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SS Residential (NSW) Pty Ltd (in Liquidation) ACN 152 401 851 (the “Company”)

Liquidator’s Report to Creditors

Monday, 28th May 2018

Michael Gerard McCann

Liquidator

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Introduction

I refer to my appointment as liquidator on Wednesday, 3 May 2017 and am providing an update on the liquidation to date.

The purpose of this report is to:

- Notify you that a meeting of creditors will be held at 11:00 am on Tuesday, 26 June 2018;
- Provide an update on the progress of the liquidation;
- Advise you of the likelihood of a dividend being paid in the liquidation; and
- Advise you that the liquidation will be completed within 12 – 24 months.

The Liquidator has relied on information provided from numerous sources to prepare this report, including:

- Discussions with the Director of the Company, Richard Marlborough;
- Discussions with one of the Secured Creditors, Ramsden Lawyers;
- Discussions with the former liquidator, Jason Bettles of Worrells Solvency and Forensic Accountants;
- A review of the Former Liquidator's files;
- Information available from public sources, such as, Australian Securities and Investments Commission (ASIC) and the Personal Property Securities Register ("PPSR"); and
- A review of the Company's books and records provided to date.

Whilst I have no reason to doubt the accuracy of any information, I have not performed an audit and reserve the right to alter my conclusions, should the underlying data prove to be inaccurate or change materially from the date of this report.

Executive Summary

Executive Summary	
Company background	<ul style="list-style-type: none"> • The Company was part of a group of companies known as the Members Alliance Group ("MAG"). • The Company held the lease for a premises from which the MAG operated. • The Company did not actively trade.
Financial position	<ul style="list-style-type: none"> • Funds totalling c\$67k have been secured, however, no further assets have been identified. • Due to the lack of available assets there is not expected to be any return to any class of creditor.
Investigations	<ul style="list-style-type: none"> • A report pursuant to section 533 of the Corporations Act 2001 (Cith) (the "Act") has been lodged with ASIC. This report identified the following possible contraventions of the Act: <ul style="list-style-type: none"> ○ Director's failure to maintain adequate books and records; ○ Potential breaches of Director's duties; and ○ Possible insolvent trading. • ASIC has requested a supplementary section 533 report.



ASIC Assetless Administration ("AA") Funding	<ul style="list-style-type: none"> An application to ASIC's AA funding has been submitted to facilitate the completion of a supplementary section 533 report, as requested by ASIC. Considering the inter-relatedness of the MAG it is difficult to quantify the likely cost of completing the supplementary section 533 report. I have therefore requested approval for future costs of \$100,000. Approval from creditors for funds being obtained from ASIC is required, prior to any remuneration being discharged.
Meeting of creditors	<ul style="list-style-type: none"> A meeting of creditor is scheduled to be held on 11am Tuesday, 26 June 2018. During the meeting creditors will be asked to consider resolutions for the approval of the liquidator's remuneration: <ul style="list-style-type: none"> Time incurred from 3 May 2017 to 28 May 2018 of \$27,544.50 (excl. GST); Estimated time incurred from 28 May 2018 to 26 June 2018 of \$10,000 (excl. GST); and Estimated time incurred from 26 June 2018 to finalisation of \$100,000 (excl. GST).

Company background

The Company is part of a group of companies known as the Members Alliance Group ("MAG"). The MAG operated a range of businesses, primarily throughout Queensland, including but not limited to, financial services, project marketing, construction and management and letting rights.

A group structure for the MAG is attached at **Appendix A** of this report.

Details of the Company's directors and shareholder are outlined in the following tables.

Directors	Start date	End date
Richard John Marlborough	01/08/2011	
Colin William MacVicar	01/08/2011	22/11/2016

Shareholder name	ACN	Class and holding	Status
ACN 161 598 938 Pty Ltd (Formerly Iridium Holdings Pty Ltd)	161 598 938	ORD - 100%	Current
J.T. Prestige Pty Ltd	088 919 466	ORD - 50%	Former
Astro Holdings Pty Ltd	116 933 325	ORD - 50%	Former

Update on the progress of the liquidation

Circumstances leading to winding up

The Company was incorporated on 1 August 2011 and operated from "The Rocket", Level 14, 203 Robina Town Centre Drive, Robina QLD 4226. The Company held a lease with Transport NSW for a premise at 55 Hunter Street, Sydney, New South Wales that housed operations for the greater MAG. The Company did not actively trade.

