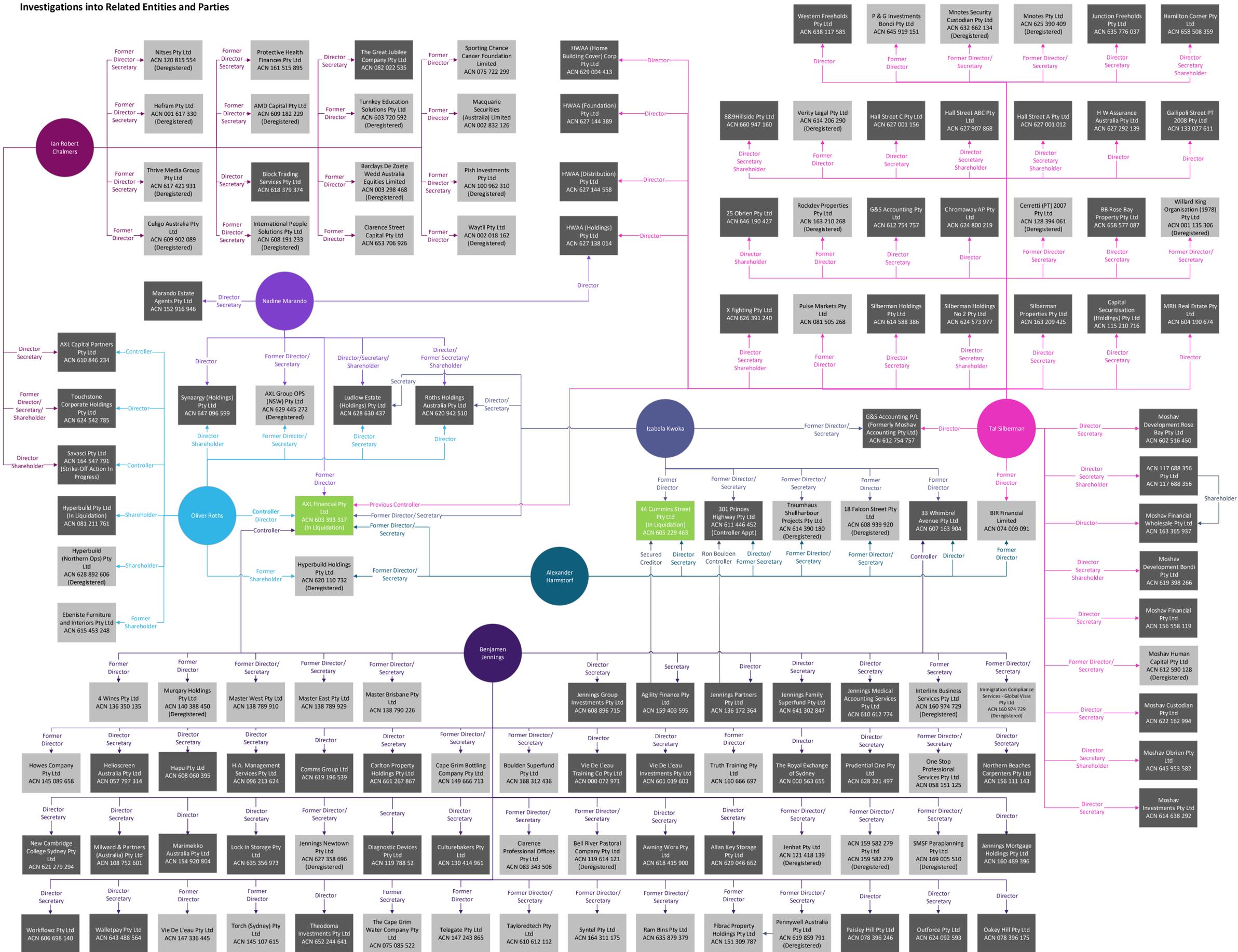
ACN 603 393 317

ABN 56 603 393 317

**Annexure "C"
Related Entity Diagram**

AXL Financial Pty Ltd (Controller Appointed) (In Liquidation)
ACN 603 393 317

Investigations into Related Entities and Parties



Key:



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**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "D"
Comparative Balance Sheets**

AXL Financial Pty Ltd (Controller Appointed) (In Liquidation)
ACN 603 393 317
Balance Sheet
For the Financial Years Ended 30 June 2016 to 30 June 2019

