

Statutory Report by Liquidator

AB PROJECTS PTY LTD (IN LIQUIDATION)
ACN 111 839 939 (the “Company”)

22 November 2019

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1 Introduction

We refer to our initial correspondence to creditors dated 10 September 2019 in which we advised you of our appointment as Joint and Several Liquidators 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.
- 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 pass a proposal to approve our remuneration.

In preparing this report, we have relied on information provided from numerous sources, including:

- The director of the Company, Mr Andrew Barker.
- The director's legal representative.
- Information available from public sources, such as, Australian Securities and Investments Commission (ASIC) and the Personal Property Securities Register (PPSR).
- The Company's books and records provided to date.

2 Company history & causes of the Company's failure

2.1 Company Activity

The Company was incorporated on 17 November 2004 and most recently has traded from the director's residential property in Jacobs Well, Queensland. The Company registered for GST in October of 2013 and traded under the following business names:

Business Name	AKA	From	To
Nero Dining	The "Nero Dining" Business	17 Jun 2016	08 Aug 2016
SavvyAB		04 Sep 2015	31 Jan 2019
Savvy Resources	The "Savvy" Business	12 Feb 2014	14 Jan 2016
Savvy Consulting		04 Feb 2014	16 Mar 2014

Savvy Business

From our preliminary investigations, we understand the 'savvy' business was essentially a labour hire business whereby staff were contracted to approximately 6 customers who were invoiced on a weekly basis.

At the time of appointment, staff appeared to have been contracted by Energex and Ergon Energy. We understand that the Company's contract of services with Energex and Ergon Energy were terminated on or around 9 August 2019.

Despite our requests, the director and his legal advisor have not provided further detail regarding the basis for this labour hire business, including the terms on which the employees were hired by the Company. Investigations are ongoing in this regard and we encourage any effected staff to contact our office.

Nero Dining

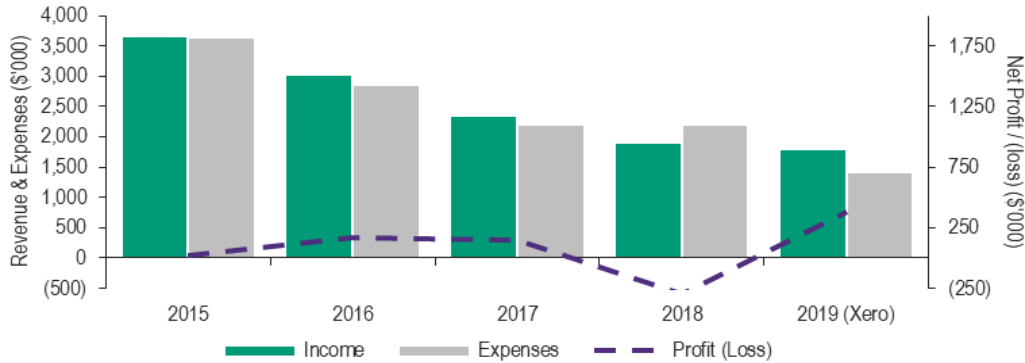
The Company also acted as trustee of the Barker Family Trust which traded a restaurant on the Gold Coast. The Company appeared to have contributed to the setup of the restaurant and was the leasee of the trading premise at 3/1 Sunshine Boulevard, Broadbeach Waters. It also provided a bank guarantee to the restaurant's landlord. The Company was removed as trustee of the Barker Family Trust in December of 2018.

The restaurant ceased trading in October 2019. Further detail is provided in section 3 of this report.

2.2 Historical Financial Performance

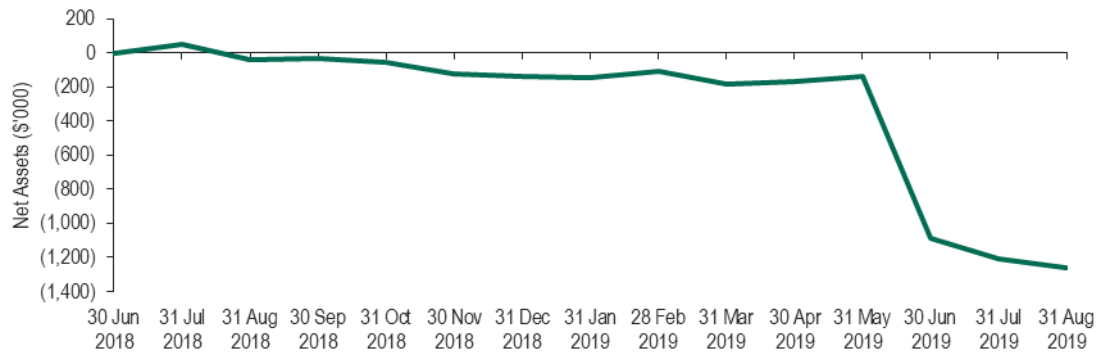
Profit & Loss

The below graph provides a summary of the profit & loss of the Company for the preceding 4 financial years prior to our appointment. This data has been extracted directly from the Company's tax returns and hasn't been audited for accuracy.



