

STATUTORY REPORT TO CREDITORS

PURSUANT TO SECTION 70-40 OF THE INSOLVENCY
PRACTICE RULES (CORPORATIONS) 2016

MB Australia Pty Ltd (In Liquidation)
ACN 115 512 993 ('The Company')

TRADING AS MAX BRENNER AUSTRALIA

17 JANUARY 2019

MEETING OF CREDITORS

MEETING DATE: 4 February 2019

MEETING TIME: 3:00PM

Liquidators: Andrew Sallway, Nicholas Martin and Helen
Newman

Contact for Queries: Ben Gan

Contact Phone: 02 8264 6679

Contact Email: Ben.Gan@bdo.com.au



TABLE OF CONTENTS

CONTENTS

ABBREVIATIONS USED	3
ATTACHMENTS	4
1. EXECUTIVE SUMMARY	5
2. INTRODUCTION	7
3. HISTORY OF COMPANY	7
4. ESTIMATED ASSETS AND LIABILITIES	8
5. TRADING OUTCOMES AND SALE OF ASSETS	11
6. INVESTIGATIONS AND RECOVERY ACTIONS	12
7. BOOKS AND RECORDS	20
8. RECEIPTS AND PAYMENTS	20
9. LIKELIHOOD OF DIVIDEND	20
10. COSTS OF THE LIQUIDATION	21
11. MATTERS OUTSTANDING	22
12. FURTHER INFORMATION	22
13. DISCLAIMER	23
14. ELECTRONIC COMMUNICATION	23
15. COMMITMENT TO CLIENT SERVICE	23

ABBREVIATIONS USED

Abbreviation	Description
AEDT	Australian Eastern Daylight Saving Time
ASIC	Australian Securities & Investments Commission
ALL PAP	All Present and After-Acquired Property
ATO	Australian Taxation Office
BAS	Business Activity Statement
BDO	BDO East Coast Partnership
CAANZ	Chartered Accountants Australia and New Zealand
Directors	Tamir Haikin and Lilach Haikin
EOS	Estimated Outcome Statement
FEG	Fair Entitlement Guarantee
GST	Goods and Services Tax
IPS	Schedule 2 of the Act - Insolvency Practice Schedule (Corporations)
IPR	Insolvency Practice Rules (Corporations) 2016
Liquidators	Andrew Sallway, Nicholas Martin and Helen Newman
Opera	Max Brenner Australia Pty Limited, formerly known as Opera Developments Pty Ltd and formerly known as MB Chocolate Pty Ltd
PAYG	Pay as You Go
PILN	Payment in Lieu of Notice
RATA	Report as to Affairs or Report

the Act	Corporations Act 2001(Cth)
the Company	MB Australia Pty Ltd (In Liquidation)
SGC	Superannuation Guarantee Charge
Wentworth Group or the Secured Creditor	Citadel Group Holdings Pty Ltd, Citadel Group Properties Pty Ltd, RS Family Holdings Pty Limited and Wentworth Capital Group Pty Ltd
WIP	Work in Progress

ATTACHMENTS

Annexure	Description
A	Notice of Meeting
B	Proof of Debt
C	Proxy
D	Receipts and Payments
E	Remuneration Report
F	Summary of PPSR Registrations
G	Estimated Outcome Statement
H	Annexures of tables for investigations
I	ARITA Creditor Information Sheet

1. EXECUTIVE SUMMARY

This report is compiled in accordance with section 70-40 of the IPR. This report should be read in conjunction with our first report dated 14 November 2018.

Outlined below is a summary of the key points raised in this report:

Insolvency appointments

- Barry Kogan, Katherine Sozou and Jason Preston of McGrath Nicol were previously appointed Joint and Several Voluntary Administrators of the Company on 30 September 2018. From the date of our appointment as Liquidators, their appointment as Administrators ceased.
- On Wednesday, 17 October 2018, Andrew Sallway, Nicholas Martin and Helen Newman were appointed Liquidators of the Company by order of the Supreme Court of Queensland.
- On 19 October 2018, Peter Gothard and Stephen Parbery of Ferrier Hodgson, were appointed Receivers and Managers to certain secured property of the Company by Wentworth Capital Group Pty Ltd, the holder of an all present and after acquired property security interest.

Sale of business and assets

- The Company operated chocolate cafés that traded as “Max Brenner”. The Company operated from leased premises and provided desserts, coffee and other chocolate products.
- We entered into a sale agreement with Opera for the sale of the assets of the Company. We provide an update on the sale progress in Section 5 of this report.

Employees

- Based on the information available to us, we estimate the Company has the following outstanding employee entitlements as at Wednesday, 17 October 2018:

Outstanding Entitlements	(\$)
Wages and allowances (including bonus)	1,070,960
Superannuation (Including SGC)	2,267,671
Leave (annual leave, leave loading and long service leave)	797,121
Redundancy and PILN	1,149,318
Total employee entitlements	5,285,070

- We are currently liaising with FEG in relation to the verification and distribution of outstanding employee entitlements under the scheme. For any funds paid to employees by FEG, FEG will stand in the place of the respective employees for their priority, should a dividend be paid. As at the date of this report FEG has distributed entitlements to 228 employees in the amount of \$975,741. We anticipate the number and the amount of the FEG advances to increase significantly.

Unsecured creditors

- To date, we have received 40 proofs of debt totalling \$15,940,198 from unsecured creditors (excluding the Directors) of the Company. This includes a claim from the ATO for \$2,267,671 for SGC (superannuation) and \$4,190,204 for other unpaid taxation liabilities. The Directors have lodged a proof of debt for an amount of \$25,742,561. We have not adjudicated on any of the claims received or verified any of the information contained in the books and records to date.

Investigations

- As part of our preliminary investigations we have identified 75 transactions that could be considered potential unfair preference payments totalling \$2,442,276. This includes transactions with statutory creditors, related parties and trade creditors.
- We have also identified 15 director related transactions totalling \$732,500 which could be considered potential voidable transactions.
- We have identified a further Uncommercial Transaction in relation to the transfer of a property in Alexandria in November 2017. The property served as the Company's head office. Further investigations are required to determine the value of the claim and the prospects of recovery.
- Our investigations are ongoing subject to obtaining further information. Creditors will be advised as to the outcome of our investigations and any recoverable claim in a subsequent update.

Return to creditors

- The declaration and distribution of a dividend to priority and unsecured creditors of the Company is subject to successful recoveries in the liquidation.
- Based on our analysis, the estimated return to creditors is as follows:

	Liquidation (High) (c/\$)	Liquidation (Low) (c/\$)
Secured Creditor	6.0 cents	0.0 cents
Employees (Preferential Creditors)	100.0 cents	0.0 cents
Unsecured Creditors	6.0 cents	0.0 cents

Meeting of creditors

- A meeting of creditors will be held at the offices of BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 on Monday, 4 February 2019 at 3:00PM (AEDT). We enclose the Notice of Meeting of Creditors (Annexure A), Formal Proof of Debt (Annexure B) and Proxy Form (Annexure C).
- At the meeting, we will be seeking approval of our additional remuneration for the period 12 November 2018 to 17 January 2019 in the amount of \$40,343 (excluding GST and disbursements) and for the period period 18 January 2019 to 30 June 2019 in the amount of \$50,000 (excluding GST and disbursements).
- Creditors voting by proxy are required to complete and return the proxy form by 4pm on Friday, 1 February 2019 to Ben Gan of this office at ben.gan@bdo.com.au.

Next steps

- We anticipate the winding up of the Company will continue for between twelve months to two years, the timing of which is subject to recovery of potential voidable transactions identified and whether legal proceedings are required to pursue the potential recoveries.

2. INTRODUCTION

We refer to our Initial Notification to Creditors dated 14 November 2018 in which we advised you of our appointment and your rights as a creditor in the liquidation.

The purpose of this report is to provide you with:

- An update on the progress of the liquidation;
- An estimate of the Company's assets and liabilities;
- An update of the investigations conducted to date; and
- Advise you of the likelihood of a dividend being paid in the liquidation.

We will also be requesting that you consider our detailed remuneration report and approve our remuneration at an upcoming meeting of creditors to be held on Monday, 4 February 2019 at 3:00PM (AEDT) at the offices of BDO, Level 11, 1 Margaret Street, Sydney NSW 2000.

3. HISTORY OF COMPANY

The Company was registered on 28 July 2005 and operated a Chocolate Café business from sites across Australia. There are two directors of the Company, Tamir and Lilach Haikin.

3.1 Company details and security interests

Current directors and shareholders:

Director	Appointment Date	Date Ceased
Tamir Haikin	28 July 2005	Current
Lilach Haikin	28 July 2005	Current

Shareholders	Class	Number Held	Capital (\$)
MB Australia 2000 Pty Ltd	ORD	2	\$2

*Source: ASIC Company Search

The Director of MB Australia 2000 Pty Ltd is Tamir Haikin.

3.2 Personal Property Securities Register

The summary of the PPSR maintained by the Australian Financial Security Authority is disclosed at Annexure F. At the date of appointment there were 129 registrations against the Company.

3.3 Reasons for failure

The Company was served with statutory demands by Sunstate Ceilings Pty Ltd ('Sunstate') on 22 May 2018, Strauss Group Ltd ('Strauss Group') on 13 June 2018 and Max Brenner Industries Ltd ('MBI') on 13 June 2018.

On 29 June 2018, Sunstate commenced proceedings in the Supreme Court of Queensland seeking an order that the Company be wound up in insolvency. On 24 August 2018, the Court ordered that Strauss Group be substituted for Sunstate in the role of petitioning creditor.

On 30 September 2018, before the winding up application was heard, Barry Kogan, Kathy Sozou and Jason Preston of McGrath Nicol were appointed as Joint and Several Voluntary Administrators of the Company by the Directors of the Company. During their appointment, the Voluntary Administrators continued to trade the business whilst a sale of business was pursued.

On 3 October 2018, Strauss Group pressed the application to wind up the Company, while the Voluntary Administrators sought an adjournment of the application pursuant to section 440A of the Act on the basis that "it is in the interests of the company's creditors for the company to continue under administration rather than be wound up." Justice Mullins adjourned the hearing until 17 October 2018, but did so generally (rather than pursuant to section 440A of the Act) because her Honour was not satisfied that the material before the Court was sufficient to satisfy the test under section 440A of the Act.

On 17 October 2018, the Voluntary Administrators pressed for an adjournment of the winding up application pursuant to section 440A of the Act, while Strauss Group again pressed the application to wind up the Company. Justice Dalton held that the continuation of the Voluntary Administration was not in the best interests of creditors (i.e. the test in section 440A of the Act had not been satisfied).

On this basis, on 17 October 2018, the Company was wound up by the Supreme Court of Queensland. Andrew Sallway, Helen Newman and Nicholas Martin of BDO were appointed Liquidators.

Stephen Parbery and Peter Gothard were appointed Receivers and Managers to the secured property of the Company on 19 October 2018 by Wentworth Capital Group Pty Ltd.

We requested that the Directors complete a questionnaire and provide their reasons for Company's failure. However, they declined to provide any reason for the Company's failure.

We believe that the failure of the Company can be attributed to the following reasons:

1. Poor financial management of the Company;
2. Poor strategic management of the business;
3. Ongoing trading losses from 2016 onwards;
4. Increasing statutory liabilities;
5. High fixed costs (rent and wages);
6. Declining revenue over an extended period; and
7. A high level of secured debt that the Company struggled to service.

4. ESTIMATED ASSETS AND LIABILITIES

The Directors have completed a Report as to Affairs (RATA) detailing the financial position of the Company.

Below is a summary of the Directors' estimated assets and liabilities of the Company, along with the Liquidators' estimated values based on investigations to date.