	Year Ended 30-Jun-16 (\$)	Year Ended 30-Jun-17 (\$)	Year Ended 30-Jun-18 (\$)	Year Ended 30-Jun-19 (\$)
ASSETS				
Current Assets				
Bank Accounts				
NAB Bank Account	26,810	806,160	(11,288)	228
Other Current Assets				
Trade Debtors	1,196	11,866	361,983	454,440
Shares on ASX	304,010	745,695	745,695	4,010
GST Paid	-	14,214	93,271	-
Rec- Agility Ebeniste	-	-	-	261
Deposits	-	-	-	(3,734)
Prepaid Motor Insurance	-	-	-	2,798
Total Current Assets	332,016	1,577,934	1,189,661	458,003
Non-Current Assets				
Fixed Assets				
Motor Vehicles At Cost	83,509	168,755	168,755	168,755
less accum dep	-	(28,319)	(63,428)	(77,640)
Furniture	-	-	1,103	2,085
Less accum dep	-	-	(4)	(4)
Computers	-	1,905	11,169	14,604
less accum dep	-	(772)	(3,252)	(3,252)
Low Value Pool Assets	-	300	4,220	6,478
less accum dep	-	(56)	(883)	(883)
Total Fixed Assets	83,509	141,813	117,681	110,144
Investments				
Managed By Agility	-	2,581,564	2,946,321	3,080,682
Managed By AXL	1,141,372	2,333,816	3,229,443	436,035
Total Other Loans	-	3,431	2,767,912	2,931,234
Total Shares and units	-	21,527,968	24,083,883	24,137,883
Office Bonds	-	-	72,272	36,877
Total intercompany Investments	-	1,070,720	3,632,876	-
Total Investments	1,141,372	27,517,499	36,732,707	30,622,711
Other Assets (Land at Cost)				
3 Short Street	748,983	763,874	893,725	981,162
3 Short Street Buildings	-	1,675	2,158	2,158
6&8 Timbs Road	-	1,304,114	1,434,096	1,563,900
6&8 Timbs Road Buildings	-	124,355	137,101	151,045
Ziman Trust Account	-	-	-	2,056
Pearson Emerson Trust	-	-	-	10,000
Total Other Assets	748,983	2,194,018	2,467,079	2,698,265
Total Non-Current Assets	1,973,864	29,853,329	39,317,468	33,431,120
TOTAL ASSETS	2,305,880	31,431,264	40,507,129	33,889,123
LIABILITIES				
Current Liabilities				
GST Liabilities	(2,351)	9,344	118,350	35,637
Trade Creditors	1,925	89,179	261,707	325,111
Credit Card	-	-	63,131	50,877
Payroll	-	-	9,370	46,981
PAYG Payable	-	-	14,100	-
Superannuation	-	-	7,559	-
Account Payable	-	-	-	72
Total Current Liabilities	(426)	98,524	474,218	458,679
Non-Current Liabilities				
Non-current Loans Other	642,078	3,623,088	7,816,440	6,674,074
Intercompany Loans	219,424	24,339,216	26,473,116	23,297,867
Agility Fin Loan- 121131	-	103,420	103,420	103,420
Agility Fin Loan - AXL Fin	632,290	1,172,911	3,306,738	1,136,145
Agility Fin Loan - 3 Short Street	820,827	964,532	936,105	1,025,311
6-8 TIMBS ROAD	-	1,373,738	1,516,687	1,637,927
Total Non-Current Liabilities	2,314,619	31,576,905	40,152,506	33,874,744
Long term Liabilities				
CJA Investment 18FS Unit Trust	-	102,000	102,000	-
Aiyu Zhu	-	18,750	18,750	18,750
Total Long Term Liabilities	-	120,750	120,750	-
TOTAL LIABILITIES	2,314,193	31,796,179	40,747,474	34,333,423
NET ASSETS	(8,313)	(364,915)	(240,346)	(444,300)
EQUITY				
Current Year Earnings / (Losses)	(110,313)	(255,162)	124,269	(310,148)
Share capital	-	560	860	860
CJA Investment 18FS Unit Trust	102,000	-	-	102,000
Retained Profits	-	(110,313)	(365,475)	(243,706)
TOTAL EQUITY	(8,313)	(364,915)	(240,346)	(432,244)

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

BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "E"
Comparative Profit and Loss Statements**