On 11 January 2017 Jason Bettles and Raj Khatri (the "Former Liquidators") were appointed liquidators of the Company for a Members Voluntary Liquidation. As creditors will be aware, at a meeting of creditors on Wednesday, 3 May 2017 I replaced the Former Liquidators and the Company was placed into Creditors Voluntary Liquidation.

Meetings held

The first meeting of the Company's creditors was held by the Former Liquidators on 3 May 2017 and I have not been required to hold, and have therefore not held, any meeting for the Company since my appointment.

A second meeting of creditors is to be held at 11:00am on Tuesday 26 June 2018. Further details are provided within this report.

At the meeting of creditors I will be requesting that you consider my detailed Remuneration Approval Report and a proposal to approve my remuneration. My Remuneration Approval Report includes a request to approve both time incurred to date and estimated future time to be incurred.

As discussed later in this report, the Australian Securities and Investments Commission ("ASIC") have requested that a supplementary section 533 report be completed and I have therefore applied to ASIC's Assetless Administration Fund for funding to complete further investigations and a supplementary report, as requested by them.

I am required to obtain creditors' approval for remuneration for any funding received from ASIC's Assetless Administration Fund, prior to it being discharged. Being mindful of the integrated nature of the MAG, the current lack of information and documentation and the uncertainty of the volume of investigations required to complete the supplementary section 533 report, I am requesting approval for future remuneration of \$100,000. Creditors should note that remuneration will only be drawn to the extent that work is performed.

During the meeting of creditors on 3 May 2017, the Former Liquidators received approval for remuneration of \$16,099, of which \$14,369 remains outstanding.

Assets and Liabilities of the Company

The Director of the Company is required to complete and provide to the Liquidator a statement about the Company's business, property, affairs and financial circumstances, also known as a Report as to Affairs ("RATA"). The RATA is a snapshot in time as at the date of my appointment of the assets and liabilities of the Company, disclosing book values and the Director's opinion on the estimated realisable value for assets.

A Report as to Affairs ("RATA") was provided by the Director of the Company on 16 May 2017. The RATA provides the following details:



SS Residential (NSW) Pty Ltd (in Liquidation) ACN 152 401 851	Directors' RATA		Liquidators'
	Book Value (\$)	ERV (\$)	ERV (\$)
Assets			
Interest in land	-	-	-
Sundry Debtors	-	-	-
Cash on Hand	-	-	-
Cash at Bank	-	-	66,648
Stock on hand	-	-	-
Work in Progress	-	-	-
Plant and Equipment	-	-	-
Other Assets	-	-	-
Sub Total	-	-	66,648
Assets subject to specific charges	-	-	-
Less amounts owing to secured creditors	-	-	62,713
Total Estimated Realisable Value	-	-	3,935
Liabilities			
Amount payable in advance of secured creditors	-	-	-
Amounts owing for employee entitlements	-	-	-
Amounts owing and secured by debenture or floating charge over assets	-	-	-
Preferential claims ranking behind creditors as	-	-	-
Partly Secured Creditors	-	-	-
Unsecured Creditors	(2,193,769)	(2,193,769)	(2,240,783)
Total Amounts Claimed	(2,193,769)	(2,193,769)	(2,240,783)
Contingent Assets	-	-	-
Contingent Liabilities	-	-	-
Estimated Surplus/ (deficiency)	(2,193,769)	(2,193,769)	(2,236,848)

Secured Creditors

Prior to the initiation of the MAG being wound up, certain advisors were granted security interests on a joint and several liability basis against the majority of the entities within the MAG, including the Company. In December 2017 a related MAG entity, Airlie Beach (MA) Pty Ltd ("ABMA"), discharged the secured creditors' claims in full and final settlement. ABMA is an entity which is also in liquidation and under my control as liquidator.

The secured creditors who received payment from ABMA are detailed below.