Description	Note	Directors' Estimate of Recoverable Value \$	Liquidators' Estimate \$
Assets			
Cash at bank	1	79,969	-
Motor Vehicles	2	-	1
Plant and Equipment	3	671,178	-
Stock	4	350,832	270,360
Total Assets		1,101,979	270,361
Liabilities			
Employee Entitlements	5	1,824,988	5,285,070
Secured Creditors	6	13,063,455	32,332,724
Unsecured Creditors	7	12,796,651	15,940,198
Related Party Claims	8	-	25,742,562
Total Liabilities		27,685,094	78,426,613
Estimated Net Deficiency		26,583,115	78,156,252

Note 1: Cash at Bank

On appointment, we contacted the major financial institutions requesting any accounts in the Company's name be frozen and the balance transferred to the Liquidators. The following accounts were identified. However, the balance of these accounts were transferred to the former Administrators.

NAB Account 8079 \$27,374.04

NAB Account 5262 \$111,707.49

Note 2: Motor Vehicles

The Directors advised in their RATAs that the Company owns a number of motor vehicles.

On appointment we identified that the Company had encumbered and unencumbered motor vehicles.

The Liquidators obtained a valuation of the vehicles, which were valued at \$346,000. Following an assessment, the motor vehicles that were encumbered were disclaimed during the Liquidation, due to the payout figures exceeding the value of the vehicles. Unencumbered vehicles were sold as part of the sale to Opera. These vehicles were subject to Wentworth Group's security. The sale is discussed in Section 5.

Note 3: Plant and Equipment

The Directors advised the Company owned plant and equipment totalling \$671,178.

The plant and equipment of the Company consisted of the fixture and fittings, computer equipment, motor vehicles, a low-value pool of assets and equipment contained in each of the chocolate cafes.

The Liquidators secured all the plant and equipment and arranged for a valuation to be conducted.

All plant and equipment was included in the sale to Opera, subject to the obtaining the consent of the secured creditor. The sale is discussed in Section 5.

This plant and equipment excludes any items located in stores disclaimed by the former Voluntary Administrators.

The Liquidators determined that the plant and equipment was of minimal value for the following reasons:

1. The fixtures and fittings (e.g. coffee machines, appliances etc.) could not be removed from the restaurants without incurring substantial make good costs. Accordingly, no value is attributed to fixtures and fittings in a forced liquidation scenario; and
2. The value of plant and equipment (e.g. tables and chairs, equipment, IT equipment etc.) in a liquidation scenario is impacted by its condition, costs to realise (including removal and transport costs) and overall demand for second hand items.

The equipment is subject to Wentworth Group's general security agreement.

Note 4: Stock

Given the nature of the business, the Company had both perishable and non-perishable stock. The Company's stock was located at the Company's warehouse in Alexandria, NSW as well as an amount located in the each of the stores.

A stocktake undertaken at the date of our appointment indicated that the value of stock less obsolete stock was c. \$270k. The stock was acquired by Opera at cost (see Section 5).

Note 5: Priority Employee Entitlements

Pursuant to section 556 of the Act, employees are afforded a priority over ordinary unsecured creditors from circulating assets.

At the date of our appointment, the books and records detail the Company recognised c.700 full-time employees with outstanding employee entitlements.

We have been provided with adequate books and records to calculate outstanding employee entitlements.

Based on the information available, we estimate the Company has the following outstanding employee entitlements as at 17 October 2018:

Outstanding Entitlements	(\$)
Wages and allowances	1,070,960
Superannuation (Including SGC)	2,267,671
Leave (annual leave, leave loading and long service leave)	797,121
Redundancy and PILN	1,149,318
Total employee entitlements	5,285,070

Pursuant to Sections 556(1) and 556(1B) of the Act, the priority for a director and related individuals is limited to \$2,000 for unpaid wages and superannuation, and \$1,500 for leave of absence, respectively.

We are currently liaising with FEG in relation to the verification and distribution of outstanding employee entitlements under the scheme. For any funds paid to employees by FEG, FEG will then replace the employees as a priority creditor in the Liquidation.

Note 6: Secured Creditors

Wentworth Capital Group Pty Ltd holds a General Security Agreement registered over the Company's assets.

The Wentworth Group have lodged proofs of debt in the liquidation with their supporting security documentation in the amount of \$32,332,724.

There are also various secured creditors with specific registered security interests over certain assets of the Company as detailed in Annexure E.

Secured creditors are entitled to claim as an unsecured creditor in the liquidation for any shortfall owing after the security is realised.

We have not adjudicated on any of the claims received or verified any of the information contained in the books and records to date.

Note 7: Unsecured Creditors

The Directors' RATA details 91 unsecured creditors totalling \$12,796,650 which included an amount of \$1,979,970 owing to the ATO.

To date, we have received 40 proofs of debt totalling \$15,940,198 from unsecured creditors of the Company.

This includes a priority claim for \$2,267,671 for SGC and \$4,190,204 for unpaid taxation liabilities from the ATO.

We have not adjudicated on any of the claims received or verified any of the information contained in the books and records to date.

Note 8: Related Party Claims

Despite it not being disclosed in the RATA, the Company records indicate the Company had a related party loan from the Directors totalling \$23,041,121. The Directors have lodged a proof of debt in the amount \$25,742,562.

We understand that the funds were advanced to the Company to fund the trading of the business. We have not adjudicated on this claim or verified any of the information contained in the books and records to date.

5. TRADING OUTCOMES AND SALE OF ASSETS

Prior to our appointment the former Administrators closed twenty (20) stores across Australia. During our appointment there were two (2) store closures due to the termination of the leases.

The Company continued to trade during our appointment and on 1 November 2018 Opera and the Liquidators entered into a Sale Agreement to acquire the assets of the Company and transfer the employment of in excess of 275 employees. The Sale Agreement had a number of completion steps. On 9 November 2018 the employment of in excess of 275 employees was transferred and Opera assumed those employees' entitlements.

At the date of this report, the only outstanding conditions precedent to completion are the retirement of the Receivers in relation to the assets and the release of the Secured Creditor's security. Opera has yet to

satisfy or expressly waive these conditions precedent (to the extent they have not been waived already by Opera).

In relation to twelve of the premises leased by the Company, Opera has requested that the Liquidators assign, and that the landlords of the properties consent to the assignment of, the leases. The Liquidators, Opera and the landlords are negotiating the terms of those assignments, and Opera have provided the Liquidators with an indemnity in relation to the continuation of those twelve leases until they are effectively assigned.

6. INVESTIGATIONS AND RECOVERY ACTIONS

A Liquidator has the ability to take recovery action against various parties that may have received preferential treatment ahead of other creditors. The objective is to recover funds and redistribute the money to creditors in accordance with the Act's priority provisions. The status of our investigations are detailed below.

Any creditor that considers a specific matter warrants investigation or has any information which would assist our inquiries should contact our office. The findings of our investigations as to whether it appears past or present officers may have been guilty of an offence in relation to the Company will be lodged with ASIC.

6.1 Voidable Transactions

In addition to the funds realised from assets of the Company, a Liquidator has available certain actions pursuant to the Act, to recover funds that have been paid prior to their appointment.

We have conducted initial investigations into the Company's affairs to identify any potential recovery actions recoverable by a Liquidator.

During the investigations we have conducted the following:

- Investigated the Company's accounting system;
- Reviewed the Company's books and records;
- Reviewed the Company's email systems;
- Requested and reviewed records provided under the freedom of information provisions from statutory bodies;
- Reviewed and identified transactions from the Company's bank statements; and
- Conducted informal interviews with employees and a director of the Company.

6.1.1 Unfair Preferences

An unfair preference is a payment made to an unsecured creditor of the company in the six months preceding the date of the winding up (four years if the payment was made to a related entity) at a time when the company is insolvent (or if the company became insolvent as a result of the transaction), resulting in the creditor receiving more than it would have by proving in the liquidation. Such transactions are void as against a liquidator. However, creditors have several defences available, including a defence if the creditor:

- entered into the transaction in good faith; and
- either had no reasonable grounds for suspecting that the company was insolvent (or would become insolvent), or a reasonable person in the creditor's circumstances would have had no such grounds for so suspecting; and
- provided valuable consideration or changed their position in reliance on the transaction.

We are continuing our investigations into these payments and the supporting documentation available. We are also assessing whether the relevant creditors received a benefit and whether any of those creditors could reasonably conclude the Company was insolvent at the time.

Following the conclusion of these investigations, we may issue demand letters. If payment is not forthcoming and subject to funding, we will consider commencing legal proceedings to pursue recovery. Legal proceedings could take between twelve months to two years to resolve.

Creditors will be advised of the outcome of our investigations and any recoverable claim in a subsequent update.

Based on our preliminary investigations, we have identified 75 transactions totalling \$2,442,276 that have the characteristics of unfair preference payments, summarised as follows:

Party	Number of Transactions	Total
Statutory Creditors	37	\$1,761,126
Trade Creditors	11	\$71,000
Related Party Creditors	27	\$610,150
Total	75	\$2,442,276

We are also investigating numerous transactions that were made just prior to the former Administrators being appointed which were not in the Company's accounting systems.

We are also aware of further payment arrangements with at least six (6) creditors which we are investigating to determine if these constitute preferential payments.

If creditors have any information which would assist our investigations, it is requested that this is provided to the Liquidators in writing.

At present we are without funds in the liquidation. Should any creditors wish to consider funding a potential action, please contact this office.

6.1.2 Uncommercial Transactions

An uncommercial transaction is a transaction which a reasonable person in the company's circumstances would not have entered into having regard to the benefits and the detriment to the company and any other parties to the transaction.

An uncommercial transaction is voidable by a Liquidator if:

- the company was insolvent at the time it entered into the transaction or the company became insolvent in consequence of the transaction; and
- the transaction was entered into within two years of the appointment of the Liquidator (or four years if it involves a related party).

As noted above in this report, the Supreme Court of Queensland ordered that the Company be wound up on 17 October 2018. In those proceedings, Justice Dalton held that the continuation of the administration was not in the best interests of creditors (i.e. the test in section 440A of the Act had not been satisfied) based on two reasons:

1. The termination of the licence agreement between Max Brenner Industries Ltd and the Company on 17 October 2018 and its effect on the Company's ability to trade and any potential sale of the Company's assets; and
2. The need for the sale of the property at 15-21 Doody Street, Alexandria to be investigated by liquidators of the Company.

In relation to the second reason, her Honour noted that "[t]here is some material before the Court which certainly shows a case for investigation as to whether or not that sale was at an undervalue at a time when the [Company] was insolvent. The material before the Court is to the effect that that under value might be in the vicinity of around \$20 million. So it certainly is something that needs to be investigated." Our initial investigations indicate that the Property was transferred to the Secured Creditor on 24 November 2017. This may constitute an uncommercial transaction if the Company was insolvent at the time of the transaction and it was detrimental to the Company. We will continue to conduct further investigations into the sale of the Doody Street property.

At present we are without funds in the liquidation. As such we are approaching litigation funders to discuss the funding of investigations and proceedings in respect of this transaction. We are preparing, with assistance from our legal representatives, a briefing paper for potential funders regarding this transaction.

We will provide an update on our progress in our next report to creditors and at the upcoming meeting of creditors.

If creditors have any information which would assist our investigations, we request that this information is provided to the Liquidators in writing.

Should any creditors wish to consider funding a potential action, please contact this office.

6.1.3 Unreasonable Director Related Transactions

Under section 588FDA of the Act, unreasonable director related transactions are payments made by the company to a director of the company or a close associate of the director, 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 (if any) to the company of entering into the transactions; and
- The detriment to the company of entering into the transactions; and
- The respective benefits to other parties to the transactions entering into it; and
- Any other relevant matter.

We have reviewed the Company's books and records and we have identified 15 transactions totalling \$732,500 that may have the characteristics of unreasonable director related transactions since the winding up application was first filed with the court on 29 June 2018.