AXL Financial Pty Ltd (Controller Appointed) (In Liquidation)
ACN 603 393 317
Comparative Profit and Loss Statements
For the Financial Years Ended 30 June 2016 to 30 June 2019

	Year Ended 30-Jun-16 (\$)	Year Ended 30-Jun-17 (\$)	Year Ended 30-Jun-18 (\$)	Year Ended 30-Jun-19 (\$)
Income				
Sales	161,301.77	798,626.45	963,161.75	191,282.36
Total Income	161,301.77	798,626.45	963,161.75	191,282.36
Less: Cost of Sales				
Costs of Goods Sold	-	19,833.88	1,714.29	-
Total Cost of Sales	-	19,833.88	1,714.29	-
Gross Profit	161,301.77	778,792.57	961,447.46	191,282.36
Total Income	161,301.77	778,792.57	961,447.46	191,282.36
Expenses				
General Expenses	249,533.01	651,804.95	342,201.73	78,907.63
Property Expenses	14,465.91	49,694.04	-	-
Motor Vehicle Expenses	3,268.18	56,372.70	-	-
Other Expenses	-	-	1,432,666.60	1,560,920.56
Total Expenses	267,267.10	757,871.69	1,774,868.33	1,639,828.19
Operating Profit	(105,965.33)	20,920.88	(813,420.87)	(1,448,545.83)
Other income	71,012.87	312,009.66	1,182,156.29	1,231,732.95
Other expense	(75,360.71)	(721,064.35)	(246,966.03)	(93,335.22)
Profit / (Loss) After Income Tax	(110,313.17)	(388,133.81)	121,769.39	(310,148.10)
Retained Profits (Accum Losses) - Opening Balance	-	(110,313.17)	(498,446.98)	-
Less: Dividend Paid	-	-	-	-
Retained Profits (Accum Losses) - Closing Balance	(110,313.17)	(498,446.98)	(376,677.59)	(310,148.10)

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.

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**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "F"
Remuneration Approval Report**

Remuneration Approval Report

**AXL Financial Pty Limited (Controller
Appointed) (In Liquidation)**

**ACN 603 393 317
ABN 56 603 393 317
("The Company")**

4 March 2025

Peter Krejci
Liquidator

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



TABLE OF CONTENTS

TABLE OF CONTENTS 2

1. EXECUTIVE SUMMARY 3

2. DECLARATION 3

3. REMUNERATION SOUGHT 3

4. PREVIOUS REMUNERATION APPROVAL..... 4

5. LIKELY IMPACT ON DIVIDENDS..... 4

6. QUERIES & INFORMATION SHEET..... 5

7. ATTACHMENTS 5

SCHEDULE A – DETAILS OF WORK..... 6

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK).....10

SCHEDULE C – RESOLUTIONS11

SCHEDULE D – DISBURSEMENTS..... ERROR! BOOKMARK NOT DEFINED.

SCHEDULE E – EXPLANATION OF FUTURE REMUNERATION SOUGHT12

SCHEDULE F – SCHEDULE OF HOURLY RATES12

1. EXECUTIVE SUMMARY

I am asking creditors to approve my future remuneration of \$60,000.00 (excl. GST).

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

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

I estimate the total cost of this Liquidation will be approximately \$100,000.00 (excl. GST). This has increased from my previous estimate of \$40,000.00 for the following reasons:

- More work than anticipated in conducting investigations relating to the Company's affairs;
- Considering recovery actions against third parties;
- Liaising with solicitors to consider and prepare for potential public examinations of various parties;
- Liaising with creditors and former employees of the Company;
- Repeated requests and delays from the Former Liquidator providing me with access to his file and Company records;
- Entering into funding agreement with third party; and
- Compiling reports to creditors;

If further significant work is required in relation to the recovery of claims, a dividend to creditors and/or adjudication of proofs of debt over and above what has been outlined in this report (additional work), then I will report to creditors and seek additional remuneration approval.

2. DECLARATION

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

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

3. REMUNERATION SOUGHT

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

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Future Work	4 December 2024 to Conclusion	\$60,000.00	Provided in this Remuneration Approval Report at Schedule E	It will be drawn when funds are available, and it is incurred.
TOTAL		\$60,000.00 (excl. GST)		

Details of the work already completed for the period 4 December 2024 to 15 December 2024 and future work that I intend to complete are included at Schedule A.