Secured creditor - claims and payments

Secured creditor	Claim	Paid
Ramsden Lawyers	245,023	226,254
WMS Solutions	74,611	68,895
David Domingo / Mellow Brae Superannuation Fund	75,927	30,000
Total	395,561	325,149



Receipts and Payments to date

Attached in **Appendix B** are the receipts and payments in the liquidation period from 03 May 2017 to 18 May 2018.

Actions undertaken to date

Since appointment I have undertaken the following tasks:

- Advised creditors of my appointment as liquidator;
- Arranged insurance cover;
- Issued correspondence to the Director of the Company requesting copies of books and records and a Report as to Affairs;
- Held meetings with the director of the Company;
- Held a meeting with the former solicitor of the Company;
- Obtained the books and records and liquidation files of the Former Liquidators;
- Undertaken a review of the Former Liquidators' file notes, records and investigations completed prior to my appointment;
- Commenced my own investigations into matters affecting the Company and MAG generally;
- Received and responded to creditor queries regarding the liquidation of the Company and MAG; and
- Complied with my statutory obligations.

Asset Realisations

On appointment I secured a bank account which held c\$67,000. I still hold this money and my investigations indicate that it was received as part of a surrender agreement relating to the lease which the Company held with NSW Transport Pty Ltd.

Possible recovery actions

I have commenced my initial investigations into the affairs of the Company prior to my appointment and any potential recovery actions that may be available to the Liquidator to pursue. My findings of these investigations are detailed below.

Given the limited time that has passed in the liquidation, and that further investigations will be undertaken, the below findings are preliminary and may be subject to change.

Insolvent Trading

I have only been provided with limited financial information of the Company to June 2016. The information provided is insufficient to determine a definitive date of insolvency.

Voidable Transactions

My investigations have identified that in November 2016 a payment was made to the former director of the Company, Colin MacVicar, for \$250,000. There appears to be limited basis or commerciality for the payment and it may constitute a voidable transaction.

Any recovery action is predicated by the financial capacity of Mr MacVicar to meet such a claim. In this regard, I note that Mr MacVicar is a bankrupt and there is therefore not expected to be any recovery from this transaction.

Report to Australian Securities and Investment Commission ("ASIC")

I have prepared and lodged my report to ASIC pursuant to section 533 of the Corporations Act. My report detailed, amongst others, the following concerns:

- Directors' failure to maintain adequate books and records;

- Potential breaches of Director's duties; and
- Possible insolvent trading.

ASIC has since advised that it intends to commence an investigation into the Company and a supplementary 533 report has been requested.

Due to the lack of funds and assets available in the liquidation, an application for funding through ASIC's Assetless Administration Fund has been submitted to enable further investigations into the Company's failures and solvency and for the supplementary section 533 report to be submitted.

Dividends and Meeting to be Held

Likelihood of a dividend

Attached at **Appendix C** is an Estimated Outcome Statement which demonstrates that given current asset realisations, **no dividend to any class of creditor is likely.**

Cost of the liquidation

Attached at **Appendix D** is a detailed report on my remuneration, called a Remuneration Approval Report. I am unable to pay my remuneration without the approval of creditors or the court.

During the meeting of creditors I will be seeking creditors to approve the following remuneration:

Period	Amount (excl. GST)
Resolution 1: 03 May 2017 to 18 May 2018	\$ 27,544.50
Resolution 2: 19 May 2018 to 26 June 2018	\$ 10,000.00
Resolution 3: 27 June 2018 to finalisation	\$ 100,000.00
Total	\$ 137,544.50

Creditors should note that as the current funds on hand total c\$67k and as there is not expected to be any further realisations, there are insufficient funds available to discharge the Former Liquidators' and my remuneration in full. Legal advice obtain has indicated that remuneration incurred by the Former Liquidators and my staff should be discharged on a pro rata basis.

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

Date: Tuesday, 26 June 2018
Time: 11:00am
Address: King George Central, Level 18, 145 Ann Street, Brisbane, QLD 4000

Further meeting information including a notice of meeting and details of the information you are required to provide if you plan to attend the meeting are attached at **Appendix E**. To participate in this meeting, you may need to:

- Submit a proof of debt and information to substantiate your claim;
- 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; and
- 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.



Details of the resolutions to be put to the meeting of creditors for consideration are included within the Form 532 (Appointment of Proxy) within Appendix E.