Our investigations are ongoing subject to obtaining further information. We will investigate these payments further and commence action to recover these amounts if it is deemed commercially viable.

If creditors have any information which would assist our investigations, we request that this information is provided to the Liquidators in writing.

Should any creditors wish to consider funding a potential action, please contact this office.

6.1.4 Unfair Loans

An unfair loan is a loan that provides for interest which is extortionate or the charges relating to the loan are extortionate. Whether interest or charges are extortionate will depend on various factors including the term of the loan, value of security in respect of the loan and repayments of the principle.

We have not identified any loans which appear to be unfair.

If creditors have any information which would assist our investigations, we request that this information is provided to the Liquidators in writing.

6.2 Insolvent Trading

Section 588G of the Act provides that it is an offence for directors to allow a Company to trade whilst it is insolvent. Should a director contravene this section, the Liquidator has the right to claim against them to recover the loss suffered by the Company as a result.

However, directors have several defences available as follows:

- When the debt was incurred, the director had reasonable grounds to expect that the company was solvent and would remain so even if the debt was incurred (Section 588H(2));
- When the debt was incurred the director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information about the company's solvency to the director and based on that information the director expected the company to be solvent and remain so (Section 588H(3));
- The director did not take part in the management of the company at the time due to illness or other good reason (Section 588H(4));
- The director took reasonable steps to prevent the company from incurring the debt (Section 588H(5)); and
- The director was under safe harbour protection (s588GA).

Pursuant to Section 95A of the Act, a company is insolvent if it is unable to pay all of its debts as and when they become due and payable.

From our preliminary review of the Company's books and records it appears the Company may have traded while insolvent from 30 June 2016 if not earlier. Our reasons are set out below.

The precedent case for determining the solvency of a company is set out in *ASIC v Plymin & Ors* (2003) 46 ASCR 126 (commonly referred to as the "Water Wheel case"), where Justice Mandy of the Supreme Court of Victoria referred to the following checklist of 14 indicators of insolvency:

1. Continuing losses
2. Liquidity ratios below 1
3. Overdue Commonwealth and State taxes
4. Poor relationship with present Bank, including inability to borrow further funds
5. No access to alternative finance
6. Inability to raise further equity capital
7. Suppliers placing the company on COD, or otherwise demanding special payments before resuming supply

8. Creditors unpaid outside trading terms
9. Issuing of post-dated cheques
10. Dishonoured cheques
11. Special arrangements with selected creditors
12. Solicitors' letters, summons[es], judgments or warrants issued against the company
13. Payments to creditors of rounded sums which are not reconcilable to specific invoices
14. Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts.

Indicators of insolvency

Our preliminary investigations have identified the following indicators of insolvency:

1. Continuing losses from 1 July 2015 onwards
2. Liquidity Ratio below 1 from at least 30 June 2015
3. Overdue State and Commonwealth Taxes and ongoing repayment arrangements since at least January 2017
4. Poor relationship with previous financier, NAB, culminating in a refinance to the Wentworth Group in or about November 2017
5. Creditors unpaid, outside trading terms
6. No access to alternative finance
7. Inability to raise further equity capital
8. Special arrangements with selected creditors
9. Payments to creditors of rounded sums which are not reconcilable to specific invoices

Set out below are our findings from our preliminary investigations.

Area	Analysis	Commentary																																															
Balance Sheet	Current ratio	The Company's liquidity (current) ratio was consistently less than 1 for the period 1 July 2015 to appointment of the Liquidators.																																															
	Cash less trade creditors and taxes	This indicates that the Company did not have the resources to meet its liabilities as they fell due. We note that the Company's secured debt was classified as a current liability due to the short term of the liabilities.																																															
	Net working capital	The Company had a deficiency of assets to liabilities from 30 June 2016 and this deteriorated further between 1 July 2016 and the appointment of the Liquidators.																																															
	Total assets less total liabilities	The majority of the Company's current liabilities were made up of loans to the NAB at 30 June 2016 and a director loan. Wentworth refinanced the NAB in or about November 2017. The Company had a net asset deficiency of \$3,104,815 as at 30 June 2016 which deteriorated to \$9,602,528 at the date of our appointment. Please refer to Annexure H for the Net Asset position and Current Ratio analysis.																																															
Profitability	Gross profit	The Company historically traded with a positive gross margin due to nature of the services provided, the margin was maintained at a stable rate up to the date of appointment. However, the generated operating losses and net losses from 1 July 2015 driven by: <ul style="list-style-type: none"> - Declining Revenue; and - A high fixed costs base and the failure to reduce overheads in line with declining revenue. 																																															
	Net profit/(loss)	Please refer below for the gross profit ('GP') and net profit ('NP') position from June 2016. <table border="1" data-bbox="544 1211 1414 1500"> <thead> <tr> <th>Profit Margins</th> <th>Jun-16</th> <th>Jun-17</th> <th>Dec-17</th> <th>Jun-18</th> <th>FY 19 YTD</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>54,407,724</td> <td>50,191,497</td> <td>21,816,331</td> <td>41,082,726</td> <td>10,153,482</td> </tr> <tr> <td>Gross Profit</td> <td>40,727,616</td> <td>37,911,671</td> <td>16,910,211</td> <td>31,967,684</td> <td>7,517,480</td> </tr> <tr> <td>Gross Margin %</td> <td>75%</td> <td>76%</td> <td>78%</td> <td>78%</td> <td>74%</td> </tr> <tr> <td>Operating Profit</td> <td>(2,626,480)</td> <td>(5,496,420)</td> <td>(2,282,891)</td> <td>(2,992,368)</td> <td>1,372,462</td> </tr> <tr> <td>Operating Profit %</td> <td>-5%</td> <td>-11%</td> <td>-10%</td> <td>-7%</td> <td>14%</td> </tr> <tr> <td>Net Profit/(Loss)</td> <td>(3,368,586)</td> <td>(5,559,625)</td> <td>(1,602,960)</td> <td>(2,312,695)</td> <td>1,373,038</td> </tr> <tr> <td>Net Profit %</td> <td>-6%</td> <td>-11%</td> <td>-7%</td> <td>-6%</td> <td>14%</td> </tr> </tbody> </table> <p>The Company recorded a net profit of \$1.37m for the period 1 July 2018 to appointment (the month prior to appointment). This is due to wages for the month of September not being recorded in the accounting system. Wages in the prior month totalled \$1.4m and if included a loss for the period 1 July 2018 to appointment would have been reported.</p> <p>The Company suffered cumulative trading losses of \$9,867,868 during the period 1 July 2016 to the date of appointment.</p>	Profit Margins	Jun-16	Jun-17	Dec-17	Jun-18	FY 19 YTD	Revenue	54,407,724	50,191,497	21,816,331	41,082,726	10,153,482	Gross Profit	40,727,616	37,911,671	16,910,211	31,967,684	7,517,480	Gross Margin %	75%	76%	78%	78%	74%	Operating Profit	(2,626,480)	(5,496,420)	(2,282,891)	(2,992,368)	1,372,462	Operating Profit %	-5%	-11%	-10%	-7%	14%	Net Profit/(Loss)	(3,368,586)	(5,559,625)	(1,602,960)	(2,312,695)	1,373,038	Net Profit %	-6%	-11%	-7%	-6%
Profit Margins	Jun-16	Jun-17	Dec-17	Jun-18	FY 19 YTD																																												
Revenue	54,407,724	50,191,497	21,816,331	41,082,726	10,153,482																																												
Gross Profit	40,727,616	37,911,671	16,910,211	31,967,684	7,517,480																																												
Gross Margin %	75%	76%	78%	78%	74%																																												
Operating Profit	(2,626,480)	(5,496,420)	(2,282,891)	(2,992,368)	1,372,462																																												
Operating Profit %	-5%	-11%	-10%	-7%	14%																																												
Net Profit/(Loss)	(3,368,586)	(5,559,625)	(1,602,960)	(2,312,695)	1,373,038																																												
Net Profit %	-6%	-11%	-7%	-6%	14%																																												

<p>Cash flow</p>	<p>Bank balance Cash flow statement</p>	<p>In the 12 months leading up to the appointment the bank balance fluctuated between \$7.5m overdrawn and \$151k. The cash position from December 2017 to appointment is summarised below:</p> <table border="1" data-bbox="544 376 1422 551"> <thead> <tr> <th>000's</th> <th>Dec-17</th> <th>Jan-18</th> <th>Feb-18</th> <th>Mar-18</th> <th>Apr-18</th> <th>May-18</th> <th>Jun-18</th> <th>Jul-18</th> <th>Aug-18</th> <th>Sep-18</th> </tr> </thead> <tbody> <tr> <td>Opening Cash Balance</td> <td>(7,733)</td> <td>(1,693)</td> <td>(1,508)</td> <td>(1,500)</td> <td>(1,521)</td> <td>(1,438)</td> <td>(1,417)</td> <td>(596)</td> <td>(1,462)</td> <td>(1,296)</td> </tr> <tr> <td>Closing Cash Balance</td> <td>(1,693)</td> <td>(1,508)</td> <td>(1,500)</td> <td>(1,521)</td> <td>(1,438)</td> <td>(1,417)</td> <td>(596)</td> <td>(1,462)</td> <td>(1,296)</td> <td>151</td> </tr> <tr> <td>Net Change in Cash</td> <td>6,040</td> <td>185</td> <td>8</td> <td>(21)</td> <td>83</td> <td>21</td> <td>821</td> <td>(865)</td> <td>165</td> <td>1,448</td> </tr> </tbody> </table> <p>There was a cash injection of \$4,995,836 on 4 December 2017. Based on our preliminary investigations, it appears that this relates to the Wentworth refinancing of the NAB overdraft facility.</p>	000's	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Opening Cash Balance	(7,733)	(1,693)	(1,508)	(1,500)	(1,521)	(1,438)	(1,417)	(596)	(1,462)	(1,296)	Closing Cash Balance	(1,693)	(1,508)	(1,500)	(1,521)	(1,438)	(1,417)	(596)	(1,462)	(1,296)	151	Net Change in Cash	6,040	185	8	(21)	83	21	821	(865)	165	1,448										
000's	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18																																														
Opening Cash Balance	(7,733)	(1,693)	(1,508)	(1,500)	(1,521)	(1,438)	(1,417)	(596)	(1,462)	(1,296)																																														
Closing Cash Balance	(1,693)	(1,508)	(1,500)	(1,521)	(1,438)	(1,417)	(596)	(1,462)	(1,296)	151																																														
Net Change in Cash	6,040	185	8	(21)	83	21	821	(865)	165	1,448																																														
<p>Creditors</p>	<p>Aged trade creditors ledger Creditors' claims</p>	<p>The majority of the Company's trade creditors have consistently been aged over 60 days for 6 months prior to appointment. This indicates the Company consistently stretched its trade creditor terms to manage its cash flow.</p> <p>The Creditor ageing is summarised as follows:</p> <table border="1" data-bbox="544 860 1398 1162"> <thead> <tr> <th></th> <th>Current</th> <th>30 Days</th> <th>60 Days</th> <th>90 Days</th> <th>120+ Days</th> </tr> </thead> <tbody> <tr> <td>Feb-18</td> <td>10.5%</td> <td>23.4%</td> <td>20.3%</td> <td>11.8%</td> <td>34.0%</td> </tr> <tr> <td>Mar-18</td> <td>11.5%</td> <td>12.5%</td> <td>29.8%</td> <td>13.6%</td> <td>32.5%</td> </tr> <tr> <td>Apr-18</td> <td>9.8%</td> <td>24.6%</td> <td>6.5%</td> <td>23.0%</td> <td>36.1%</td> </tr> <tr> <td>May-18</td> <td>11.0%</td> <td>13.6%</td> <td>17.4%</td> <td>13.0%</td> <td>44.9%</td> </tr> <tr> <td>Jun-18</td> <td>10.3%</td> <td>23.3%</td> <td>7.1%</td> <td>15.7%</td> <td>43.6%</td> </tr> <tr> <td>Jul-18</td> <td>13.9%</td> <td>14.8%</td> <td>18.9%</td> <td>13.1%</td> <td>39.2%</td> </tr> <tr> <td>Aug-18</td> <td>9.4%</td> <td>10.9%</td> <td>14.0%</td> <td>11.5%</td> <td>54.2%</td> </tr> <tr> <td>Sep-18</td> <td>6.7%</td> <td>23.9%</td> <td>11.7%</td> <td>13.2%</td> <td>44.4%</td> </tr> </tbody> </table> <p>At the date of appointment c. 68% of creditors were aged over sixty (60) days.</p>		Current	30 Days	60 Days	90 Days	120+ Days	Feb-18	10.5%	23.4%	20.3%	11.8%	34.0%	Mar-18	11.5%	12.5%	29.8%	13.6%	32.5%	Apr-18	9.8%	24.6%	6.5%	23.0%	36.1%	May-18	11.0%	13.6%	17.4%	13.0%	44.9%	Jun-18	10.3%	23.3%	7.1%	15.7%	43.6%	Jul-18	13.9%	14.8%	18.9%	13.1%	39.2%	Aug-18	9.4%	10.9%	14.0%	11.5%	54.2%	Sep-18	6.7%	23.9%	11.7%	13.2%	44.4%
	Current	30 Days	60 Days	90 Days	120+ Days																																																			
Feb-18	10.5%	23.4%	20.3%	11.8%	34.0%																																																			
Mar-18	11.5%	12.5%	29.8%	13.6%	32.5%																																																			
Apr-18	9.8%	24.6%	6.5%	23.0%	36.1%																																																			
May-18	11.0%	13.6%	17.4%	13.0%	44.9%																																																			
Jun-18	10.3%	23.3%	7.1%	15.7%	43.6%																																																			
Jul-18	13.9%	14.8%	18.9%	13.1%	39.2%																																																			
Aug-18	9.4%	10.9%	14.0%	11.5%	54.2%																																																			
Sep-18	6.7%	23.9%	11.7%	13.2%	44.4%																																																			
<p>Overdue Taxes</p>	<p>ATO NSW Revenue Office Discussions with Directors ATO freedom of information request</p>	<p>There are current overdue taxes with the ATO and the offices of state revenue in each state that the Company traded.</p> <p>The Company had entered a repayment arrangement with the ATO from January 2017 in relation to a debt of \$1,964,216 over 18 months prior to the appointment of the former Administrators. The Company had entered into four (4) different payment arrangements with the ATO during the period January 2017 to appointment.</p> <p>The Company entered into a payment arrangement with the NSW OSR in June 2018. The Company had also entered into a payment arrangement with QLD OSR.</p> <p>At the date of our appointment the Company owed \$2,267,671 of SGC for unpaid superannuation.</p>																																																						
<p>Special arrangements with creditors</p>	<p>Company records Emails</p>	<p>We are aware that the Company had entered into payment arrangements with at least six (6) trade creditors.</p>																																																						