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

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

4. PREVIOUS REMUNERATION APPROVAL

The following remuneration approvals have previously been approved by creditors.

Means of Approval	For	Period	Amount Approved (excl. GST) (\$)	Amount Paid (excl. GST) (\$)
Meeting of Creditors	Work completed	4 December 2024 to 15 December 2024	7,425.00	0.00
	Future Work	16 December 2024 to Conclusion	32,575.00	0.00
TOTAL			40,000.00	0.00

I am now seeking approval for \$60,000.00 (excl. GST), which will bring the total remuneration claimed in the Liquidation to \$100,000.00 (excl. GST).

A full explanation is at Schedule E of this report.

5. LIKELY IMPACT ON DIVIDENDS

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

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

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

6. QUERIES & INFORMATION SHEET

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

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

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

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

7. ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Explanation of Future Remuneration Sought

Schedule E – Schedule of Hourly Rates

SCHEDULE A – DETAILS OF WORK

Company	AXL Financial Pty Limited (Controller Appointed) (In Liquidation)	Period From	4 December 2024	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI Ferrier		
Administration Type	Creditors Voluntary Liquidation				

		Tasks	
		Work already completed (excl. GST)	Future work (excl. GST)
Period		4 December 2024 to 15 December 2024	16 December 2024 to Conclusion
Amount (excl. GST)		\$7,425.00	\$32,575.00
Task Area	General Description		
Assets		0 hours \$0.00	\$4,886.25
	Bank Accounts	N/A	Correspondence with banks Requesting further information regarding the bank statements and account details
	Other Assets	N/A	Conducting unclaimed money search Tasks associated with realising other assets
	Debtors	N/A	Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors
	Assets Subject to Specific Charges	N/A	All tasks associated with realising a charged asset
Creditors		3.2 hours \$1,480.00	\$8,143.75
	Creditor Reports	Preparing Initial Report to Creditors Preparing annexures to Initial Report to Creditors	Finalising Initial Report to Creditors Preparing Statutory Report by Liquidator Preparing annexures to Statutory Report Complete and Issue Statutory Report to Creditors Prepare further reports to creditors, if necessary

Task Area	General Description		
	Dealing with proofs of debt	Review and file PODs when not related to a dividend	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Secured Creditor Reporting	Extracted current PPSR reports Preparation of Day One Letters to secured creditors Maintaining register for secured creditor responses	Preparing reports to secured creditor Responding to secured creditor's queries Follow up secured creditors for updates
	Creditor Enquiries	N/A	Receive and respond to creditor enquiries Review and prepare correspondence to creditors and their representatives by email and post Compiling information requested by creditors Maintaining creditor request log
	Proposal to Creditors	N/A	Preparing proposal notices and voting forms Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
	Investigation		0.5 hours \$170.00
	Conducting Investigation	Conducting initial investigations in relation to the Company's business and affairs Conducting and summarising statutory searches Investigating the director's and related party's properties	Review of the Company's books and records to conduct investigations Review and preparation of narrative of business nature and history Conducting and Preparation of comparative financial statements Conducting investigations to identify potential voidable transactions (if any) and

Task Area	General Description		
			<p>consider potential recovery actions to be taken</p> <p>Conducting investigations with respect to solvency position of the Company and considering whether any potential insolvent trading claim exists</p> <p>Preparation of investigation file</p> <p>Lodgement of investigation with the ASIC</p> <p>Preparation and lodgement of supplementary report if required</p>
	Litigation/Recoveries	N/A	Correspondence with solicitors regarding potential claims against the director and related parties identified
	ASIC reporting	N/A	<p>Preparing statutory investigation reports</p> <p>Liaising with ASIC</p>
Employees		0.0 hours \$0.00	\$1,628.75
	Employees enquiries	N/A	<p>Receive and follow up employee enquiries via telephone</p> <p>Maintain employee enquiry register</p> <p>Review and prepare correspondence to employees and their representatives via facsimile, email and post</p> <p>Preparation of letters to employees advising of their entitlements and options available</p>
	Workers compensation claims		<p>Liaising with insurers and solicitors regarding claims</p> <p>Identification of potential issues requiring attention of insurance specialists</p> <p>Correspondence with insurer regarding initial and ongoing workers compensation insurance requirements</p>