Financial Position

The below table provides a summary of the current assets and liability position of the Company, which provides an indication of liquidity. This data has been extracted directly from the Company's Xero data. This information has not been audited for accuracy.



The deterioration of the Company's net asset position in June 2019 is due to the recognition of a c\$1m tax liability in respect of GST, PAYG and Income tax not recorded in the Company's monthly accounts. The ATO running account suggest that the majority of liability related to unreported BAS liabilities for FY17 and FY18. If the Company's accounts are adjusted to reflect this, it appears that it has had a deficiency of net assets since June 2018 at the latest.

2.3 Causes of Failure

The Company's losses were funded by the Australian Taxation Office in the form of unpaid PAYG tax liabilities.

The ATO applied to the Court to have the Company wound up on 26 August 2019 and we were appointed Joint and Several Liquidators shortly thereafter.

The Director has stated the reason for the Company's financial difficulties and the ultimate need to have the Company wound up was due to the loss of major government contracts.

Our investigations into the affairs of the Company have not corroborated the reason provided by the director as it appears that sales revenue was relatively stable during FY18 and FY19 and customer contracts remained active in the weeks prior to my appointment. It appears the more likely cause of failure was lack of profitability since June

2018 and under undercapitalisation. We have not been provided with adequate books and records to enable a full and proper investigation into the Company for the causes behind its failure.

3 Update on the progress of the liquidation

3.1 Assets and liabilities

Provided below is an analysis of the assets and liabilities of the company, and comparison to the Report on company activities and property (ROCAP) as provided by the director.

Assets & Liabilities	Director's Book Value	Director's ERV	Liquidator's ERV
Assets			
Cash at Bank	Nil	Nil	16,971
Lease Bond	12,000	Nil	Unknown
Property, Plant & Equipment	40,000	Nil	Nil
Debtors	Nil	Nil	Unknown
Loan Receivables	1,493,000	Nil	Unknown
Other Assets	Nil	Nil	800
Total Assets	1,545,000	-	17,771
Liabilities			
Secured	Nil	Nil	Nil
Petitioning	Nil	Nil	(2,941)
Priority	Nil	Nil	Nil
Unsecured	(1,093,320)	(1,093,320)	(1,048,625)
Total Liabilities	(1,093,320)	(1,093,320)	(1,051,566)
Net Assets	451,680	(1,093,320)	(1,033,796)

We provide below further detail on the assets and liabilities of the Company.

Assets of the Company

Cash at Bank

On appointment, we issued notices to all major Australian financial institutions requesting they immediately freeze all accounts held in the Company's name.

We received a reply from BOQ confirming that they held an account in the Company's name which held \$16,971. This amount was transferred into the post-appointment liquidation account.

Lease Bond

The director stated in the ROCAP that the Company held a bond with its landlord in the amount of \$12,000.

This bond was in relation to a leased commercial property located in Broadbeach, Queensland. At the date of our appointment, this property was used for operating the Nero restaurant (the business of the Barker Family Trust).

Whilst we have attempted to negotiate a sale of the Company's interest in the Neo Restaurant to the Barker Family Trust, it appears the Trust breached the terms of the lease following our appointment and vacated the premises. It is understood the landlord will apply the bond as payment for the unpaid rent for the lease. Accordingly, no funds are expected to flow to the Company in relation to the bond monies.

Property, Plant & Equipment

The director stated in the ROCAP that the Company owned a Porsche Macan valued at \$40,000.

A review of the Company's financial information indicated the vehicle was purchased in July 2015 for c. \$136,000. The vehicle was financed by St. George, who advised the debt owing in respect of the vehicle loan was \$53,769.

This amount was greater than the amount advised by our agents as the net recoverable amount attainable for the vehicle. The vehicle was subsequently disclaimed and handed to the financier's agents for recovery.

We are advised that the vehicle ultimately sold for \$48,250.

The Company also purchased furniture, fixtures and fittings at the time the Nero restaurant was established. The Barker Family Trust removed various items of stock and equipment from the premises following its closure. There is a small number of assets which remain in situ at the property which were abandoned by the Barker Family Trust. A review of these items suggests the costs of removal and sale could exceed the realisable value. We are liaising with parties that may wish to acquire the assets in situ.

Debtors

The director stated in the ROCAP that the Company was not owed any monies from trade debtors.

Our investigations to date have suggested that the Company's accounts receivable function was run on a separate software to its regular accounting software (Xero). Invoices provided to our office from Origin Energy and Energex show that all invoices for services were paid up to 9 August 2019, two weeks prior to our appointment. We have identified payments to staff up to the date of our appointment. Our enquiries are continuing as to whether the customers have paid for the services and if so, to who.

Loan Receivables

The director stated in the ROCAP that the Company held the following loans in its favour:

- Andrew Barker (director) - \$1,310,000
- Anlaja Pty Ltd - \$183,000

The Company's financial records indicate the amount owing to the Company from the director totals \$1,310,709. A letter of demand was issued in this amount on 15 November 2019, which requested payment within 10 business days.