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 my office by post, fax or email by no later than Monday, 25 June 2018 at 4:00pm.

Further enquiries to be undertaken

I am continuing to make enquiries as to the Company's books and records as I have not received appropriate records to date.

I am required to continue my investigations into the potential allegations as set out above and complete my reporting to the ASIC.

I expect that the liquidation will be finalised within 12 to 24 months.

Other matters

There is no other relevant information to disclose at this point.

What happens next?

I will proceed with the liquidation, including:

- Recovering any further available property;
- Completing my investigations into the Company's affairs; and
- Completing my reporting to the corporate insolvency regulator, the ASIC.

I may write to you again with further information on the progress of the liquidation.

Compliance with best practice

I confirm that this report complies with the requirements in the Insolvency Practice Rules ("IPR"), as well as the statements of best practice issued by the Australian Restructuring Insolvency and Turnaround Association ("ARITA").

Where can you get more information?

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.



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Should you have any queries with respect to the above, you may also contact Benjamin Sanders of my office on 07 3222 0429 or via email on benjamin.sanders@au.gt.com. There is also information about this liquidation on firm's website.

Dated: 28 May 2018

A handwritten signature in black ink, appearing to read 'M. McCann'.

Michael Gerard McCann

Joint and Several Liquidator

Appendices

- Appendix A – Group Structure
- Appendix B – Liquidator's Receipts and payments
- Appendix C – Estimated Outcome Statement
- Appendix D – Remuneration Approval Report
- Appendix E – Notice of Meeting and Other Meeting Information



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Appendix A

Group Structure

Members Alliance Group – Group Structure





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Appendix B

Liquidators' Receipts and Payments

SS Residential (NSW) Pty Ltd (in Liquidation)		\$
ACN 152 401 851		
As at 18 May 2018		
Receipts		
Cash at bank		66,648
Total Receipts		66,648
Payments		
-		-
Total Payments		-
Net Receipts/ (Payments)		66,648

Appendix C

Estimated Outcome Statement

SS Residential (NSW) Pty Ltd (in Liquidation) ACN 152 401 851 as at 18 May 2018		
	\$	\$
	Optimistic	Pessimistic
Cash at bank	66,648	66,648
Total Funds held	66,648	66,648
Estimated Future Costs		
Grant Thornton Liquidator Remuneration 03/05/2017 to 18/05/2018	27,545	27,545
Grant Thornton Liquidator Remuneration 19/05/2017 to 26/06/2018	7,500	10,000
Grant Thornton Liquidator Remuneration 27/06/2018 to finalisation	80,000	100,000
Grant Thornton Current Disbursements	260	260
Grant Thornton Estimated Future Disbursements	1,000	2,000
Former Liquidator (Worrells) Remuneration	14,369	14,369
Total Costs	118,195	139,195
Remaining Funds for Distribution	(51,547)	(72,547)
Unsecured Claims	(2,240,783)	(2,240,783)

Appendix D

Remuneration Approval Report

Remuneration Approval Report

SS RESIDENTIAL NSW PTY LTD (IN LIQUIDATION)

A.C.N. 152 401 851 (“the Company”)

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the Liquidation of the Company.

This report has the following information included:

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What do you need to do next?

You should read this report and the other documentation that I have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided at part 6 of this report.

If you have any questions or need any assistance, please contact Kegan Nash on (07) 3222 0244 or via email on kegan.nash@au.gt.com.

Part 1: Declaration

I, Michael McCann of Grant Thornton Australia Limited have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

Part 2: Executive Summary

2.1 Remuneration Resolutions

The total remuneration for this appointment is estimated to be \$137,544.50 (excluding GST). To date, no remuneration has been approved and paid during this liquidation. This remuneration report details approval sought for the following fees:

Period	Amount (excl. GST)
Resolution 1: 03 May 2017 to 18 May 2018	\$27,544.50
Resolution 2: 19 May 2018 to 26 June 2018	\$10,000.00
Resolution 2: 27 June 2018 to finalisation	\$100,000.00
Total	\$137,544.50

Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Resolution 1: 03 May 2017 – 18 May 2018

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 03 May 2017 to 18 May 2018 to be fixed at \$27,544.50 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 2: 19 May 2018 – 26 June 2018

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 19 May 2018 to 26 June 2018 to be fixed at \$10,000 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 3: 27 June 2018 – finalisation

“That the future remuneration of the Liquidators from 27 June 2018 is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated in accordance with the Liquidators’ firm’s hourly rates that will be increased at a rate of 7.5% at 1 July each year, up to a capped amount of \$100,000.00 exclusive of GST and outlays, and that the Liquidators can draw the remuneration on a monthly basis or as required, from assets of the Company.”