Task Area	General Description		
			Correspondence with previous brokers
Administration		17.0 hours \$5,775.00	\$6,515.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505 Preparing and lodging ASIC advert regarding notice of appointment	Preparing and lodging ASIC forms including 5602 and 5603 Correspondence with ASIC regarding statutory forms
	Books and records/ storage	Preparing correspondence to the Company's former Liquidator requesting delivery of the Company's books and records	Dealing with records in storage Sending job files to storage
	Correspondence	Preparing and issuing day one correspondences Preparing and issuing letter to Director regarding his obligations	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents File review Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Filing of documents File review Updating checklists	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	Initial correspondence with insurer regarding insurance requirements	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	ATO and other statutory reporting	Notification of appointment	Liaising with ATO regarding request for documents Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration
	Finalisation	N/A	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP

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

AXL Financial Pty Limited (Controller Appointed) (In Liquidation)

ACN: 603 393 317

For the period 4 December 2024 to 2 March 2025

Staff Classification	Name	Hourly Rate (\$, ex GST)	Administration		Creditors		Employees		Investigation		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	Peter Krejci	750.00	1.2	900.00							1.2	900.00
Principal	David Cocker	750.00	1.2	900.00	1.1	825.00	0.1	75.00	2.4	1,800.00	4.8	3,600.00
Senior Manager	Katherine La	620.00	0.2	124.00							0.2	124.00
Supervisor	Ashleigh Roche	510.00	0.5	255.00							0.5	255.00
Senior 1	Joshua Coorey	450.00	7.0	3,150.00	3.8	1,710.00			2.9	1,305.00	13.7	6,165.00
Senior 2	Sushma Mandira	400.00	0.9	360.00	2.8	1,120.00			0.9	360.00	4.6	1,840.00
Senior Administrator	Andrea Moulikova	300.00	12.6	3,780.00	0.8	240.00			0.3	90.00	13.7	4,110.00
Intermediate 2	Mustafa Kashif	300.00			5.4	1,620.00					5.4	1,620.00
Senior Administrator	Sarita Gurung	300.00	1.2	360.00							1.2	360.00
Senior Administrator	Sonia Stelmach	300.00	0.2	60.00							0.2	60.00
Intermediate 2	Zachary George	300.00	6.9	2,070.00	6.6	1,980.00			0.3	90.00	13.8	4,140.00
Total			30.7	11,059.00	20.5	7,495.00	0.1	75.00	6.8	3,645.00	58.1	22,274.00
											GST	2,227.40
											Total (incl GST)	24,501.40
Average rate per hour			360.23		365.61		750.00		536.03		383.37	

SCHEDULE C – RESOLUTIONS

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

Resolution 1: Liquidator’s Remuneration for the period 4 December 2024 to Conclusion

“That the remuneration of the Liquidator, his partners and staff for the period 4 December 2024 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidator’s Report to Creditors dated 18 December 2024 and approved to an interim cap of \$60,000.00 (excl. GST) and that the Liquidator be authorised to draw that amount as and when incurred.”

SCHEDULE D – EXPLANATION OF FUTURE REMUNERATION SOUGHT

As detailed in Section 4 of this report, from 4 December 2024 to the conclusion of the Liquidation, creditors approved my retrospective and prospective remuneration totalling \$40,000.00 (excl. GST).

I believe my remuneration would exceed this cap, and, in this report, I am now seeking approval of a further capped amount of \$60,000.00 in respect of additional remuneration to be incurred.

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

Task	Fees approved as at 13 January 2025 \$	Approval sought for work already completed (excl. GST) \$	Approval sought for future work (excl. GST) \$	Total per task (excl. GST) \$
Assets	4,886.25	-	-	4,886.25
Creditors	9,623.75	-	12,000.00	21,623.75
Investigation	11,571.25	-	33,000.00	44,571.25
Employees	1,628.75	-	3,000.00	4,628.75
Administration	12,290.00	-	12,000.00	24,290.00
TOTAL	40,000.00	-	60,000.00	100,000.00
Total remuneration previously approved				40,000.00
Difference (see table below for further explanation)				60,000.00
Payment Reconciliation:				
TOTAL (incl. amount claimed now)				100,000.00
Amount paid to date				-
Amount outstanding (incl. amount claimed now)				100,000.00

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

Task	Fees approved as at 12 November 2024 \$	Total task (from previous table) (excl. GST) \$	Difference \$	Reason for differences