We understand the director is considering bankruptcy and cannot accurately estimate the ultimate return to the Company. Notwithstanding this, our investigations to date have revealed the director holds a 50% interest in a real property located in Jacobs Well, Queensland as well as a number of luxury vehicles. The real property was purchased by the director and a related party for \$620,000 in 2007 and is secured by a mortgage with the National Australia Bank.

We will continue to pursue this claim against the director and will provide creditors with updates as necessary.

The other loan account of \$183,000 is held in the name of Anlaja Pty Ltd. Anlaja entered liquidation on 9 October 2019 and we are advised that there is not expected to be sufficient assets to enable a distribution to unsecured creditors of the Company.

Other Assets

Our office negotiated a sale of the telephone account held with Telstra to the director. The total amount received from the sale was \$880 including GST.

Real Property

A search was conducted of property records in Australia, which confirmed the Company never held any real property.

Liabilities of the Company

Secured Creditors

The sole secured creditor of the Company was St. George who provided finance to the Company for the purpose of purchasing the Porsche Macan. This asset has been disclaimed and realised by the secured creditor. The shortfall owing to St. George ranks as an unsecured claim in the liquidation.

Petitioning Creditor Costs

The ATO is the petitioning creditor in the winding up application brought against the Company. The amount included in the table above relates to the costs incurred by the ATO in bringing the application which ranks as a priority debt in accordance with section 556(1)(a) of the Corporations Act 2001.

Priority Creditors

We have not been provided with details of employees and accordingly are unable to determine the extent of any priority creditor claims for unpaid employee entitlements (including superannuation).

Unsecured Creditors

To date, we have received two unsecured claims in the liquidation of the Company. The majority creditor is the ATO, who are owed a total of \$1,017k in respect of unpaid tax.

3.2 Receipts and Payments to date

Provided below is a summary of all receipts and payments in the liquidation to date.

Receipts and Payments	Amount (\$)
Receipts	
Cash at Bank	16,971
GST Received	500
Interest Income	7
Other Assets	880
Total Receipts	18,358
Payments	
Appointee Fees	(5,500)
Petitioning Creditor Costs	(2,941)
Total Payments	(8,441)
Net Receipts and Payments	9,917

3.3 Investigations and recovery actions

Investigations undertaken

We have commenced our initial investigations into the affairs of the Company prior to our appointment and any potential recovery actions that may be available to the Joint and Several Liquidators to pursue.

To date, we have undertaken the following investigations:

- What happened to the business of the Company;
- unfair preference claims;
- uncommercial transactions;
- unfair loans;
- unreasonable director-related transactions; and
- Insolvent trading;

Our 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.

Our ability to affect any recovery from an insolvent trading action against the director is predicated on the director's ability to satisfy such a claim. We note we have already issued a demand for c. \$1.3m against the director for a loan account and will consider any insolvent trading action if and when this debt is satisfied.

Directors and officers to assist the Liquidators

Section 530A of the Corporations Act 2001 (Cth) places a positive obligation on a director to assist the liquidator or provisional liquidator of a company. The director has failed to deliver information requested by our office on several occasions, and accordingly, we believe that the director has failed to comply with his obligations pursuant to the Act.

Director's obligation to maintain adequate books and records.

The Company's Xero records appear to only include financial data from 1 July 2018. We have been provided Company tax returns which show the Company was trading for the 4 financial years prior to our appointment, however we do not have adequate books and records for the periods prior to 1 July 2018. We note the Company's Xero records contain material misstatements with respect to tax liabilities. In our opinion, the director may have breached his obligations to maintain adequate books and records pursuant to s286 of the Corporations Act 2001 (Cth).

Voidable transactions

Uncommercial transactions & unfair loans

Our preliminary investigations have not identified any recoverable uncommercial transactions or unfair loans.

Unreasonable director-related transactions

Our investigations have identified a number of alleged unreasonable director-related transactions. Given the substantial nature of the loan receivable from the director, we have elected not to pursue recovery for these transactions until such time as the director loan has been resolved.

Unfair preference payments

Our investigations have uncovered potential preference claims from one creditor totaling c. \$256,000. Further work will be conducted in this regard before any claim against the creditor is made.

Insolvent trading

Based on available information, it appears that the Company was insolvent from 30 June 2018. This assessment is based on:

- Trading losses
- Deficiency of net assets
- Unpaid tax liabilities

We have not been provided with accurate company financial information for the period prior to 20 June 2018. We are therefore unable to determine with any certainty the likely date of insolvency for the Company.

Any insolvent trading action against the director will be assessed if and when the material loan balance owed by the director to the Company is resolved. If such an action is commenced, further work will be completed in respect of determining a date of insolvency.

Further inquiries to be undertaken

We plan to undertake the following further investigations:

- Whether there was any criminal or civil misconduct by the Director;
- The quantum of preference payments; and
- Any other matters determined to be of interest to the Liquidator.