2.2 Disbursement Resolutions

The total amount of disbursements is estimated to be \$1,260.35 (excl. GST). To date, no internal disbursements have been approved and paid in this liquidation. This remuneration report details approval sought for the following disbursements.

Period	Amount (excl. GST)
Disbursements 1: 03 May 2017 to 18 May 2018	\$260.35
Disbursements 2: 19 May 2018 to finalisation	\$1,000.00
Total	\$1,260.35

Approval for the disbursements sought is based on an estimate of the internal disbursements necessary for the completion of the liquidation.

Resolution 4: Disbursements 03 May 2017 to 18 May 2018

"The disbursements of the Liquidator from the period 03 May 2017 to 18 May 2018 to be fixed at the amount of \$260.35 (excl. GST). Approval is given for such amounts approved to be drawn from the assets of the Company."

Resolution 5: Disbursements: 19 May 2018 to finalisation

"Future disbursements from 19 May 2018 to finalisation of the liquidation provided will be charged to the liquidation on the following basis and that the Liquidators can discharge those disbursements from the assets of the Company."

Internal disbursements	Rate (excl. GST)
Courier	At cost
Postage (large)	\$1.91 / page
Postage (small)	\$0.99 / page
Fax (interstate)	\$2 / page
Fax (local)	\$1 / page
Staff vehicle use	\$0.66 / km
Rates applicable for financial year ending 30 June 2018	

Approval of the payment of these disbursements at the above rates is being sought from creditors at the meeting of creditors.

Part 3: Remuneration

3.1 Details of remuneration

I will be seeking approval of the following resolutions to approve my remuneration. Details to support these resolutions are included in section 3.2 and in the attached Schedules.

Resolution 1: 03 May 2017 to 18 May 2018

The below table sets out time charged to each major task area by staff members working on the liquidation for the period 13 July 2017 to 18 May 2018 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule A.

Employee	Position	\$/Hr (excl. GST)	Total Hours	Total Cost excl. GST (\$)	IPAA Tasks											
					Admin		Assets		Creditors		Employees		Investigations		Statutory	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Michael McCann	Partner	600	0.6	360			0.2	120					0.3	180	0.1	60
Michael McCann 1	Partner	580	3.0	1,740	0.8	464			0.3	174			1.3	754	0.6	348
Colm Dolan	Manager	455	31.6	14,378	1.7	774			8.5	3,868			11.0	5,005	10.4	4,732
Colm Dolan 1	Manager	440	7.2	3,168	3.2	1,408	0.7	308	0.0	0			2.9	1,276	0.4	176
Toby Carrigan	Associate	275	17.5	4,813	2.0	550	0.7	193	2.2	605			7.6	2,090	5.0	1,375
Toby Carrigan 1	Associate	250	7.2	1,800	3.9	975	0.9	225	2.1	525			0.3	75		
Kegan Nash	Associate	220	0.1	22									0.1	22		
Tanya Brown	EA/PA	195	4.2	819	2.1	410									2.1	410
Tanya Brown 1	EA/PA	185	0.8	148	0.6	111									0.2	37
Samantha Pape	EA/PA	195	0.9	175					0.9	175						
Denise Rutherford	Operational	180	0.3	54	0.3	54										
Jena Fraser	Operational	135	0.5	68	0.5	68										
			73.9	27,545	15.1	4,813	2.5	846	14.0	5,347			23.5	9,402	18.8	7,138

Resolution 2: 19 May 2018 to 26 June 2018

The below table sets out the expected costs for the major tasks likely to be performed by the liquidator and his staff for the period 19 May 2018 to 26 June 2018 which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule B.