Supplier placing the Company on COD	Company emails Discussions with employees	We are aware that the Company was placed on cash on delivery ('COD') arrangements with a number of suppliers. We are investigating the quantum of suppliers who placed the Company on COD.
Solicitors letters, summonses, judgements	Company records Discussions with Directors ATO freedom of information request	The Company was served with statutory demands by Sunstate Ceilings Pty Ltd ('Sunstate') on 22 May 2018, Strauss Group Ltd ('Strauss Group') on 13 June 2018 and Max Brenner Industries Ltd ('MBI') on 13 June 2018. On 29 June 2018, Sunstate commenced proceedings in the Supreme Court of Queensland seeking an order that the Company be wound up in insolvency. On 24 August 2018, the Court ordered that Strauss Group be substituted for Sunstate in the role of petitioning creditor.
Round figure creditor payments	Cash book Bank Statements General Ledger	We reviewed a detailed cash book listing from the Company's records. We reviewed transactions for the relation back period and note that there are numerous round payments made to multiple creditors in the lead up to our appointment.
Inability to produce financial information	Company records	The Company was able to produce financial information as and when required.

Our preliminary review indicates that there may be potential insolvent trading claims against the Directors of the Company.

It should also be noted that the Directors have provided personal guarantees to financiers and suppliers of the Company, which may be called upon for losses suffered by these parties.

In determining whether to initiate an insolvent trading claim, the costs to prosecute and the Directors' ability to satisfy each claim must be also assessed.

Directors' Personal Position

As part of the Liquidators' investigations, information in relation to the personal asset position of the Directors may be sought to determine the commerciality of pursuing such an action. As at the date of this report we have not requested a detailed personal asset position of the Directors.

We have undertaken real property searches and have identified that the Directors were the joint owners of two (2) properties in New South Wales.

We are aware that these properties have recently been sold and were subject to registered mortgages and numerous caveats. We are not yet aware of whether any surplus was available to the Directors.



Based on our searches, the Directors are not the current owners of any property in Australia.

Based on our initial investigations we are aware that the Directors are the shareholders and directors in other Companies. We are unaware of the value of these holdings.

Further investigations including public examination of the two directors to determine their personal asset position, any defences they may have and the preparation of an expert witness solvency report would be required. The costs to undertake these tasks could be substantial; we are currently without funds in the liquidation to pursue a claim.

Pursuant to section 588R of the Act, a creditor may, with the consent of the Liquidators, commence proceedings under section 588M to pursue a Director for an insolvent trading claim. If any creditor wishes to commence proceedings under section 588M, please contact our office within 14 days of the date of this report.

7. BOOKS AND RECORDS

Section 286 of the Act states that a company is required to maintain financial records that correctly record and explain its transactions, financial position, and performance and which would enable true and fair financial statements to be prepared and audited.

As Liquidators, we are required to form an opinion as to whether the Directors of the Company has complied with the provisions of Section 286 of the Act.

At our request, the Company and Directors have provided us with the information required to complete our preliminary investigations including but not limited to access to management accounts, access to the stock reports, year-end statutory accounts, sales reports, employee entitlement balances, aged creditor and debtor details.

Our preliminary view is that the financial records of the Company have been maintained in accordance with Section 286 of the Act in the main with the exclusion of the records in relation to inventory.

8. RECEIPTS AND PAYMENTS

Details of all receipts and payments in the liquidation for the period 17 October 2018 to 17 January 2019 is summarised at Annexure D.

9. LIKELIHOOD OF DIVIDEND

Please refer to the EOS enclosed at Annexure G. Below is a summary of the expected return for each class of Creditors, in a high and low liquidation scenario which is further expanded in each section below:

	Liquidation (High) (c/\$)	Liquidation (Low) (c/\$)
Secured Creditor	6.0 cents	0.0 cents
Employees (Preferential Creditors)	100.0 cents	0.0 cents
Unsecured Creditors	6.0 cents	0.0 cents

A return to priority unsecured creditors and ordinary unsecured creditors of the Company is contingent on substantial recoveries from unfair preference payments and other voidable transactions.

10. COSTS OF THE LIQUIDATION

At a meeting of creditors on 30 November 2018, we received remuneration approval totalling \$75,000 for the period 12 November 2018 to 17 January 2019. Our time costs for this period have exceeded the approval by \$40,343, due to the following:

- Extensive dealings with initial utility issues, particularly cancellation and transfer of services to the new owner;
- Extensive dealings with suppliers to close trading accounts and finalise payments;
- Extensive delays and issues with reassigning all leases to new owner;
- Issues with PPSR parties;
- Delays and extensive dealings in relation to assignment of leases;
- Delays in completing the sale agreement;
- Issues surrounding the transfer of funds from pre-appointment NAB account; and
- Processing of unpaid pre-appointment wages.

We are seeking approval of our remuneration for the following two periods:

- An additional \$40,343 for the period 12 November 2018 to 17 January 2019; and
- \$50,000 for the period 18 January 2019 to 30 June 2019.

On 19 October 2018 Opera Investments Pty Limited, provided an indemnity to the Liquidators in respect of any trading expenses incurred during the Liquidation. The indemnity also included an indemnity for the fees and disbursements of the Liquidators and their respective legal costs in respect of trading the business during the negotiation and completion of the Asset Sale and Purchase Agreement. This indemnity has been used to pay part of the Liquidators' fees and disbursements.

Attached at Annexure E is a detailed report on our remuneration, called a Remuneration Approval Report. Included in this report are further details on why our costs between the meeting and the report exceeded the approval given by Creditors at the meeting of Creditors held on 30 November 2018.

We are unable to pay our remuneration without the approval of creditors or the court. In addition, we are only able to pay our fees if there are sufficient realisations in the Liquidation.

A meeting of creditors to consider this update and our remuneration will be held as follows:

Meeting Details

Date	Monday, 4 February 2019
Time	3pm (AEDT)
Address	Level 11, 1 Margaret Street, Sydney NSW 2000

Further meeting information, including notice of meeting and details of the information you are required to provide if you plan to attend the meeting are attached as Annexure A. To participate in this meeting, you may need to:

- Submit a proof of debt and information to substantiate your claim, if you have not done already done so.
- Appoint a person - a "proxy" or person authorised under a power of attorney - to vote on your behalf at the meeting. This may be necessary if you are unable to attend the meeting, or if the creditor is a company.
- You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Proof of debt and proxy forms are included with the notice of meeting. To facilitate the conduct of the meeting, completed proof of debt and, if applicable, proxy forms must be returned to our office by post, fax or email by Friday, 1 February 2019 at 4pm.

11. MATTERS OUTSTANDING

We will proceed with the liquidation, including:

- Completing the remaining assignment of leases;
- Reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission (ASIC) pursuant to section 533 of the Act;
- Liaising with FEG in relation to the verification and distribution of funds to priority employee creditors;
- Completing our investigations with respect to potential voidable transactions and issuing demand letters to the relevant creditor(s) that received payments. If applicable, commence legal proceedings to pursue recovery;
- Prepare a brief for, and liaise with, our solicitors regarding public examinations (if applicable);
- Adjudicate on creditors' proofs of debt;
- Subject to the availability of funds, prepare and distribute a dividend to priority (employee) creditors;
- Payment of petitioning creditors costs (subject to recoveries); and
- Preparation of further reports to creditors.

We will write to you again with further information on the progress of the liquidation and the anticipated date the Liquidation will be finalised.

12. FURTHER INFORMATION

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA's website at arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au.

13. DISCLAIMER

BDO, (its affiliates - present or future), Andrew Sallway, Nicholas Martin and Helen Newman and servants, employees and agents ('the Liquidator') hereby advise that:

- a) When preparing this report and the accompanying documents, the Liquidators have relied on the available books and records, financial accounts and other documentation pertaining to the Company's affairs.
- b) When preparing this report and the accompanying documents, the Liquidators have relied on the advice of the Company's officers and/or senior management.
- c) The Liquidators have not conducted an audit of the books and records, financial accounts and other documentation pertaining to the Company's affairs.
- d) Whilst the Liquidators have endeavoured to verify the accuracy or otherwise of the records, the financial accounts and other documentation pertaining to the Company's affairs and the advice of the Company's officers, the Liquidators give no warranty as to the accuracy, completeness or reliability of same.
- e) The Liquidators undertake no responsibility arising in any way whatsoever to any person for errors or omissions however caused by way of this report, or accompanying documents.

14. ELECTRONIC COMMUNICATION

BDO is committed to reducing its impact of our administrations on the environment. One way you can help contribute to our efforts is to agree to accept all communications from us electronically, by email.

If you would like to receive all communications electronically, please send an email to ben.gan@bdo.com.au. The request will remain active until you provide us with further instructions to the contrary. Please alert us, if you change your email or postal address.

15. COMMITMENT TO CLIENT SERVICE

BDO is to conduct files to the highest ethical and professional standards.