4 Likelihood of a dividend

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

- The size and complexity of the administration.
- The amount of assets realisable and the costs of realising those assets.
- The statutory priority of certain claims and costs.
- The value of various classes of claims including secured, priority and unsecured creditor claims.
- The volume of enquiries by creditors and other stakeholders.

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

5 Cost of the liquidation

We are seeking approval of remuneration of \$55,793 (exclusive of GST) for the period from appointment to finalisation of the liquidation.

Attached at **Appendix A** is a detailed report on our remuneration, called a Remuneration Approval Report. We are unable to pay our remuneration without the approval of creditors or the court.

We are seeking creditor approval of our remuneration by a proposal without a meeting.

To participate in the proposal, please complete and return the following by no later than 16 December 2019:

- The “proposal without a meeting” form/s included at **Appendix B**.
- The “proof of debt” form included at **Appendix C** which provides information about what the company owes you, along with supporting documents for your claim (if not returned previously).

The documents can be scanned and emailed to kegan.nash@au.gt.com or returned via post to our firm’s address, attention Kegan Nash. If you choose to return these documents via post, please ensure that you allow enough time for us to receive them by the due date.

An information sheet on “proposals without a meeting” is included at **Appendix D**.

6 What happens next in the liquidation?

We will proceed with the liquidation, including:

- Pursue the director for recovery of the loan receivable;
- Subject to the above, pursue the director for unreasonable director-related transactions, insolvent trading (if applicable) and any other actions available to the Joint and Several Liquidators;
- Finalise the review into unfair preference payments and commence recovery if deemed appropriate;
- Complete our investigations into the Company’s affairs;
- Complete our reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission (ASIC);
- Make a distribution to unsecured creditors (if sufficient funds become available).

We expect to have completed this liquidation within 6 months.

7 Compliance with best practice

We confirm that this report complies with the requirements in the Insolvency Practice Rules (IPR), specifically IPR 70-40, as well as the statements of best practice issued by the Australian Restructuring Insolvency and Turnaround Association (ARITA) with regard to content of the Statutory Report by Liquidator and the Code of Professional Practice with regard to remuneration.

8 What to do next

You should now:

- Read the report and attached information.
- Determine if and how you are going to vote on the proposal.
- Complete and return your proposal voting form and proof of debt by 16 December 2019.

9 Where can you get more information?

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

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

Should you have any queries with respect to the above, you may also contact Kegan Nash of our office on +61 7 3222 0244 or via email on kegan.nash@au.gt.com. There is also information about this liquidation on our firm’s website.

Dated 22 November 2019



Cameron Crichton
Joint and Several Liquidator

List of attachments

- Appendix A - Remuneration Approval Report
- Appendix B - Proposal Forms
- Appendix C - Proof of Debt
- Appendix D – Information Sheet – Proposals without meeting

Appendix A

Remuneration Approval Report

Remuneration Approval Report

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (the “Company”)
22 November 2019



Contents

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 Court Liquidation of AB Projects Pty Ltd.

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What do you need to do next?

You should read this report and the other documentation that we have sent you.

To minimise the costs in this Court Liquidation, we have elected to seek the approval of creditors for our remuneration and internal disbursements without a meeting. Information about the proposals without a meeting process is included at section 6 of this report.

You can cast your vote by using the included voting forms. These forms then need to be returned to our office by post, scanned and emailed or faxed. We need to receive your forms by Friday 13 December 2019 for your vote to count. If you chose to use post, please allow enough time for your letter to be delivered.

If you have any questions, or need any assistance with understanding the materials we have sent to you, please contact Kegan Nash on +61 7 3222 0244 or via email on kegan.nash@au.gt.com.

1 Declaration

Michael McCann and I, Cameron Crichton of Grant Thornton Australia Limited have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of AB Projects Pty Ltd in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Court Liquidation.

2 Executive Summary

The total remuneration for this appointment is estimated to be \$55,793 (excluding GST).

This has increased compared to our previous estimate of \$20,000 - \$40,000 because of:

- Extensive correspondence between our office and the director's legal representative regarding obtaining information about the Company (including the nature of its business and the possibility of debtors);
- Determining the Company's potential interest in the Nero Restaurant; and
- Extended negotiations with the director regarding the sale of the Company's assets.

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (Excl. GST) (\$)
Current Remuneration Claim		
<i>Liquidation</i>		
23 Aug 2019 to 31 Oct 2019	3.2, Sch 1 & 2	30,793.00
1 Nov 2019 to Finalisation	3.2, Sch 3	25,000.00
Total Current Claim		55,793.00
Total Remuneration Claimed and Approved		55,793.00

Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Our estimate for future remuneration is subject to the following variables which may have a significant effect on this estimate and that we are as yet unable to determine:

- Unforeseen complexities arising from the recovery of Director loan account
- Unforeseen complexities in resolving the preference claim
- Additional work required to adjudicate on creditor claims not yet received.
- Additional administration required as a result of a prolonged recovery of the Director loan account and preference payments.