	Task Area						
		Admin	Assets	Creditors	Employees	Investigations	Dividends
Total estimate (excl GST)	\$10,000	\$2,000		\$8,000			
GST	\$1,000	\$200		\$800			
Total (Incl. GST)	\$11,000	\$2,200		\$8,800			

Resolution 3: 27 June 2018 to finalisation

The below table sets out the expected costs for the major tasks likely to be performed by the liquidator and his staff for the period 27 June 2018 to finalisation which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule C.

	Task Area						
		Admin	Assets	Creditors	Employees	Investigations	Dividends
Total estimate (excl GST)	\$100,000	\$10,000		\$15,000		\$75,000	
GST	\$10,000	\$1,000		\$1,500		\$7,500	
Total (Incl. GST)	\$110,000	\$11,000		\$16,500		\$82,500	

3.2 Total remuneration reconciliation

In preparing this remuneration approval report, I have made my best estimate at what I believe the Liquidation will cost to complete and I do not anticipate that I will have to ask creditors to approve any further remuneration. However, should the Liquidation not proceed as expected, I will advise creditors and I may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and cost of the Liquidation include:

- The complexity of completing my investigations into the Company's affairs;
- Completing a supplementary section 533 report to the ASIC;
- Completing any further investigations required by the ASIC;
- The potential requirement for a public examination; and
- Dealing with creditor queries and concerns.

Due to the nature of my appointment, no discussions were held with the director prior to my appointment and therefore no estimate of costs was provided prior to my appointment.

3.3 Likely impact on dividends

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

Any dividend to creditors will also be impacted by the amount of assets that I am able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees. The monies recovered and realised in the Liquidation to date are insufficient to cover the expected liquidation costs.

Further, as noted previously, an application for funding to the ASIC Assetless Administration Fund has submitted to facilitate the costs of further investigations and the completion of a supplementary section 533 report. Funding provided by the ASIC Assetless Administration Fund would not be available to creditors for a distribution.

3.4 Remuneration recovered from external sources

To date there has been no remuneration recovered from any external sources.

As mentioned above, I have applied to the ASIC Assetless Administration Fund for funding to complete further investigations and a supplementary section 533 report as requested by ASIC. This will facilitate ASIC's further requested work being completed and assist with discharging my remuneration going forward.

Part 4: Disbursements

Disbursements are divided into three types:

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

I have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.

I will be seeking creditor approval to pay my internal disbursements from creditors.

4.1 Internal disbursement claim

The following internal disbursements have been claimed by my firm for the period from 03 May 2017 to 18 May 2018. Approval of these disbursements from creditors in the amount of \$260.35 is being sought at a meeting of creditors:

Disbursements claimed to 19 May 2018	Basis	Total (\$) (excl. GST)
Company search	4 searches	199.56
Postage	Issue of correspondence	60.79
Total		260.35

4.2 Future basis of internal disbursements

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

Internal disbursements	Rate (excl. GST)
Courier	At cost
Postage (large)	\$1.91 / page
Postage (small)	\$0.99 / page
Fax (interstate)	\$2 / page
Fax (local)	\$1 / page
Staff vehicle use	\$0.66 / km
Rates applicable for financial year ending 30 June 2018	

Part 5: Queries

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

Contact name: Kegan Nash
Contact number: 07 3222 0244
Email: Kegan.Nash@au.gt.com

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

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for “insolvency information sheets”).

Part 6: Approval of remuneration and internal disbursements

A meeting of creditors to consider the liquidation and our remuneration will be held as follows:

Date: Tuesday, 26 June 2018
Time: 11:00am
Address: Level 18, 145 Ann St, Brisbane QLD 4000

Further meeting information, including a notice of meeting and details of the information you are required to provide if you plan to attend the meeting are in **Appendix E** of the Report to Creditors. To participate in this meeting, you may need to:

- Submit a proof of debt and information to substantiate your claim.
- 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 4:00pm Monday, 25 June 2018.

Schedule A – Resolution 1: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 03 May 2016 to 18 May 2018.