BDO adheres to the codes of conduct prescribed by CAANZ, AFSA, ARITA and INSOL the International Federation of Insolvency Professionals.

If creditors have any questions, queries or complaints concerning the conduct of this administration please direct them to this office.

If you are dissatisfied with a decision made by the appointee, you may ask the appointee to review their decision or explain their reasons. If you are still not satisfied it may be necessary for an application to court to have the decision reviewed. In this instance it is recommended that you seek your own independent legal advice.

In the event that you are not satisfied with our handling of your query you may refer your complaint to the Company Auditors and Liquidators Disciplinary Board.



In an effort to improve our standards and the quality of information that you receive, we welcome your feedback. You can submit feedback anonymously in writing to this office.

If you would like further information on the range of services offered by BDO, please visit our website at www.bdo.com.au. Alternatively, you can contact this office on 02 9251 4100.

We would welcome any information which creditors feel may be of assistance in the conduct of the liquidation.

If you have any queries with respect to this liquidation and the enclosed documents, please do not hesitate to contact Ben Gan of our office on 02 8264 6679.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Andrew Sallway'.

Andrew Sallway
Joint & Several Liquidator

‘ANNEXURE A’

Insolvency Practice Rules (Corporation) 2016

Corporations Act 2001

NOTICE OF SECOND MEETING OF CREDITORS

MB AUSTRALIA PTY LTD (IN LIQUIDATION)

ACN 115 512 993

('the Company')

NOTICE IS GIVEN that a meeting of the creditors will be held at BDO Level 11, 1 Margaret St, Sydney NSW 2000 on Monday, 4 February 2019 at 3:00pm (AEDT).

The purpose of this meeting is:

1. To approve the remuneration of the Liquidators, their partners and staff for the period 12 November 2018 to 17 January 2019 on a time basis up to a maximum amount of \$40,343 exclusive of GST and disbursements;
2. To approve the remuneration of the Liquidators, their partners and staff for the period 18 January 2019 to 30 June 2019 on a time basis up to a maximum amount of \$50,000 exclusive of GST and disbursements; and
3. To consider the appointment of a Committee of Inspection (if appropriate).

Telephone conference facilities can be made available for creditors at the meeting. Creditors who wish to attend the meeting by phone are requested to contact this office on telephone number (02) 8264 6679, 48 hours prior to the meeting for this to be arranged. Creditors will not be entitled to vote at the meeting unless they have lodge particulars of their claim against the Company with us prior to the commencement of the meeting.

DATED this the 17th day of January 2019.



Andrew Sallway
Joint and Several Liquidator

‘ANNEXURE B’

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993 (THE COMPANY)**

To the Liquidators of

MB AUSTRALIA PTY LTD (IN LIQUIDATION) ACN 115 512 993

1. This is to state that the company was on 17 October 2018, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

	dollars and	
		cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	Remarks (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 satisfaction or security for the sum or any part of it except for the following³:

3. ⁴I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the company to the above email address? Yes

Notes:

1. Insert the full name and address 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.
2. Insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢

‘ANNEXURE C’

APPOINTMENT OF PROXY

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993

I/We (name of signatory).....of (creditor name).....
 of (creditor address) _____
 a creditor of MB AUSTRALIA PTY LTD
 appoint (name of person to hold proxy) _____
 of (address of proxy) _____
 or in his or her absence (name alternative proxy) _____
 of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on 4 February 2019 at 3:00pm at BDO, Level 11, 1 Margaret Street, Sydney NSW 2000, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
1. Liquidators' Remuneration To approve the additional remuneration of the Liquidators, their partners and staff for the period 12 November 2018 to 17 January 2019 on a time basis fixed in the amount of \$40,343 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by as at 1 July 2018 that may be increased at 1 July each year. Such remuneration may be drawn as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Liquidators' Remuneration To approve the remuneration of the Liquidators, their partners and staff for the period 18 January 2019 to 30 June 2019 on a time basis up to a maximum amount of \$50,000 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO rates as at 1 July 2018 that may be increased at 1 July each year. Such remuneration may be drawn as funds become available. The Liquidator reserves the right to convene a further meeting of creditors should the level of remuneration need to be increased.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Committee of Inspection To appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated

‘ANNEXURE D’

MB Australia Pty Ltd (In Liquidation)
Liquidators' Receipts and Payments
17 October 2018 to 17 January 2019

Account	Total (Incl GST) \$
Receipts	
Contributions	308,241
Interest Income	341
Trading Revenue (EFTPOS)	693,711
Trading Revenue (CASH)	303,320
Trading Revenue (CASH) (Refunded to Purchaser)	(1,584)
Trading Revenue (Delivery)	47,472
Trading Revenue (Post Settlement)	525,611
Trading Revenue (Post Settlement) (Refunded to Purchaser)	(365,489)
Stock/Inventory (Deposit from Sale Agreement)	308,860
Total Receipts	1,820,482
Payment	
PAYG Control (Trading)	(44,652)
Contributions	85,000
Legal Fees	3,092
Valuation Costs	7,150
Appointee Disbursements	1,867
Bank Charges	12,321
Appointee Fees	220,783
Stock/Inventory (Deposit from Sale Agreement)	30,000
Motor Vehicle Expenses	41
Rent Expense	367,829
Repairs and Maintenance	1,651
Subcontractors	8,440
Telephone and Fax	4,467
Utilities	8,825
IT Expense	8,179
Purchases (GST Free)	68,420
Purchases (GST Inclusive)	187,075
Store Expense (Music)	773
Cleaning Expense	25,657
Merchant Fees	19,768
Hire Purchase Lease Equipment	956
Security Expenses	627
Stamp Duty	523
Broker Fees	1,815
Freight Outwards	4,164
Insurance	7,818
Legal Fees	203,862
Legal Disbursements	1,045
Employee Allowances	2,900
Wages & Salaries (Net of PAYG, Super and Payroll Tax)	364,335
Total Payments	1,604,730
Net Receipts and Payments	215,752

‘ANNEXURE E’



REMUNERATION REQUEST APPROVAL REPORT

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993 ('the Company')

Part 1: Declaration

We, Andrew Sallway, Helen Newman and Nicholas Martin have undertaken a proper assessment of this remuneration claim for our appointment as Liquidator of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the liquidation.

Part 2: Executive Summary

To date, \$301,741.25 in remuneration has been approved and drawn. This remuneration report details approval sought for the following fees:

Period	Remuneration Report Reference	Amount (excl. GST and disbursements)
Past remuneration approved		\$301,741.25
Resolution 1: 12 November 2018 to 17 January 2019	(A)	\$40,343.00
Resolution 2: 18 January 2019 to 30 June 2019	(B)	\$50,000.00
Total approval sought		\$90,343.00
Total approval for liquidation		\$392,084.25

Indemnity

On 19 October 2018, the ultimate purchaser of the business, Opera Investments Pty Limited, provided an indemnity to the Liquidators in respect of any trading expenses incurred during the Liquidation. The indemnity also included an indemnity for the fees and disbursements of the Liquidators and their respective legal costs in respect of trading the business during the negotiation and completion of the Asset Sale and Purchase Agreement. This indemnity has been used to pay part of the Liquidators' fees and disbursements.

Time incurred attending to handover tasks with McGrath Nicol (Former Voluntary Administrators

Prior to our appointment, the Liquidators provided an undertaking to the Supreme Court of Queensland agreeing not to seek to recover any remuneration relating to handover tasks with the former Voluntary Administrators. During the Liquidation, we have incurred fees totaling \$7,061.50 attending to handover tasks with the former Voluntary Administrators. This time has been written off and is NOT included in our remuneration claim.

Part 3: Details of Remuneration

The basis of calculating the remuneration claims are summarised in the following schedules:

Resolution	Detailed ¹	Summary ²
Resolution 1: 12 November 2018 to 17 January 2019	Schedule A	Schedule B
Resolution 2: 18 January 2019 to 30 June 2019	Schedule C	N/A

Notes:

1. Detailed schedules provide descriptions of the tasks performed within each task area, matching the amounts shown in the summary schedules.
2. Summary schedules provide detail of the time charged to each major task area by staff members working on the Liquidation for the relevant period, which is the basis of each claim.

Schedule A: Description of Work completed

Resolution: 12 November 2018 to 17 January 2019

	General Description	Includes
Administration 63.00 Hrs \$ 27,562.00	Planning / Review	Attend to all statutory requirements Liaise with our solicitors (if required) Discuss the status of liquidation
	Correspondence	Letters advising third parties and utilities of appointment General correspondence with third parties
	Document Maintenance / File Review / Checklist	First month administration report Three-month administration report File of documents File reviews Update checklists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Identify potential issues that required attention of insurance specialists Correspond with AJG regarding initial insurance requirements Review insurance policy and cancel insurance policy upon settlement
	Bank account administration	Prepare correspondence with St George to open a new bank account for the Company Bank account reconciliations Correspond with St George regarding specific transactions and account details
	ASIC Forms	Correspond with ASIC regarding statutory lodgments Lodged minutes of first creditors meeting with ASIC
Assets 2.00 Hrs \$ 1,330.00	General	Identify and secure assets that belong to the Company if necessary Correspondence with lawyers regarding outstanding items of the Business Sale Agreement

<p>Creditors 106.70 Hrs \$ 41,665.50</p>	Leases	Liaise with Landlords regarding lease agreements
	Creditor Enquiries	<p>Telephone conversations with creditors and suppliers</p> <p>Receive and follow up creditor enquiries via telephone, email and post</p> <p>Maintain creditor enquiry register</p> <p>Review and prepare correspondence to creditors and their representatives via email and post</p>
	Creditor report	<p>Prepare further notices to creditors and convene creditors meeting</p> <p>Prepare second creditors report pursuant to section 70-40 of IPR</p> <p>Prepare liquidators' remuneration report</p> <p>Prepare statutory creditors report and lodge with ASIC</p>
	Creditor Meeting	<p>Convened and held the first meeting of creditors on 30 November 2018</p> <p>Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Reviewed and approve proofs and proxies, attendance register etc. at the meeting</p> <p>Responded to stakeholder queries and questions immediately following meeting</p> <p>Prepared and lodged the minutes of the meeting with the Australian Investments & Securities Commission (ASIC)</p>
	Processing proofs of debt	<p>Prepare correspondence to potential creditors inviting lodgment of POD</p> <p>Receive and file PODs</p> <p>Correspond with the ATO regarding POD</p> <p>Update creditor claims in register</p>

<p>Employees 22.10 Hrs \$ 8,554.00</p>	<p>Employee Enquiries</p>	<p>Prepare letters to employees summarising all pre-appointment entitlements Responding to ongoing employee queries Organise final pay run for employees</p>
<p>Investigations 17.40 Hrs \$ 7,305.00</p>	<p>Conducting investigation</p>	<p>Correspond with the Director of the Company regarding Form 507 and creditors listing Begin investigations into transaction over Doody Street premises Review and prepare company nature and history Review the Company's pre-appointment bank statements for preferences and voidable transactions Collect and review books and records Prepare investigation file Prepare insolvent trading file note Lodge the investigation with ASIC Investigate the circumstances which led to the winding up of the company Correspond with Fair Work Ombudsman</p>
<p>Trade On 68.80 Hrs \$ 28,926.50</p>	<p>Leases</p>	<p>Assign all leases to new buyer Transfer of all utility services and supply of stock to new buyers account Finalise all remaining items of sale agreement</p>
	<p>Trade On Management</p>	<p>Liaise with management and staff Liaise with suppliers regarding the winding up process and the final accounts</p>

		Calculate and paid post-appointment wages to employees during trade on period Terminate all active service and supplies
	Processing Receipts and Payments	Prepare and authorise final payment vouchers for purchases



Schedule B: Calculation of Remuneration

Resolution: Liquidators' Remuneration for the Period from 12 November 2018 to 17 January 2019