Internal disbursements currently claimed as summarised below:

Period	Report Reference	Amount (Excl. GST) (\$)
Current Internal Disbursements Claim		
<i>Liquidation</i>		
23 Aug 2019 to 31 Oct 2019	4.1	68.28
1 Nov 2019 to Finalisation (capped)	4.2	2,000.00
Total Current Claim		2,068.28
Total Remuneration Claimed and Approved		2,068.28

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

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

3 Remuneration

3.1 Remuneration claim resolutions

We 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 from 23 August 2019 to 31 October 2019: “That the remuneration of the Joint and Several Liquidators, their partners and staff, for the period from 23 August 2019 to 31 October 2019, calculated at the hours spent at the rates detailed in the Remuneration Approval Report dated 22 November 2019 provided to creditors, is approved for payment in the amount of \$30,793, excluding GST, to be drawn from available funds immediately or as funds become available.”

Resolution 2 from 1 November 2019 to Finalisation: “That the future remuneration of the Joint and Several Liquidators for the period from 1 November 2019 to Finalisation of the Joint and Several Liquidation, is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 22 November 2019 provided to creditors, that may be increased at a rate of up to 5% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$25,000, excluding GST, and that the Joint and Several Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.

3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedules 1 to 3.

Resolution 1 from 23 August 2018 to 31 October 2019

The table in **Schedule 1** sets out time charged to each major task area by staff members working on the Court Liquidation for the period 23 August 2019 to 31 October 2019 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 2**.

Resolution 2 from 1 November 2019 to Finalisation

The below table sets out the expected costs for the major tasks likely to be performed by the Joint and Several Liquidators and our staff for the period 1 November 2019 to Finalisation 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 3**.

	Total	Task Area					
		Admin	Assets	Creditors	Dividends	Investig.	Statutory
Estimated Cost	25,000	4,000	7,500	3,000	4,000	4,000	2,500
GST	2,500						
Total Costs	27,500						

3.3 Total remuneration reconciliation

At this point in time we estimate that the total remuneration for this Court Liquidation will be \$55,573. This includes the current approval amount being sought of \$55,573. This is subject to the following variables which may have a significant effect on this estimate and that we are as yet unable to determine:

- Unforeseen complexities arising from the recovery of Director loan account
- Unforeseen complexities in resolving the preference claim
- Additional work required to adjudicate on creditor claims not yet received.

- Additional administration required as a result of a prolonged recovery of the Director loan account and preference payments.

This estimate differs to the estimate of costs provided in our Initial Remuneration Notice dated 10 September 2019, which estimated a cost of the administration of \$20,000 to \$40,000, excluding GST, for the following reasons:

- Extensive correspondence between our office and the director's legal representative regarding obtaining information about the Company (including the nature of its business and the possibility of debtors);
- Determining the Company's potential interest in the Nero Restaurant; and
- Extended negotiations with the director regarding the sale of the Company's assets.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, at section 3.2 of the report and in Schedule 3.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Court Liquidation will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Court 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.

3.4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Joint and Several Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Joint and Several Liquidators 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 our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are 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.

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

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.

We have undertaken a proper assessment of disbursements claimed for AB Projects Pty Ltd in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We will be seeking creditor approval to pay our internal disbursements from creditors.

4.1 Internal disbursement claim

The following internal disbursements have been claimed by my firm for the period from 23 August 2019 to 31 October 2019. Approval of these disbursements from creditors in the amount of \$68.28 is being sought via a proposal without a meeting. A summary of the disbursements that comprise this claim is set out below.

Internal Disbursement	Rate	Amount (\$)
Postage	\$0.99/Letter	68.28
Total (Excluding GST)		68.28

The resolution to be put to creditors to approve our internal disbursements is included below:

Resolution 3: "That the internal disbursements claimed by our firm for the period 23 August 2019 to 31 October 2019, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved for payment in the amount of \$68.28, excluding GST, to be drawn from available funds immediately or as funds become available."

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
Courier	At Cost
Postage (large)	\$1.98 / letter
Postage (small)	\$0.99 / letter
Fax (interstate)	\$2.00 / letter
Fax (local)	\$1.00 / letter
Staff Vehicle Use	\$0.66 / km

Rates applicable for financial year ending 30 June 2020.

Approval of the payment of these disbursements at the above rates to a capped amount of \$2,000 is being sought from creditors via a proposal without a meeting. The resolution put to creditors is as follows:

Resolution 4: "That the internal disbursements claimed by our firm for the period 1 November 2019 to Finalisation, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved up to a capped amount of \$2,000, excluding GST, and that the Joint and Several Liquidators can draw the disbursements from available funds as incurred or as funds become available."

5 Summary of Receipts and Payments

A summary of the receipts and payments for the Court Liquidation as at 31 October 2019 is included in the Statutory Report by Liquidator which accompanies this report.

6 Approval of remuneration and internal disbursements

In summary, we are seeking creditor approval for the following resolutions for my remuneration and internal disbursements

Resolution 1

"That the remuneration of the Joint and Several Liquidators, their partners and staff, for the period from 23 August 2019 to 31 October 2019, calculated at the hours spent at the rates detailed in the Remuneration Approval Report dated 22 November 2019 provided to creditors, is approved for payment in the amount of \$30,793, excluding GST, to be drawn from available funds immediately or as funds become available."