Assets	4,886.25	4,886.25	-	<p>Additional time has been incurred in relation to the following:</p> <ul style="list-style-type: none"> - Investigations into former property holdings - Investigations into former shareholdings - Investigations into debtors
Creditors	9,623.75	21,623.75	12,000.00	<p>Additional time has been incurred in relation to the following:</p> <ul style="list-style-type: none"> - Preparing and finalising further report to Creditors - Receive and respond to creditor enquiries - Correspondence with ATO regarding POD and portal access to the Company - Reviewing claims made against the Company
Investigation	11,571.25	44,571.25	33,000.00	<p>Further time costs have been incurred with respect to the following matters:</p> <ul style="list-style-type: none"> - Investigating reasons for company's failure - Investigating the company's management accounts and extracting information for investigation purposes - Conduct investigation in relation to the Director's personal property position - Review correspondence from the Director's bankruptcy trustee - Assessing the commerciality of the settlement of the claims against various parties. -Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, Company's books and records and Report on Company Affairs and Property from the Former Director - Reviewing Company's books and records - Investigations to identify potential voidable transactions and consider potential recovery actions to be taken
Employees	1,628.75	4,628.75	3,000.00	<p>Additional time has been incurred in relation to the followings:</p> <ul style="list-style-type: none"> - Receive and follow up employee enquiries via telephone - Maintain employee enquiry register -Review and prepare correspondence to employees and their representatives via facsimile, email and post - Preparation of letters to employees advising of their entitlements and options available

				- Liaising with insurers and solicitors regarding claims
Administration	12,290.00	24,290.00	12,000.00	<p>Additional time has been incurred in relation to the followings:</p> <ul style="list-style-type: none"> - General correspondences with Former Director and solicitors regarding updates on the matter - Preparing bank account reconciliations - Preparing receipt and payment vouchers - Discussion regarding status of liquidation, procedural requirements, priority milestones and future direction <p>Increase in Administration costs correlates highly with the length of time for which the Liquidation runs. Therefore, some more additional time is expected to be incurred leading up to the finalisation of the Liquidation</p>
TOTAL	40,000.00	100,000.00	60,000.00	

SCHEDULE E – SCHEDULE OF HOURLY RATES

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. BRI Ferrier normally charges to use a Time Cost basis.

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

Title	Description	Hourly Rate (ex GST) 1 July 24
Appointee / Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$750
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$670
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.	\$620
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.	\$580

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.	\$510
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.	\$450
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.	\$400
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.	\$350
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.	\$300
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$300
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$200

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

BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "G"
Proposal Without Meeting Forms**

NOTICE OF PROPOSAL TO CREDITORS

Dated: 4 March 2025

Voting Poll Closes: 26 March 2025

AXL FINANCIAL PTY LTD (CONTROLLER APPOINTED) (IN LIQUIDATION)
ACN 603 393 317
ABN 56 603 393 317
("the Company")

Proposal No. 1 for creditor approval

"That the remuneration of the Liquidator, his partner and staff for the period 4 December 2024 to the conclusion of the Liquidation, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Report to the Creditors dated 18 December 2024, be fixed and approved at \$60,000.00 (excl. GST), and that the Liquidator be authorised to draw that amount as required."

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

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

Vote on the Proposal No. 1

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

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

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

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

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

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

I am a related creditor of the Company*

relationship: _____

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

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

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **26 March 2025**, by email to Joshua Coorey at jcoorey@brifnsw.com.au. Should you have any queries in relation to this matter, please contact Joshua Coorey on (02) 8263 2320.

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

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

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "H"
ASIC Information sheet
Insolvency Information for Directors,
Employees, Creditors and Shareholders**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

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

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

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BRI Ferrier

**AXL Financial Pty Limited
(Controller Appointed) (In Liquidation)
ACN 603 393 317
ABN 56 603 393 317**

**Annexure "I"
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.

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**Annexure "J"
ARITA Information sheet
Proposal without Meeting**

Information sheet: Proposals without meetings

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

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

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

What is a proposal without a meeting?

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

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

What types of proposals can be put to creditors?

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

What information must the notice contain?

The notice must:

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

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

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

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

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

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

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

How is a resolution passed?

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

What happens if the proposal doesn't pass?

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

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

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

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

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

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

Where can I get more information?

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

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

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