Staff	Position	Hourly		Total		Administration		Assets		Creditors		Employees		Investigations		Trade On	
		Rate	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
Andrew Sallway	Appointee	665.00	46.6	30,989.00	13.5	8,977.50	2.0	1,330.00	11.0	7,315.00	6.0	3,990.00	1.0	665.00	13.1	8,711.50	
Helen Newman	Appointee	665.00	0.9	535.50	0.6	357.00	-	-	0.1	59.50	-	-	-	-	0.2	119.00	
Nicholas Martin	Appointee	665.00	2.5	1,662.50	-	-	-	-	1.0	665.00	-	-	-	-	1.5	997.50	
Duncan Clubb	Partner	665.00	2.0	1,330.00	2.0	1,330.00	-	-	-	-	-	-	-	-	-	-	
Jeff Marsden	Senior Manager	510.00	7.5	3,825.00	-	-	-	-	3.8	1,938.00	-	-	2.0	1,020.00	1.7	867.00	
Ben Carney	Manager	465.00	19.9	9,253.50	19.9	9,253.50	-	-	-	-	-	-	-	-	-	-	
Tom Whitmarsh	Assistant Manager	425.00	89.9	38,207.50	6.1	2,592.50	-	-	47.4	20,145.00	3.4	1,445.00	1.9	807.50	31.1	13,217.50	
Julia Mayne	Senior Accountant	385.00	13.4	5,159.00	0.4	154.00	-	-	0.5	192.50	-	-	12.5	4,812.50	-	-	
Ben Gan	Accountant	345.00	23.8	8,211.00	3.1	1,069.50	-	-	15.3	5,278.50	2.6	897.00	-	-	2.8	966.00	
Ben Gan	Graduate Accountant	220.00	73.5	16,170.00	17.4	3,828.00	-	-	27.6	6,072.00	10.1	2,222.00	-	-	18.4	4,048.00	
Total			280.0	115,343.00	63.0	27,562.00	2.0	1,330.00	106.7	41,665.50	22.1	8,554.00	17.4	7,305.00	68.8	28,926.50	
Less: Fees Approved		75,000.00															
Net Amount		40,343.00															
GST		4,034.30															
Total (Incl. GST)		44,377.30															
Average hourly rate		411.94															

* Prior to our appointment, the Liquidators provided an undertaking to the Supreme Court of Queensland agreeing not to seek to recover any remuneration relating to handover tasks with the former Voluntary Administrators. During the Liquidation, we have incurred fees totaling \$7,061.50 (excl. GST) in attending to handover tasks with the former Voluntary Administrators. This time is NOT included in our remuneration claim.

Schedule C: Description of Work to be completed

Resolution: 18 January 2019 to 30 June 2019

	General Description	Includes
Administration 15.00 Hrs \$ 5,000.00	Planning / Review	Attend to all statutory requirements Liaise with our solicitors (if required) Discuss the status of liquidation
	Correspondence	General correspondence with third parties
	Document Maintenance / File Review / Checklist	File of documents File reviews Update checklists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Identify potential issues that required attention of insurance specialists Correspond with AJG regarding ongoing insurance requirements Review insurance policy and cancel insurance policy upon settlement
		Bank account reconciliations Correspond with St George and NAB regarding specific transactions and account details
	ASIC Forms	Correspond with ASIC regarding statutory forms
Assets 15.00 Hrs \$ 5,000.00	General	Correspondence with lawyers regarding outstanding completion steps for the Business Sale Agreement
	Leases	Liaise with Landlords regarding lease/license agreements Liaise with lawyers regarding assignment of leases

Creditors 15.00 Hrs \$ 5,000.00	Creditor Enquiries	Telephone conversations with creditors and suppliers Receive and follow up creditor enquiries via telephone, email and post Maintain creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post
	Processing proofs of debt	Prepare correspondence to potential creditors inviting lodgment of POD Receive and file PODs Correspond with the ATO regarding POD Update creditor claims in register
Employees 15.00 Hrs \$ 5,000.00	Employee Enquiries	Responding to ongoing employee queries
Investigations 75.00 Hrs \$ 25,000.00	Conducting investigation	Continue investigations into a potential uncommercial transaction relating to Doody Street property Letters of demand to be sent to creditors who have received unfair preference payments Review and prepare company nature and history Review the Company's pre-appointment bank statements for further preferences and voidable transactions Review of books and records Prepare investigation file Prepare insolvent trading file note Lodge the investigation with ASIC Investigate the circumstances which led to the winding up of the company
	ASIC reporting	Prepare statutory investigation reports Liaise with ASIC

Trade On 15.00 Hrs \$ 5,000.00	Leases	Finalise assignment of leases to purchaser Transfer of all utility services and supply of stock to new buyers account Finalise all remaining items and completion steps of sale agreement
	Trade On Management	Liaise with management and staff Liaise with suppliers regarding the winding up process and the final accounts Calculate and pay post-appointment wages to employees during trade on period Terminate all active services and supplies

Part 5: Statement of Remuneration Claim

Creditors are being asked to pass the following resolutions at the upcoming creditors meeting:

Resolution [1]: 'To approve the additional remuneration of the Liquidators, their partners and staff for the period 12 November 2018 to 17 January 2019 on a time basis fixed in the amount of \$40,343.00 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO as at 1 July 2018 that may be increased at 1 July each year. Such remuneration may be drawn as funds become available.

Resolution [2]: 'To approve the remuneration of the Liquidators, their partners and staff for the period 18 January 2019 to 30 June 2019 on a time basis up to a maximum amount of \$50,000 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO as at 1 July 2018 that may be increased at 1 July each year. Such remuneration may be drawn as funds become available. The Liquidator reserves the right to convene a further meeting of creditors should the level of remuneration need to be increased.'

Total Remuneration Reconciliation

We estimated that the Liquidators remuneration for the period 12 November 2018 to 17 January 2019 to be \$75,000 as provided in my initial remuneration notice.

The level of remuneration sought for this period is more than the estimate of \$75,000 (GST exclusive) provided in my first report to creditors dated 14 November 2018. This is due to the following:

- Extensive dealings with initial utility issues, particularly cancellation and transfer of services to the new owner;
- Extensive dealings with suppliers to close trading accounts and finalise payments;
- Extensive delays and issues with reassigning all leases to new owner;
- Issues with PPSR parties;
- Delays and extensive dealings in relation to assignment of leases;
- Delays in completing the sale agreement;
- Issues surrounding the transfer of funds from pre-appointment NAB account; and
- Processing of unpaid pre-appointment wages.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Liquidation will cost for the period to 30 June 2019. However, should the liquidation not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

Matters that may affect the progress and the cost of the Liquidation include:

- Further delays in the assignment of leases;
- Delays in transfer of existing services to new owner;
- Continued dealings with creditor queries; and
- Pursuit of identified preference payments and uncommercial transactions.

Part 6: Statement of Disbursements Claim

Disbursements are divided into three types:

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

At the time of writing no disbursements have been charged in this matter.

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal disbursements	Basis
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
ASIC Industry Funding Levy Coverage	
- Flat fee	\$160
- Fee per metric event	\$185
Advertising	At Cost
Printing	At Cost
Travel	At Cost
Staff vehicle use	\$0.75 per km

Part 7: Report on Progress of the Liquidation

We, Andrew Sallway, Helen Newman and Nicholas Martin were appointed Joint and Several Liquidators of the Company on 17 October 2018 pursuant to an order by the Supreme Court of Queensland.

We are continuing to undertake further investigations into the potential voidable transactions mentioned in this report and will update creditors should further findings arise.

Part 8: Summary of Receipts and Payments

A summary of the receipts and payments is attached as Annexure D.

Part 9: Remuneration funded from External Sources

On 19 October 2018, Opera provided an indemnity to the Liquidators in respect of any trading expenses incurred during the Liquidation. The indemnity also includes an indemnity for the fees and disbursements of the Liquidators and their respective legal costs in respect of trading the business during the negotiation and completion of the Asset Sale and Purchase Agreement.

We have engaged with the Fair Entitlements Guarantee ('FEG') in performing a verification of employee

entitlements on their behalf as the Company has been placed into liquidation. Remuneration payments received in relation to the Fair Entitlements Guarantee Act 2012 are considered a separate arrangement involving a limited or partial funding agreement. Where higher fees are incurred than the amount covered by the funding agreement there is no restriction in the administration being charged for the shortfall on the basis that all remuneration claimed is necessary and properly incurred.

While the money received under the funding arrangement is not subject to creditor approval and can be paid directly to the practitioner, any shortfall must be approved as per the requirements of any other remuneration in the administration.

Our professional fees for work undertaken in the liquidation for the period 17 October 2018 to the date of this report has been invoiced to the Department of Jobs and Small Business for verifying employee entitlements via FEG. We do not expect to require approval for any shortfall from creditors.

Part 10: Remuneration Methods

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

- **Time based / hourly rates**

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

- **Fixed Fee**

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

- **Percentage**

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

- **Contingency**

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

Method chosen

Given the nature of this liquidation, we propose that our remuneration be calculated on time based / hourly rates. This is because:

- This method reflects our practice of assigning staff at the appropriate level to conduct the necessary work. Individuals are required to record the nature of the work performed at intervals of six minutes. This method ensures creditors are only charged for work that is performed and provides complete transparency; and

- Fixed fee and percentage method are inappropriate as we are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. In addition, we are required to perform a number of tasks which do not relate to the realisation of assets, e.g., statutory obligations, responding to creditor queries, and reporting to ASIC.

It is proposed that the remuneration of the Liquidators is calculated on an hourly basis at the hourly fees charged by BDO current at the time the costs are incurred.

Attached is a table which details BDO Rates as at 1 July 2018 together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take.

Part 11: Queries/Information Sheets

The above information is provided to assist creditors consider the appropriateness of the remuneration claim that is being made.

Creditors should feel free to contact the Liquidators' office to seek further information concerning the remuneration claim if they so need.

ASIC have produced an Information Sheet entitled "Approving fees: a guide for creditors" that can be downloaded from the ARITA website (<http://www.arita.com.au>), the ASIC website (www.asic.gov.au) or alternatively a copy can be obtained if you contact this office.

Yours faithfully,



Andrew Sallway
Joint and Several Liquidator

Business Restructuring - Corporate Rates as at 1 July 2018

Title	Description	Hourly Rate (excl GST)
Partner	Registered Liquidator- Partner bringing specialist skills to administration or insolvency task.	665
Associate Director	Minimum of twelve years insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in own right.	615
Senior Manager	More than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	510
Manager	6-7 years, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	465
Assistant Manager	4-6 years, CA program (CA) complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	425
Senior Accountant	2-4 years, CA (or equivalent) would normally be commenced during this period. Required to control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	385
Accountant	1-2 years, CA (or equivalent) would normally be commenced during his period. Required to control the fieldwork on small jobs and responsible for assisting complete fieldwork on medium to large jobs.	345
Graduate Accountant	0-1 years, Trainee undertaking a degree with an accounting major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	220
Undergraduate Accountant	HSC or equivalent, plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day fieldwork under supervision of more senior staff.	220
Executive Assistant/ Personal Assistant	Appropriate computer skills including machine usage	220

Note: Office rates charged by BDO are subject to change.

‘ANNEXURE F’

Number	Collateral Class	Secured Party Group	Collateral Description	Registration Date	Disclaimed ?
201708150021789	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 36991-Max Brenner Carindale.	15/08/2017 10:28:39	Yes
201708150022141	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 36983-Max Brenner Bondi Junction.	15/08/2017 10:31:49	Yes
201708150022572	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 36989-Max Brenner Central Park.	15/08/2017 10:34:56	Yes
201708150022783	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 36445-Max Brenner Charlestown.	15/08/2017 10:37:23	Yes
201708150023046	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 34809-Max Brenner Doncaster.	15/08/2017 10:39:48	Yes
201708150023316	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 34599-Max Brenner High Point.	15/08/2017 10:42:07	Yes
201708150023584	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 35290-Max Brenner QV Melbourne.	15/08/2017 10:44:26	Yes
201708150023901	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 34956-Max Brenner Robina.	15/08/2017 10:46:41	Yes
201708150024186	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 35342-Max Brenner Robina.	15/08/2017 10:49:23	Yes
201708150024397	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 27026-Max Brenner Southbank.	15/08/2017 10:51:54	Yes
201708150024657	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 35787-Max Brenner Southbank.	15/08/2017 10:54:21	Yes
201708150024833	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 102554-Max Brenner Tuggerah.	15/08/2017 10:56:28	Yes
201708150025003	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 34418-Max Brenner Woodgrove.	15/08/2017 10:58:36	Yes
201708150025298	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 32338-Max Brenner Alexandria.	15/08/2017 11:00:37	Yes
201708150025493	Other Goods	BEVVIZZ GROUP PTY LIMITED ACN 089 607 554	Kitchen food equipment as per invoice 36173-Max Brenner Alexandria.	15/08/2017 11:02:55	Yes
201707150000625	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	Compressors	15/07/2017 04:03:24	Yes
201708220001069	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	2017 KITCHEN EQUIPMENT VARIOUS	22/08/2017 04:46:16	Yes
201708220001244	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	2017 KITCHEN EQUIPMENT VARIOUS .	22/08/2017 04:47:16	Yes
201807060001236	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136		06/07/2018 08:34:43	Yes
201810110035758	All PAP with Exception	CH CENTRAL VILLAGE PTY LTD ACN 159 774 035	All items comprising the Lessee's Works and the Lessor's Works as those terms are defined in the document entitled Agreement for Lease (Construction) between CH Central Village Pty Ltd, MB Australia Pty Ltd, Tamir Haikin and Lilly Haikin dated on or about 13 June 2013.	11/10/2018 12:46:40	No
201810110035838	Other Goods	CH CENTRAL VILLAGE PTY LTD ACN 159 774 035	All items comprising the Lessee's Works and the Lessor's Works as those terms are defined in the document entitled Agreement for Lease (Construction) between CH Central Village Pty Ltd, MB Australia Pty Ltd, Tamir Haikin and Lilly Haikin dated on or about 13 June 2013.	11/10/2018 12:48:07	No
201711290092324	All PAP	CITADEL GROUP PROPERTIES PTY LTD ACN 620 486 517; The Trustee for CITADEL GROUP PROPERTIES UNIT ABN 95 714 708 946; CITADEL GROUP HOLDINGS PTY LTD ACN 620 486 366; The Trustee for CITADEL GROUP HOLDINGS UNIT ABN 83 589 739 350		29/11/2017 15:38:26	No
201611300031191	Other Goods	DIRECT STEEL TRADERS PTY LTD ACN 147 835 443	STEEL	30/11/2016 12:00:18	Yes
201802060018442	Other Goods	ECLIPX COMMERCIAL PTY LTD ACN 603 273 365	Any items leased from the Secured Party to the Grantor from time to time pursuant to a master lease agreement between the grantor and the secured party including without limitation the items set out in the lease schedule.	06/02/2018 10:32:10	Yes
201802060018457	Other Goods	ECLIPX COMMERCIAL PTY LTD ACN 603 273 365	Any items leased from the Secured Party to the Grantor from time to time pursuant to a master lease agreement between the grantor and the secured party including without limitation the items set out in the lease schedule.	06/02/2018 10:32:10	Yes
201702230018662	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (BU) Bulimba La Marzocco 3 Group	23/02/2017 11:10:13	Yes
201702230018670	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (BU) Bulimba Swift Grinder	23/02/2017 11:10:13	Yes
201702230020376	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (CD) Carindale La Marzocco 3 Group FB70	23/02/2017 11:24:52	Yes
201702230020382	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (CD) Carindale Swift Grinder	23/02/2017 11:24:52	Yes
201702230021464	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (CK) Central Park La Marzocco 3 Group	23/02/2017 11:33:50	Yes
201702230021472	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (CK) Central Park	23/02/2017 11:33:50	Yes
201702230022080	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (CG) Coolangatta La Marzocco 3 Group FB70	23/02/2017 11:41:24	Yes
201702230022098	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (CG) Coolangatta Swift Grinder	23/02/2017 11:41:24	Yes
201702230022344	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (CR) Craigieburn La Marzocco 3 Group FB70	23/02/2017 11:45:31	Yes
201702230022359	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (CR) Craigieburn Swift Grinder	23/02/2017 11:45:31	Yes
201702230027898	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (DS) Dockside La Marzocco 3 Group FB70	23/02/2017 12:00:50	Yes
201702230027908	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (DS) Dockside Swift Grinder	23/02/2017 12:00:50	Yes
201702230031675	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (GS) Gasworks La Marzocco 3 Group	23/02/2017 12:10:51	Yes
201702230033414	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (JP) Joondalup La Marzocco 3 Group FB70	23/02/2017 12:27:09	Yes
201702230033422	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (JP) Joondalup	23/02/2017 12:27:09	Yes
201702230033716	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (GS) Gasworks Swift Grinder	23/02/2017 12:30:46	Yes
201702230034162	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (MO) Macquarie Centre La Marzocco 3 Group FB70	23/02/2017 12:34:47	Yes
201702230034170	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (MO) Macquarie Centre Swift Grinder	23/02/2017 12:34:47	Yes
201702230034353	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (MA) Manly La Marzocco 3 Group FB70	23/02/2017 12:37:38	Yes
201702230034369	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (MA) Manly Swift Grinder	23/02/2017 12:37:38	Yes
201702230046090	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (PS) Portside La Marzocco 3 Group FB70	23/02/2017 14:13:09	Yes
201702230046100	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (PS) Portside Swift Grinder	23/02/2017 14:13:09	Yes

201702230047114	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (NS) Nishi La Marzocco 3 Group FB70	23/02/2017 14:17:57	Yes
201702230047122	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (NS) Nishi Swift Grinder	23/02/2017 14:17:57	Yes
201702230049482	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (PR) Parramatta La Marzocco 3 Group FB70	23/02/2017 14:40:52	Yes
201702230049495	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (PR) Parramatta Swift Grinder	23/02/2017 14:40:52	Yes
201702230050363	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (RW) Randwick La Marzocco 3 Group FB70	23/02/2017 14:48:36	Yes
201702230050371	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (RW) Randwick Swift Grinder	23/02/2017 14:48:36	Yes
201702230050668	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (RU) Rundle Street La Marzocco Linea PB 3 Group	23/02/2017 14:51:52	Yes
201702230050675	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (RU) Rundle Street Swift Grinder	23/02/2017 14:51:52	Yes
201702230052056	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (RB) Robina La Marzocco 3 Group FB70	23/02/2017 15:02:38	Yes
201702230052060	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (RB) Robina Swift Grinder	23/02/2017 15:02:38	Yes
201702230052767	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (SP) Surfers Paradise La Marzocco 3 Group FB70	23/02/2017 15:07:10	Yes
201702230052779	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (SP) Surfers Paradise Swift Grinder	23/02/2017 15:07:10	Yes
201702230053271	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (TV) Townsville La Marzocco 3 Group FB70	23/02/2017 15:12:22	Yes
201702230053285	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (TV) Townsville Swift Grinder	23/02/2017 15:12:22	Yes
201702230053665	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (WO) Wollongong La Marzocco 3 Group FB70	23/02/2017 15:15:39	Yes
201702230053677	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (WO) Wollongong Swift Grinder	23/02/2017 15:15:39	Yes
201702230054556	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (WD) Woodgrove La Marzocco 3 Group FB70	23/02/2017 15:22:02	Yes
201702230054560	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (WD) Woodgrove Swift Grinder	23/02/2017 15:22:02	Yes
201702230061158	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (CA) Darwin La Marzocco Linea PB 3 Group	23/02/2017 16:04:41	Yes
201702230061162	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (CA) Darwin Swift Grinder	23/02/2017 16:04:41	Yes
201702230061542	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (NR) Narellan La Marzocco Linea PB 3 Group	23/02/2017 16:09:17	Yes
201702230061557	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (NR) Narellan	23/02/2017 16:09:17	Yes
201702240066917	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (RH) Rockhampton La Marzocco Linea PB 3 Group	24/02/2017 15:51:44	Yes
201702240066929	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder - Max Brenner (RH) Rockhampton Swift Grinder	24/02/2017 15:51:44	Yes
201702240069128	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Machine - Max Brenner (DD) HQ Doody St La Marzocco Linea PB 3 Group	24/02/2017 16:06:40	Yes
201708210050037	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Tamper	21/08/2017 15:43:24	Yes
201708210050044	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	21/08/2017 15:43:24	Yes
201708210050059	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	21/08/2017 15:43:24	Yes
201805150036295	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial coffee machine	15/05/2018 13:21:27	Yes
201805150036305	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Puq press	15/05/2018 13:21:27	Yes
201805150036314	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	15/05/2018 13:21:27	Yes
201805150036322	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee grinder	15/05/2018 13:21:27	Yes
201805150036950	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee machine	15/05/2018 13:28:31	Yes
201805150038908	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial coffee machine	15/05/2018 13:48:31	Yes
201805150038912	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Puq press	15/05/2018 13:48:31	Yes
201805150038920	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	15/05/2018 13:48:31	Yes
201805150038931	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee grinder	15/05/2018 13:48:31	Yes
201805150039608	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee machine	15/05/2018 13:57:47	Yes
201805150039612	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	15/05/2018 13:57:47	Yes
201805150039620	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Puqpress	15/05/2018 13:57:47	Yes
201805150039631	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Commercial Coffee Grinder	15/05/2018 13:57:47	Yes
201810120040593	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	3 Group La Marzocco Linea PB - Custom Matte Black SN 7719	12/10/2018 13:40:24	Yes
201810120040604	Other Goods	ESPRESSO ENTERPRISES PTY LTD ACN 099 088 436	Mythos Grinder Black SN 7224485	12/10/2018 13:40:24	Yes
201801290050324	Other Goods	FLEXIRENT CAPITAL PTY LTD ACN 064 046 046	2017 model 8ch Dahua Camera System kits (1 x SMARTIP-16PDX NVR with 3TB Harddrive and 16 x EVONET-C-VDF430IR3MPVandalResistantIRVarifocal Dome Cameras) - sn 14363116090043 2017 model 16ch Pacom Camera System and software (1x NVR4116-8P-4KS21USMART, 1HDD, 8PoE Camera kit with 8 x IPC-HDBW5431E-ZIP Dome Cameras) - sn 30J03D4APAZDCA53	29/01/2018 14:36:22	Yes
201306280135034	Motor Vehicle	FORCE CORP PTY LTD ACN 109 630 079	Motor vehicles hired to the grantor by the secured party (or any organisation for which the secured party is authorised to act in respect of this registration) including but not limited to fork lifts, lighting towers, boom lifts, scissor lifts, telescopic material handlers, truck mounted travel towers, rollers, earth moving equipment and similar goods and parts, accessories and attachments therefore.	28/06/2013 16:06:39	Yes
201705190021806	Other Goods	FUJIFILM AUSTRALIA PTY LTD ACN 00 000 064 433	All goods (including, without limit, cameras, accessories, binoculars, films, lenses, tapes, digital storage devices, paper, chemistry, inks, slides, printing plates, photo gifting products, computers, printing and imaging equipment, CTP equipment, medical imaging, radiology, mammography, endoscopy and blood analysing equipment or spare parts) at any time sold by the Secured Party to the Grantor and not paid for in full or otherwise made available by the Secured Party to the Grantor.	19/05/2017 10:08:22	Yes

201806120049314	Other Goods	FUJIFILM AUSTRALIA PTY LTD ACN 000 064 433	All goods (including, without limit, cameras, accessories, binoculars, films, lenses, tapes, digital storage devices, paper, chemistry, inks, slides, printing plates, photo gifting products, computers, printing and imaging equipment, CTP equipment, medical imaging, radiology, mammography, endoscopy and blood analysing equipment or spare parts) at any time sold by the Secured Party to the Grantor and not paid for in full or otherwise made available by the Secured Party to the Grantor.	12/06/2018 14:26:38	Yes
201803270040434	Other Goods	J.L. STEWART & SON PTY LTD ACN 000 664 826	Food stuffs and packaging delivered for production of business products	27/03/2018 12:23:15	Yes
201611140028657	Other Goods	LINCOLN SENTRY GROUP PTY LTD ACN 010 624 389		14/11/2016 12:23:02	Yes
201707060033565	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093		06/07/2017 12:17:17	Yes
201707060035060	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093		06/07/2017 12:28:40	Yes
201707170018142	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093		17/07/2017 10:47:52	Yes
201802070006199	Other Goods	MORRIS FINANCE LTD ACN 083 630 139	4 x Security Kits. 1X 2017 Model 8ch Dahua Camera System Kits 1X NVR4116-8P-4KS2 1U Smart, 1HDD, 8PoE Camera Kit 8X IPC-HDBW5431E-Z IP Drone Camera Max Brenner - Toowoomba, Qld - S/N 3J040A9PAZ5BED05 \$5,600.00 Max Brenner - Whitford City, WA - S/N 3J03D4ASAZDCA03 \$5,600.00 Max Brenner - Narrellan, NSW - S/N 3J053D4APABDDA15 \$5,600.00 Max Brenner - Milton, Qld - S/N 3J053D4APAZDCA03	07/02/2018 08:41:24	Yes
201707200061729	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317		20/07/2017 17:04:03	Yes
201707200062535	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317		20/07/2017 17:16:33	Yes
201806180069038	Motor Vehicle	SECURE FUNDING PTY LTD ACN 081 982 872		18/06/2018 16:02:20	Yes
201808030042623	Motor Vehicle	SECURE FUNDING PTY LTD ACN 081 982 872		03/08/2018 13:54:30	Yes
201703170038031	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	17/03/2017 12:48:51	Yes
201703170038147	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	17/03/2017 12:49:12	Yes
201703170038175	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	17/03/2017 12:49:20	Yes
201703170038238	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	17/03/2017 12:49:29	Yes
201705010042244	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	01/05/2017 09:14:34	Yes
201705260050562	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	26/05/2017 13:36:58	Yes
201706020016277	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	02/06/2017 10:50:40	Yes
201706020023398	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	02/06/2017 11:03:48	Yes
201707210028218	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	21/07/2017 11:47:36	Yes
201708070023532	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	07/08/2017 11:31:00	Yes
201709110034501	Other Goods	SILVER CHEF RENTALS PTY LTD ACN 112 241 522	Hospitality Goods	11/09/2017 12:55:22	Yes
201603100044273	Other Goods	STOCKLAND TRUST MANAGEMENT LIMITED ACN 001 900 741	All fitout within the Premises at Shop F05 - Stockland Rockhampton, particularly described in the registered Lease & Fitout Contribution Deed to the amount of \$456,000.00 plus GST.	10/03/2016 14:28:06	Yes
201703240114909	All PAP	The trustee for Take Two Trust ABN 83 901 889 983; The trustee for The Ruth Simon Family Trust ABN 79 401 348 159		24/03/2017 17:16:19	Yes
201703240117919	All PAP	The trustee for Take Two Trust ABN 83 901 889 983; The trustee for The Ruth Simon Family Trust ABN 79 401 348 159		24/03/2017 17:50:50	Yes
201707270064961	Other Goods	THORN AUSTRALIA PTY LTD ACN 008 454 439	Refrigeration Equipment	27/07/2017 16:15:03	Yes
201712200065929	Other Goods	TL RENTALS PTY LTD ACN 071 702 264	Please contact TL Rentals for contract no 37854 for new 10x digital screen and wall mounting from Fujifilm	20/12/2017 14:06:01	Yes
201804060066967	Other Goods	TL RENTALS PTY LTD ACN 071 702 264	new 2017 model 8ch Dahua Camera System kit 1 x NVR4116-8P-4KS2 1U SMART, 1HDD, 8PoE Camera Kit 8 x IPC-HDBW5431E-Z IP Dome Cameras - S/N 30J03D4ASAZDCA03 new Crestron Lighting control System 3 x DIN-1DIMU4 - S/N 8815989, 8812366, 8815316 3 x DIN-A08 - S/N 13463863, 13364817, 13465528 1 x C2N-SPWS300 - S/N 1004552 2 x DIN-8SW8-I - S/N 3024377, 3048253, 3 x DIN-8SW8 - S/N 9026497, 9017433, 9017022	06/04/2018 16:58:04	Yes
201709190067940	Motor Vehicle	TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181		19/09/2017 16:39:07	Yes
201802090070632	Motor Vehicle	VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LIMITED ACN 097 071 460; ARBN 20 097 071 460		09/02/2018 16:51:10	Yes
201712070030117	Other Goods	WATER VEND PTY LTD ACN 145 358 836	Sparkling water system, fount, taps, and gas regulators	07/12/2017 12:35:20	Yes
201712070030776	Other Goods	WATER VEND PTY LTD ACN 145 358 836	Sparkling water system, fount, taps, and gas regulators	07/12/2017 12:39:17	Yes
201712070030795	Other Goods	WATER VEND PTY LTD ACN 145 358 836	Sparkling water system, fount, taps, and gas regulators	07/12/2017 12:40:09	Yes
201712130045267	Other Goods	WATER VEND PTY LTD ACN 145 358 836	Sparkling water system, fount, taps, and gas regulators	13/12/2017 14:19:00	Yes
201703060017025	All PAP	WENTWORTH CAPITAL GROUP PTY LTD ACN 154 424 147		06/03/2017 12:08:33	No
201703090019958	All PAP	WENTWORTH CAPITAL GROUP PTY LTD ACN 154 424 147		09/03/2017 11:19:50	No

‘ANNEXURE G’

MB Australia Pty Ltd (In Liquidation)

Estimated Outcome Statement

	Low (\$)	High (\$)
Circulating assets		
Cash at Bank on appointment	-	-
Stock	270,360	270,360
Total Circulating Assets	270,360	270,360
Remuneration and Costs (Circulating)		
Administrators' Lien Claim	(270,360)	(270,360)
Liquidators' Remuneration (Circulating)	(29,964)	(29,964)
Liquidators' Costs (Circulating)	-	-
Legal Fees (Circulating)	-	-
Total Costs Attributable to Circulating Assets	(300,324)	(300,324)
Net circulating assets available	(29,964)	(29,964)
Priority Creditors		
Wages	1,070,960	1,070,960
Superannuation	2,267,671	2,267,671
Annual and Long Service Leave	797,121	797,121
Retrenchment (PILN and Redundancy)	1,149,318	1,149,318
Total Priority Creditors	5,285,070	5,285,070
Surplus/(shortfall) in circulating assets	(5,315,034)	(5,315,034)
Estimated Return to Priority Creditors (c/\$)	-	-
Non-Circulating assets		
Plant and Equipment and Fixed Assets	1	1
Total Non-Circulating Assets	1	1
Remuneration and Costs (Non-Circulating)		
Legal Fees (Non-circulating)	(26,000)	(26,000)
Liquidators' Remuneration (Non-circulating)	(93,695)	(93,695)
Total Costs Attributable to Non-Circulating Assets	(119,695)	(119,695)
Surplus Non-Circulating assets available	(119,694)	(119,694)
Secured Creditor		
Secured Creditor Claim: Wentworth Group	31,976,714	31,976,714
Estimated return to secured creditor (c/\$)	-	-
Total Assets available to unsecured creditors	-	-
Recoveries		
Preference Payments	-	617,000
Director Related Transaction	-	732,500
Uncommercial Transactions (net of costs)	-	20,000,000
Total Recoveries available for Petitioning Creditor Costs	-	21,349,500
Petitioning Creditor Costs	(216,884)	(216,884)
Estimated Liquidator and Legal Fees	(50,000)	(10,200,000)
Available for Priority Creditors	(266,884)	10,932,616
Priority Creditors		
Wages	1,070,960	1,070,960
Superannuation	2,267,671	2,267,671
Annual and Long Service Leave	797,121	797,121
Retrenchment (PILN and Redundancy)	1,149,318	1,149,318
Total Priority Creditors	5,285,070	5,285,070
Surplus/(shortfall) in Recoveries	(5,551,954)	5,647,546
Estimated Return to Priority Creditors (c/\$)	-	100.0
Unsecured creditors		
Trade Creditors	9,482,323	9,509,323
Statutory Creditors	6,457,875	6,897,875
Related Party Creditors	25,742,562	25,742,562
Shortfall in Secured Creditor claim	32,452,418	52,452,418
Total Unsecured Creditors	74,135,178	94,602,178
Estimated Return to Unsecured creditors (c/\$)	-	6.0

‘ANNEXURE H’

Net Asset Position	Date of Appointment		2017 Financial Year		2016 Financial Year	
	2018	2017	2017	2016	2017	2016
Current Assets	\$2,228,278	\$1,558,470	-\$4,006,781	-\$2,657,134		
Current Liabilities	\$77,938,954	\$78,431,948	\$67,429,662	\$59,432,644		
Net Current Assets	-\$75,710,676	-\$76,873,478	-\$71,436,444	-\$62,089,778		
Current Ratio	0.03	0.02	-0.06	-0.04		
Total Assets	\$77,416,031	\$76,720,029	\$68,078,238	\$63,838,580		
Total Liabilities	\$87,018,559	\$87,695,596	\$76,741,110	\$66,943,396		
Net Assets/(Liabilities)	-\$ 9,602,528	-\$ 10,975,566	-\$ 8,662,871	-\$ 3,104,815		

Current Ratio Month by Month and Net Asset Position	Date of Appointment											
	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17
Current Assets (\$)	2,111,610	779,140	603,372	1,558,470	641,024	683,034	584,742	726,801	624,668	576,597	(5,214,796)	(5,240,678)
Current Liabilities (\$)	77,938,954	77,509,970	77,254,552	78,431,948	77,679,749	77,756,178	77,645,772	77,158,349	76,582,311	76,207,345	69,500,232	68,549,786
Net Current Assets	(75,827,344)	(76,730,830)	(76,651,180)	(76,873,478)	(77,038,726)	(77,073,144)	(77,061,030)	(76,431,547)	(75,957,642)	(75,630,748)	(74,715,028)	(73,790,464)
Current Ratio	0.03	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	(0.08)	(0.08)
Non-Current Assets	75,187,753	75,183,253	75,182,619	75,161,560	75,156,719	75,156,719	75,109,317	74,974,425	74,825,748	74,693,643	74,338,886	74,194,758
Non-Current Liabilities	9,079,605	9,135,325	9,199,886	9,263,648	9,316,970	9,379,494	9,413,235	9,385,021	9,328,726	9,328,726	9,310,303	9,472,878
Total Assets	77,299,363	75,962,393	75,785,991	76,720,029	75,797,743	75,839,753	75,694,059	75,701,226	75,450,416	75,270,240	69,124,089	68,954,080
Total Liabilities	87,018,559	86,645,295	86,454,438	87,695,596	86,996,720	87,135,671	87,059,007	86,543,369	85,911,036	85,536,070	78,810,535	78,022,664
Net Asset Position	(9,719,196)	(10,682,902)	(10,668,447)	(10,975,566)	(11,198,977)	(11,295,918)	(11,364,948)	(10,842,143)	(10,460,620)	(10,265,831)	(9,686,446)	(9,068,584)

‘ANNEXURE I’

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.