Resolution 2

"That the future remuneration of the Joint and Several Liquidators for the period from 1 November 2019 to Finalisation of the Joint and Several Liquidation, is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the

Remuneration Approval Report dated 22 November 2019 provided to creditors, that may be increased at a rate of up to 5% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$25,000, excluding GST, and that the Joint and Several Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.

Resolution 3

“That the internal disbursements claimed by our firm for the period 23 August 2019 to 31 October 2019, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved for payment in the amount of \$68.28, excluding GST, to be drawn from available funds immediately or as funds become available.”

Resolution 4

“That the internal disbursements claimed by our firm for the period 1 November 2019 to Finalisation, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved up to a capped amount of \$2,000, excluding GST, and that the Joint and Several Liquidators can draw the disbursements from available funds as incurred or as funds become available.”

Additionally, we are seeking approval of the following resolution in respect of the Company’s books and records:

Resolution 5

“That the creditors direct the Joint and Several Liquidators to apply to ASIC when appropriate or upon finalisation of the liquidation for consent to destroy books within the retention period in accordance with IPS 70-35.”

7 Queries

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

Contact Name:	Kegan Nash
Contact Number:	+61 7 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”).

Schedule 1 – Resolution 1 Summary Table

23 August 2019 to 31 October 2019

Employee	Position	\$/Hr (excl. GST)	Total Hours	Total Cost excl. GST (\$)	Admin		Assets		Task Area Creditors		Investigations		Statutory	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Cameron Crichton	Partner	620	7.3	4,526.00	5.0	3,100.00	1.7	1,054.00	0.0	-	0.6	372.00	0.0	-
Dean Lawrence	Manager	490	0.3	147.00	0.2	98.00	0.1	49.00	0.0	-	0.0	-	0.0	-
Kegan Nash	Senior Associate	385	24.7	9,509.50	5.4	2,079.00	6.6	2,541.00	0.1	38.50	0.0	-	12.6	4,851.00
Barbara Proberts	Paraprofessional	300	38.9	11,670.00	6.2	1,860.00	8.1	2,430.00	7.5	2,250.00	11.4	3,420.00	5.7	1,710.00
Tanya Brown	Administrator	245	3.8	931.00	1.9	465.50	0.0	-	0.0	-	0.0	-	1.9	465.50
Lily Darwin	Undergraduate	205	19.3	3,956.50	0.6	123.00	4.8	984.00	0.6	123.00	1.2	246.00	12.1	2,480.50
Samantha Pape	Administrator	200	0.1	20.00	0.0	-	0.1	20.00	0.0	-	0.0	-	0.0	-
Cressida Farmer	Administrator	165	0.2	33.00	0.2	33.00	0.0	-	0.0	-	0.0	-	0.0	-
Total			94.6	30,793.00	19.5	7,758.50	21.4	7,078.00	8.2	2,411.50	13.2	4,038.00	32.3	9,507.00

Schedule 2 – 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 23 August 2019 to 1 November 2019

Task Area	General Description	Includes
Assets 21.4 hours \$7,078.00	Plant and Equipment	<ul style="list-style-type: none"> Liaising with valuers, auctioneers and interested parties Reviewing asset listings
	Assets subject to specific charges	<ul style="list-style-type: none"> All tasks associated with realising a charged asset Investigations into PPSR charge holders regarding issue with realising assets Negotiations with PPSR charge holders regarding release of security interests
	Leases	<ul style="list-style-type: none"> Correspondence with director regarding property lease Discussions with landlord regarding lease Drafting and issuing disclaimer of lease
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with solicitors Review debtor responses Review of Picking slip data Review of invoices Reconciliations of debtor accounts
Creditors 8.2 hours \$2,411.50	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare correspondence to creditors and their representatives Documenting Discussions with PPSR registered creditors Responding to secured creditor's queries
	Secured creditor reporting	<ul style="list-style-type: none"> Notifying PPSR registered creditors of appointment Responding to secured creditor's queries
	Creditor reports	<ul style="list-style-type: none"> Drafting initial notice to creditors and other creditor reporting documentation
	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
	Proposals to Creditors	<ul style="list-style-type: none"> Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
Investigation 13.2 hours \$4,038.00	Conducting investigation	<ul style="list-style-type: none"> Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history of transactions of the company Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement

Task Area	General Description	Includes
		Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	ASIC reporting	Liaising with ASIC
Administration 19.5 hours \$7,758.50	Correspondence	General Correspondence
	Document maintenance/file review/checklist	Administration reviews Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding ongoing insurance requirements Reviewing insurance policies
	Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS Completing group certificates
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total		\$30,793

Schedule 3 – 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 1 November 2019 to Finalisation of the Liquidation

Task Area	General Description	Includes
Assets \$7,500	Plant and Equipment	<ul style="list-style-type: none"> Liaising with valuers, auctioneers and interested parties Attendance at site to review assets Discussions with potential purchasers of remaining assets
	Debtors	<ul style="list-style-type: none"> Reviewing and assessing debtors' ledgers Correspondence with debtors if applicable Liaising with debt collectors and solicitors
	Loan Receivables	<ul style="list-style-type: none"> Pursuing loan against director Correspondence with solicitors regarding director loan Submitting proof of debt for loan against company in Liq.
	Leasing	<ul style="list-style-type: none"> Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
Creditors \$3,000	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	<ul style="list-style-type: none"> Preparing Statutory Report by Liquidator OR Voluntary Administrator's report, investigation, meeting and general reports to creditors
	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
	Proposals to Creditors	<ul style="list-style-type: none"> Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
Investigation \$4,000	Conducting investigation	<ul style="list-style-type: none"> Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC

Task Area	General Description	Includes
		Preparation and lodgement of supplementary report if required
	Examinations	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	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	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Dividend \$4,000	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration \$4,000	Correspondence	General 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
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers

Task Area	General Description	Includes
	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	Preparing BAS Completing group certificates if applicable
	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
Total		\$25,000

Schedule 4 – Scale of Rates

Levels	FY 2019	FY 2020
Partner	\$600	\$620
Principal	\$540	\$615
Director	\$525	\$565
Senior Manager	\$500	\$515
Manager	\$455	\$490
Senior Associate	\$375 - \$410	\$385 - \$420
Associate	\$220 - \$300	\$250 - \$330
Paraprofessional	\$300	\$300
Undergraduate	\$200	\$205
PA / EA	\$195	\$200 - \$245



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Appendix B

Proposal Forms

22 November 2019

NOTICE OF PROPOSAL TO CREDITORS

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (“the Company”)

Proposal for creditor approval

“That the remuneration of the Joint and Several Liquidators, their partners and staff, for the period from 23 August 2019 to 31 October 2019, calculated at the hours spent at the rates detailed in the Remuneration Approval Report dated 22 November 2019 provided to creditors, is approved for payment in the amount of \$30,793, excluding GST, to be drawn from available funds immediately or as funds become available.”

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

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Court Liquidation, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Liquidators is to be paid in priority to other claims under the Corporations Act. This ensures that when there are sufficient funds, the Liquidators 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.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

My remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration I am seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Court Liquidation for your vote to count. Please select the option that applies:

- | | |
|--------------------------|---|
| <input type="checkbox"/> | I have previously submitted a proof of debt form and supporting documents |
| <input type="checkbox"/> | I have enclosed a proof of debt form and supporting documents with this proposal form |

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- | | |
|--------------------------|---|
| <input type="checkbox"/> | I am not a related creditor of the Company. |
| <input type="checkbox"/> | I am a related creditor of the Company, relationship: _____ |



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Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 16 December 2019 for your vote to be counted, by email to Kegan Nash at kegan.nash@au.gt.com. If you have any questions please call +61 7 3222 0244.

Completed forms may also be sent by post attention to Kegan Nash at GPO Box 1008, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

22 November 2019

NOTICE OF PROPOSAL TO CREDITORS

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (“the Company”)

Proposal for creditor approval

That the future remuneration of the Joint and Several Liquidators for the period from 18 November 2019 to Finalisation of the Joint and Several Liquidation, is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 22 November 2019 provided to creditors, that may be increased at a rate of up to 5% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$25,000, excluding GST, and that the Joint and Several Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.

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

The proposal is being put to creditors to approve remuneration as allowed under law.

The proposal if passed will minimise the cost of approving remuneration to the Court Liquidation, which would otherwise require a meeting of creditors or court application to be approved – which can be costly.

Remuneration of the Liquidators is to be paid in priority to other claims under the Corporations Act. This ensures that when there are sufficient funds, the Liquidators 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.

If sufficient assets are recovered, there may be funds available to pay a dividend to creditors, however this is affected by many variables including the value of assets and complexity of realising those assets, the level of creditor enquiries, the priority of claims (including employee claims) and the total value of creditor claims to be admitted to participate in a dividend.

My remuneration approval report, which has been provided with this notice provides more detailed information on the remuneration I am seeking to be approved.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

Yes I approve the proposal

No I do not approve the proposal

Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Court Liquidation for your vote to count. Please select the option that applies:

I have previously submitted a proof of debt form and supporting documents

I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____

ACN / ABN (if applicable): _____



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I am not a related creditor of the Company.

I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____

Date: _____

Please complete this document and return with any supporting documents by no later than 16 December 2019 for your vote to be counted, by email to Kegan Nash at kegan.nash@au.gt.com. If you have any questions please call +61 7 3222 0244.

Completed forms may also be sent by post attention to Kegan Nash at GPO Box 1008, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

22 November 2019

NOTICE OF PROPOSAL TO CREDITORS

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (“the Company”)

Proposal for creditor approval

That the internal disbursements claimed by our firm for the period 23 August 2019 to 31 October 2019, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved for payment in the amount of \$68.28, excluding GST, to be drawn from available funds immediately or as funds become available.

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

Disbursements have a priority to other claims under the Corporations Act. Certain internal disbursements, being the reimbursement of costs related to the Court Liquidation incurred by my firm and staff, must be approved by creditors under the law. These disbursements are charged on a reasonable commercial basis, the details of which are outlined in detail in my Remuneration Approval Report. The proposal if passed will allow the reimbursement of reasonably commercial expenses, properly incurred for the Court Liquidation to my firm and its staff.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

Yes I approve the proposal

No I do not approve the proposal

Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Court Liquidation for your vote to count. Please select the option that applies:

I have previously submitted a proof of debt form and supporting documents

I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

I am not a related creditor of the Company.

I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 16 December 2019 for your vote to be counted, by email to Kegan Nash at kegan.nash@au.gt.com. If you have any questions please call +61 7 3222 0244.

Completed forms may also be sent by post attention to Kegan Nash at GPO Box 1008, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

22 November 2019

NOTICE OF PROPOSAL TO CREDITORS

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (“the Company”)

Proposal for creditor approval

That the internal disbursements claimed by our firm for the period 1 November 2019 to Finalisation, calculated at the rates detailed in the Remuneration Approval Report dated 22 November 2019, are approved up to a capped amount of \$2,000, excluding GST, and that the Joint and Several Liquidators can draw the disbursements from available funds as incurred or as funds become available.

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

Disbursements have a priority to other claims under the Corporations Act. Certain internal disbursements, being the reimbursement of costs related to the Court Liquidation incurred by my firm and staff, must be approved by creditors under the law. These disbursements are charged on a reasonable commercial basis, the details of which are outlined in detail in my Remuneration Approval Report. The proposal if passed will allow the reimbursement of reasonably commercial expenses, properly incurred for the Court Liquidation to my firm and its staff.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

Yes	<input type="checkbox"/>	I approve the proposal
No	<input type="checkbox"/>	I do not approve the proposal
Object	<input type="checkbox"/>	I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Court Liquidation for your vote to count. Please select the option that applies:

<input type="checkbox"/>	I have previously submitted a proof of debt form and supporting documents
<input type="checkbox"/>	I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

<input type="checkbox"/>	I am not a related creditor of the Company.
<input type="checkbox"/>	I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 16 December 2019 for your vote to be counted, by email to Kegan Nash at kegan.nash@au.gt.com. If you have any questions please call +61 7 3222 0244. Completed forms may also be sent by post attention to Kegan Nash at GPO Box 1008, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

22 November 2019

NOTICE OF PROPOSAL TO CREDITORS

AB Projects Pty Ltd (In Liquidation)
ACN 111 839 939 (“the Company”)

Proposal for creditor approval

That the creditors direct the Joint and Several Liquidators to apply to ASIC when appropriate or upon finalisation of the liquidation for consent to destroy books within the retention period in accordance with IPS 70-35.

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

The proposal is being put to creditors to allow records to be destroyed upon finalisation of the liquidation, with ASIC consent. Liquidators are otherwise required to maintain all books for 5 years which represents a significant cost to the liquidation. By passing the proposal, and subject to ASIC’s consent, much of this cost can be avoided. The Liquidator will still retain information, and notably financial information, required to be retained for certain periods under other laws, e.g. taxation laws.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

Yes I approve the proposal

No I do not approve the proposal

Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Court Liquidation for your vote to count. Please select the option that applies:

I have previously submitted a proof of debt form and supporting documents

I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

I am not a related creditor of the Company.

I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 16 December 2019 for your vote to be counted, by email to Kegan Nash at kegan.nash@au.gt.com. If you have any questions please call +61 7 3222 0244.

Completed forms may also be sent by post attention to Kegan Nash at GPO Box 1008, Brisbane QLD 4001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

Appendix C

Proof of Debt

FORM 535

subregulation 5.6.49(2)
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidators of **Hidden Cove Developments Pty Ltd (In Liquidation) ACN 602512649** (the "Company")

1. This is to state that the company was on 8 November 2019, and still is, justly and truly indebted to: ____

_____ full name, ABN 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 _____ dollars and _____ cents

Particulars of the debt are:

Date	Consideration <i>(state how the debt arose)</i>	Amount	Remarks <i>(include details of voucher substantiating payment)</i>
\$			

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).

Date	Drawer	Acceptor	Amount	Due Date
\$				

3. Signed by (select option):

I am the creditor personally.

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.

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

Signature: _____ Dated: _____

Name: _____ Occupation: _____

Address: _____

RECEIVE REPORTS BY EMAIL

Yes No

Do you wish to receive all future reports and correspondence from our office via email?

Email:.....

Appendix D

Information Sheet – Proposals without meeting

Information sheet: Proposals without meetings

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

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

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

What is a proposal without a meeting?

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

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

What types of proposals can be put to creditors?

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

What information must the notice contain?

The notice must:

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

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

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

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

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

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

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

How is a resolution passed?

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

What happens if the proposal doesn't pass?

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

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

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

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

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

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

Where can I get more information?

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

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

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



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