Task Area	General Description	Includes
Assets 2.5 hours \$845.50	Assets subject to specific charges	All tasks associated with realising a charged asset
	Debtors	Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors
	Stock	Conducting stock takes Reviewing stock values Liaising with purchasers
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
Creditors 14 hours \$5,347.00	Creditor Enquiries, Requests & Directions	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting Considering reasonableness of creditor requests Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing Statutory Report by Liquidator OR Voluntary Administrator's report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements

		<p>Forward notice of meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
	Shareholder enquiries	<p>Initial day one letters</p> <p>ITAA Section 104-145(1) declarations</p> <p>Responding to any shareholder legal action</p>
Investigation 23.5 hours \$9,402.00	Conducting investigation	<p>Collection of company books and records</p> <p>Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs</p> <p>Reviewing company's books and records</p> <p>Review and preparation of company nature and history</p> <p>Conducting and summarising statutory searches</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with directors regarding certain transactions</p> <p>Preparation of investigation file</p> <p>Lodgement of investigation with the ASIC</p> <p>Preparation and lodgement of supplementary report if required</p>
	Examinations	<p>Preparing brief to solicitor</p> <p>Liaising with solicitor(s) regarding examinations</p> <p>Attendance at examination</p> <p>Reviewing examination transcripts</p> <p>Liaising with solicitor(s) regarding outcome of examinations and further actions available</p>
	Litigation / Recoveries	<p>Internal meetings to discuss status of litigation</p> <p>Preparing brief to solicitors</p> <p>Liaising with solicitors regarding recovery actions</p> <p>Attending to negotiations</p>

		Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration 15.1 hours \$4,812.50	Correspondence	
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS Completing group certificates
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage

Schedule B – Resolution 2: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 19 May 2018 to 26 June 2018.

Task Area	General Description	Includes
Creditors \$8,000.00	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting Considering reasonableness of creditor requests Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Creditor reports	Preparing Statutory Report by Liquidator
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Administration \$2,000.00	Correspondence	
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BAS
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage

Schedule C – Resolution 3: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 27 June 2018 to finalisation.

Task Area	General Description	Includes
Creditors \$15,000.00	Creditor Enquiries, Requests & Directions	<p>Receive and respond to creditor enquiries</p> <p>Maintaining creditor request log</p> <p>Review and prepare initial correspondence to creditors and their representatives</p> <p>Documenting</p> <p>Considering reasonableness of creditor requests</p> <p>Obtaining legal advice on requests</p> <p>Documenting reasons for complying or not complying with requests or directions</p> <p>Compiling information requested by creditors</p>
	Secured creditor reporting	<p>Notifying PPSR registered creditors of appointment</p> <p>Preparing reports to secured creditor</p> <p>Responding to secured creditor's queries</p>
	Creditor reports	Preparing Statutory Report by Liquidator OR Voluntary Administrator's report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	<p>Receipting and filing POD when not related to a dividend</p> <p>Corresponding with OSR and ATO regarding POD when not related to a dividend</p>
	Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Forward notice of meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
	Shareholder enquiries	<p>ITAA Section 104-145(1) declarations</p> <p>Responding to any shareholder legal action</p>
Investigation \$75,000.00	Conducting investigation	<p>Collection of company books and records</p> <p>Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs</p> <p>Reviewing company's books and records</p> <p>Review and preparation of company nature and history</p> <p>Conducting and summarising statutory searches</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with directors regarding certain transactions</p>

		<ul style="list-style-type: none"> Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	Examinations	<ul style="list-style-type: none"> Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration \$10,000.00	Correspondence	
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	<ul style="list-style-type: none"> Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BAS Completing group certificates
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration

	Books and records / storage	Dealing with records in storage Sending job files to storage
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Appendix E

Notice of Meeting and Other Meeting Information

FORM 529

Subregulation 5.6.12(3)

Corporations Act 2001

NOTICE OF MEETING OF MEMBERS AND CREDITORS

**SS RESIDENTIAL NSW PTY LTD (IN LIQUIDATION)
ACN 152 401 851**

Notice is hereby given that pursuant to section 75 (10) of the Act, a meeting of the members and creditors of the Company will be held at King George Central, Level 18, 145 Ann Street, Brisbane, QLD, 4000 on Tuesday, 26 June 2018 at 11:00am.

The purpose of this meeting is to consider:

1. A report from the Liquidator
2. The receipts and payments of the Liquidator
3. To fix or determine the remuneration of the Liquidator
4. To fix or determine the future remuneration of the Liquidator
5. Authorise the Liquidator to destroy the books and records of the Company within a period of six (6) months after dissolution of the Company.
6. Any other business

Dated 28/05/2018



MICHAEL MCCANN
JOINT AND SEVERAL LIQUIDATOR

FORM 532

Regulation 5.6.29

Corporations Act 2001

APPOINTMENT OF PROXY

**SS RESIDENTIAL NSW PTY LTD (IN LIQUIDATION)
ACN 152 401 851**

I/We (Note 1) _____ (name of member/creditor)
of _____ (address of member/creditor)

A member/creditor of SS Residential NSW Pty Ltd (In Liquidation) hereby appoint

_____ (name of proxy) (Note 2)

or in his absence, _____ (name of alternative proxy)

As my/our special/general (Note 3) proxy to vote at the meeting of members/creditors to be held in the above matter on Wednesday, 11 April 2018 at or at any adjournment thereof.

If special proxy please select ONE of the following:

1. To vote on all matters arising from the meeting

AND/OR ALTERNATIVELY

2. To vote specifically in the following manner:

FOR

AGAINST

ABSTAIN

Resolution 1

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 03 May 2017 to 18 May 2018 to be fixed at \$27,544.50 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 2

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 19 May 2018 to 26 June 2018 to be capped at \$10,000 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 3

“That the future remuneration of the Liquidators from 27 June 2018 is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated in accordance with the Liquidators' firm's hourly rates that will be increased at a rate of 3% at 1 July each year, up to a capped amount of \$100,000.00 exclusive of GST and outlays, and that the Liquidators can draw the remuneration on a monthly basis or as required, from assets of the Company.”

Resolution 4

“The disbursements of the Liquidator from the period 03 May 2017 to 18 May 2018 to be fixed at the amount of \$260.35 (excl. GST). Approval is given for such amounts approved to be drawn from the assets of the Company.”

Resolution 5

“Future disbursements from 19 May 2018 to finalisation of the liquidation provided will be charged to the liquidation on the following basis and that the Liquidators can discharge those disbursements from the assets of the Company.”

Resolution 5

“Future disbursements provided by my firm will be charged to the liquidation on the following basis and that the Liquidators can discharge those disbursements from the assets of the Company:”

Internal disbursements Rate (excl. GST)

Courier	At cost
Postage (large)	\$1.91/page
Postage (small)	\$0.99/page
Fax (interstate)	\$2/page
Fax (local)	\$1/page
Staff vehicle use	\$0.66/km

Rates applicable for financial year ending 30 June 2018

Resolution 6

“That the Liquidator be authorised to destroy the books and records of the Company six months after the date of its deregistration subject to the consent of the Regional Commissioner of the Australian Securities & Investments Commission in accordance with Section 542(4) of the Corporations Act 2001.”

DATED this day of 2018

Signature _____(Note 4)

CERTIFICATE OF WITNESS (NOTE 5)

I, _____ of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this _____ day of _____ 2018

Signature of Witness _____

Description _____

Place of Residence _____

NOTES:

- 1) If a firm, strike our "I" and set out the full name of the firm.
- 2) Insert the name, address and description of the person appointed.
- 3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.
- 4) The signature of the creditor, contributory, debenture holder or member must not be attested by the person nominated as proxy.
- 5) This certificate is to be completed only where the person giving the proxy is blind or incapable of writing.

Proxy forms should have been completed and returned by no later than 4:00 PM on Tuesday, 8 May 2018.

RETURN TO: SS Residential NSW Pty Ltd (In Liquidation)

Care of: Grant Thornton Australia Limited

Address: GPO Box 1008, Brisbane QLD 4001

Phone: (07) 3222 0200

Fax: (07) 3222 0446

FORM 535

Subregulation 5.6.49(2)

Corporations Act (2001)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of SS Residential NSW Pty Ltd (In Liquidation)

- 1. This is to state that the company was on, 3 May 2017 (date of court order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up), and still is, justly and truly indebted to:

(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) for \$ _____ and _____ cents.

Table with 4 columns: Date, Consideration (state how the Debt arose), Amount \$ c, 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 following: (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).

Table with 5 columns: Date, Drawer, Acceptor, Amount \$c, Due Date

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

.....
Dated
Signature
Occupation:
Address:

