



**EDDIE
SENATORE**

EDDIE SENATORE
Advisory

PO Box 3481
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4 August 2021

To the creditor as addressed

Dear Sir or Dear Madam

**Re: Canberra Cavalry (ACT) Pty Ltd (In Liquidation)
ACN 625 850 099
(the "Company")**

As you are aware, I was appointed Administrator of the Company on 30 March 2021. At a meeting of creditors held on 13 May 2021, it was resolved to place the Company into liquidation and I was subsequently appointed Liquidator of the Company on the same date.

Please find enclosed a copy of the Statutory Report to Creditors, dated 4 August 2021, pursuant to Rule 70-40 of the *Insolvency Practice Rules (Corporations) 2016* ("IPR"), which has been lodged with the Australian Securities and Investments Commission ("ASIC") on the same date.

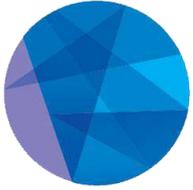
Please contact my office should you require further information.

Yours faithfully

Ezio Senatore
Liquidator

Appointment date:	Voluntary Administration:	30 March 2021
	Creditors Voluntary Liquidation:	13 May 2021
Contact name:		Ezio (Eddie) Senatore
Contact number:		(02) 6100 3435
Email:		hello@eddiesenatore.com

Encl: Statutory Report to Creditors



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Canberra Cavalry (ACT) Pty Ltd
(In Liquidation)
ACN: 625 850 099
(the “Company”)

Statutory Report by Liquidator

Insolvency Practice Rules (Corporations) 70-40

4 August 2021

EXIT OPTIMISATION | TURNAROUND | PERFORMANCE IMPROVEMENT | DIGITAL



EXECUTIVE SUMMARY

Appointment

I, Ezio (Eddie) Senatore of Eddie Senatore Advisory, registered liquidator, Unit 2, 16 Bougainville Street, Griffith ACT 2603 was appointed Administrator of the Company on 30 March 2021. At a meeting of creditors held on 13 May 2021, creditors resolved to place the Company into liquidation and I was subsequently appointed Liquidator of the Company on the same date.

I hereby submit the following report as required, Pursuant to Rule 70-40 of the *Insolvency Practice Rules (Corporations) 2016* (“IPR”).

Purpose of Report

This report is provided in accordance with Rule 70-40 of the IPR. The purpose of this report is to provide creditors with information on:

- The progress of the liquidation;
- The estimated assets and liabilities of the Company;
- The inquiries I have made to date;
- Further inquiries needed to be made;
- What happened to the business of the Company;
- The likelihood of a dividend being paid to creditors; and
- Any possible recovery actions.

Disclaimer

This report has been prepared based on my investigations including a review of the Company’s financial information. Whilst I have endeavoured to determine the accuracy or otherwise of the information provided, I am unable to warrant the accuracy, completeness or reliability. I reserve the right to alter any conclusion or recommendation in this report on the basis of further information that may become available.

The statements and opinions given in this report are given in good faith and in the belief, that such statements and opinions are not false or misleading. Except where otherwise stated, I reserve the right to alter any conclusions reached in this report.

Neither I, nor any member or employee or contractor of my firm is responsible in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided.



I do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party because of the circulation, publication, reproduction, or any use of the information presented in this report.

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

Progress of Liquidation

An overview of the steps I have taken in this liquidation is attached in **Appendix “A”**.

Receipts and Payments

A summary of my receipts and payments is attached in **Appendix “B”**.

Summary of Initial Investigations

My investigations have confirmed that the Company traded whilst insolvent from at least 30 June 2019, if not earlier.

Remuneration

The quantum of remuneration sought is consistent with my previous remuneration advice dated 13 May 2021.

Dividend

At this stage of the liquidation I do not anticipate a dividend to any class of creditor. However, in the unlikely event of a dividend, creditors will be advised.

Meeting of Creditors

If I receive a request for a meeting complying with the guidelines set out in the initial information provided to you, I will hold a meeting of creditors. Otherwise, and pending further progress of my investigations into the affairs of the Company, I do not intend to call a meeting of creditors at this time.



Next Steps

To progress the liquidation, the following matters will be undertaken as next steps:

- Realisation of the Company's cryptocurrency and debtors;
- Completing ongoing statutory obligations; and
- Preparation and dissemination of progress reports to creditors if required.

Important information can be found in the Member's Area of my website including your rights as a creditor.

You can also contact me to discuss any aspect of this administration. My contact details are:

Eddie Senatore	hello@eddiesenatore.com
Telephone	(02) 6100 3435
Telephone	0448 000 010
Website	https://www.eddiesenatore.com/creditors/

Dated this 4th day of August 2021.

Yours faithfully

Ezio Senatore
Liquidator



EXECUTIVE SUMMARY	2
Appointment	2
Purpose of Report	2
Disclaimer	2
Progress of Liquidation	3
Receipts and Payments	3
Summary of Initial Investigations	3
Remuneration	3
Meeting of Creditors	3
Next Steps	4
Dictionary	6
What happened to the Business of the Company?	7
Company Details	7
Security Interests	7
The Business of the Company	7
Events Leading up to Liquidation	8
Books and Records	8
Historical Financial Performance	8
Deficiency Analysis	8
Asset Realisations	9
Inquiries Made	9
Overview	9
Approach to Preliminary Investigations	10
Voidable Transactions	10
Insolvent Trading	10
Results of Investigations	10
Offences	11
Funding of Further Investigations	11
Likelihood of a Dividend	11
Outstanding Matters	11
Further Information for Creditors	12



Dictionary

ACT	Australian Capital Territory
ABL	Australian Baseball League
ARITA	Australian Restructuring Insolvency Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
ERV	Estimated Realisable Value
Directors	Daniel Joseph Amodio Donald Stuart McMichael
FYE	Financial Year Ended
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Liquidator	Ezio (Eddie) Senatore
ROCAP	Report on Company Activities and Property
SOA	Summary of Affairs
The Act	Corporations Act 2001
The Company	Canberra Cavalry (ACT) Pty Ltd (In Liquidation)

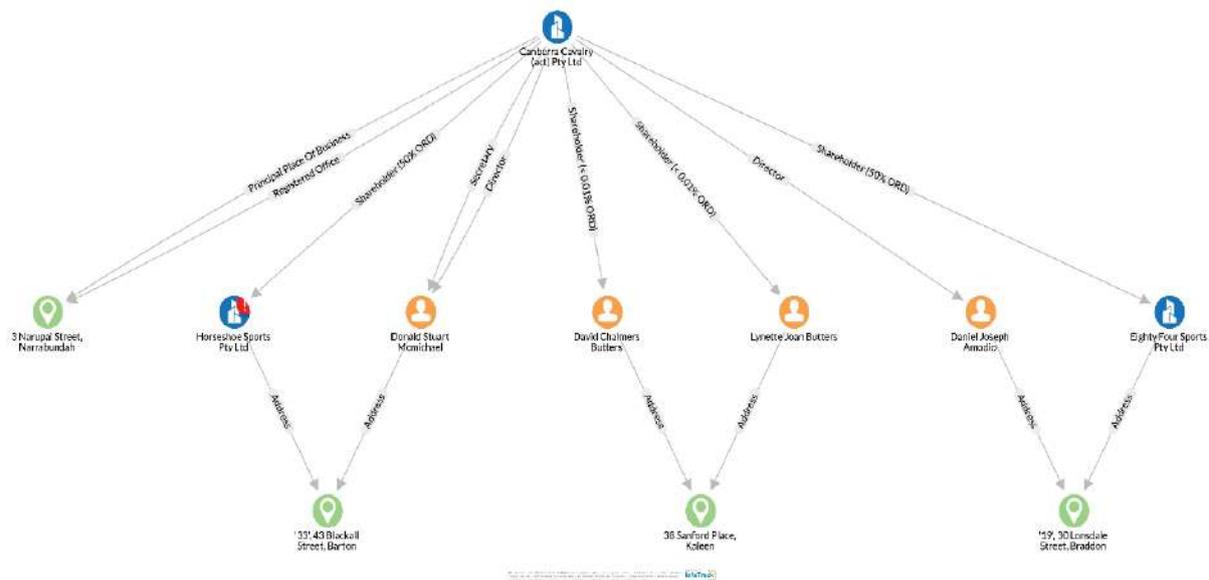


What happened to the Business of the Company?

Company Details

Detailed in **Appendix “C”** is information regarding the Company obtained from the ASIC searches as at the date of my appointment.

Summary of the Company details are as follows:



Security Interests

A search of the Personal Property and Securities Register (“PPSR”) indicated no security interests registered against the Company.

The Business of the Company

The Company commenced operations on 30 April 2018. The Company's registered office and principal place of business was 3 Narupai Street, Narrabundah ACT 2604.

The business of the Company was a professional baseball team. The Directors advised the Company ceased trading prior to my appointment due to the ABL season ending in February 2021.



Events Leading up to Liquidation

The Directors of the Company attribute the failure of the business to the negative impact on the baseball season caused by the bushfires during the 2019/2020 baseball season and COVID19 in 2020/2021 baseball season, resulting in reduced attendance at games, leading to a reduction in overall revenue from ticket sales and sales of merchandise.

A review of the Company's financial statements indicates that the Company was experiencing difficulties with the management of its accounts receivable and was experiencing cash flow issues since FYE 2019 up to the Company ceasing to trade, due to the reduction of revenue coupled with high cash use as result of high operating expenses most notably, the players and team expenses. In addition, there were additional expenses incurred for quarantine and accommodation costs of international players.

The Company has also been suffering from trading losses since FYE 2019 to the date of my appointment as evidenced by the Company's profit and loss statements for the FYE 2019 to 30 March 2021.

Books and Records

Failure to maintain books and records may be relied upon by a liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Division 2 of Part 5.7B of the Act.

The Company's books and records have been received and in my opinion, given the size and nature of the business operated by the Company, it appears that the Company's books and records are adequate to comply with section 286 of the Corporations Act 2001 (the "Act").

Historical Financial Performance

A summary of the Company's historical financial performance is set out in **Appendix "E"**.

Deficiency Analysis

A deficiency analysis has been undertaken. A copy is attached in **Appendix "F"**.

Based on the information provided by the Directors and from my inquiries to date, I estimate the net deficiency (loss) to creditors to be approximately \$425,576.04 before the costs of the liquidation.



Asset Realisations

A summary of my receipts and payments is attached in **Appendix “B”** of this report.

To date, a total amount of \$11,268.91 which consists of the bank balance as at the date of appointment in the amount of \$7,042.01, minimal online sales of merchandise post appointment in the amount of \$226.90 and an ATO credit in the amount \$4,000.00 relating to JobKeeper wage subsidies for two (2) employees of the Company for the periods 1 March 2021 to 14 March 2021 and 15 March 2021 to 28 March 2021 lodged by the Company’s accountant on 13 April 2021, have been transferred to the Company’s liquidation bank account.

In addition, an amount of \$10,226.90 net of realisation costs has been received from the sale of the merchandise and plant and equipment of the Company, which has also been transferred into the Company’s liquidation bank account.

I will continue to pursue asset recoveries.

Inquiries Made

Overview

As liquidator, I am required to investigate the affairs of the Company. The purpose of these investigations is to identify matters which require a more detailed review, as well as determining any causes of action (legal claims) and other potential sources of recovery, such as loan accounts, that might be available for the benefit of creditors of the Company.

Attached in **Appendix “G”** is an information sheet produced by Australian Restructuring Insolvency and Turnaround Association (ARITA) to assist creditors in understanding the offences and possible recovery action I can take as liquidator.

I am also required to lodge a report pursuant to section 533 of the Act where it appears that any past or present officer of the Company may have committed an offence or where a dividend to unsecured creditors of less than 50 cents in the dollar is paid.

I have considered whether there are transactions where money, property or other benefits may be recoverable as liquidator under Part 5.7B of the Act. These are discussed further below.

I have undertaken an investigation of the affairs of the Company in relation to suspected contraventions of sections 180 - 184 of the Act regarding the general duties of directors and officers. At this stage of the liquidation, I have not identified any contraventions.



Approach to Preliminary Investigations

From my preliminary investigation, I have:

- Identified, reviewed and analysed financial and other information; and
- Undertaken searches of various publicly available databases, including ASIC and PPSR.

Voidable Transactions

As the Company has been placed into liquidation, certain transactions may be investigated and recovered by me. Recovery of any voidable transaction may be expensive and likely to require Court applications and litigation. As such, should there be inadequate funds available, or I consider it uncommercial or not in the creditors' best interests, such recovery actions may not be commenced.

In these circumstances, creditors wishing to fund any such actions may do so. Should any funds be recovered from these actions, the creditors providing the funding may be entitled to receive their contribution in priority to other creditors.

Litigation insurance or litigation funding may also be available to fund potential actions.

However, such funding is generally only available where legal advice indicates that there is a strong likelihood for a successful outcome.

The results of my investigation in relation to voidable transactions is attached in **Appendix "H"** of this report.

Insolvent Trading

As noted in **Appendix "G"**, directors can be held personally liable for the debts of a company in certain circumstances.

Further information on insolvent trading is discussed in **Appendix "I"** of this report.

Results of Investigations

My investigations indicate that the Company had been trading whilst insolvent from at least 30 June 2019, if not earlier.

Creditors should be aware any successful claim may be set-off by a director against amounts due to that individual by way of unsecured advances or loan accounts. In this regard, I note the Directors have not made any advances to the Company



Offences

On my examination of the Company's affairs to date, I have not identified any offences committed by the officers of the Company. Should I discover any offences during my investigations, an update report to ASIC pursuant to section 533 of the Act will be sent to ASIC. This report is a confidential one between the liquidator and ASIC.

Funding of Further Investigations

In relation to pursuing voidable transactions, including insolvent trading, money for the recovery of such actions would come from the assets of the Company. If there were insufficient funds from the assets of the Company, as a liquidator of the Company, I have the right to request for funding.

I advise I will not be taking any action against the Directors for an insolvent trading claim due to the reason that the amount of claim will be uncommercial to pursue. However, should any creditor would want to pursue and fund an action for insolvent trading against the Directors, creditors are required to contact my office within 20 business days from the date of this report.

Further information regarding funding is attached in **Appendix "J"** of this report.

Likelihood of a Dividend

As noted, at this stage of the liquidation I do not anticipate a dividend to any class of creditor. However, in the unlikely event of a dividend, creditors will be advised.

Outstanding Matters

The following matters still need to be completed and further inquiries made, prior to the finalisation of the liquidation:

- Realise the Company's cryptocurrency; and
- Recovery of debtors.

It is expected that the liquidation will be completed within six (6) months. However, completion may be delayed if any of the following occur:

- Recovery actions are pursued; or
- ASIC commences litigation against an officer of the Company, including a director.



Further Information for Creditors

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA's website at www.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/insolvencyinfosheets.

If further information becomes available on the progress of the liquidation, I may distribute a further report to creditors.

Creditors requiring further information regarding the liquidation can contact me

Dated this 4th day of August 2021.

Yours faithfully

Ezio Senatore
Liquidator

Appendices:

Appendix A – Progress of Liquidation;
Appendix B – Summary of Receipts and Payments;
Appendix C – ASIC Current and Historical Search;
Appendix D – Summary of Assets and Liabilities;
Appendix E – Historical Financial Performance;
Appendix F - Deficiency of Assets to Liabilities;
Appendix G – Information Sheet on Offences, Recoverable Transactions and Insolvent Trading;
Appendix H – Results of Investigations;
Appendix I – Insolvent Trading; and
Appendix J – Funding of Further Investigations.

Appendix “A”



Appendix “A” – Progress of Liquidation – Steps Taken

A brief overview of the steps I have taken in this liquidation is provided below:

- Opened an administration/liquidation bank account;
- Contacted all banks in order to secure Company funds held in any bank account;
- Liaised with Company’s bankers;
- Review of general insurance requirements;
- Discussions with the Company’s Directors;
- Notified service providers to advise of the appointment;
- Ceased all services in the name of the Company;
- Corresponded with various State and Territory Government agencies;
- Searched personal property securities (PPS) registered on the PPS Register (PPSR);
- Lodgments and notifications of appointment with relevant statutory bodies;
- Preparation and dissemination of initial circular to creditors;
- Preparation of creditor updates and correspondence to creditors;
- Bank reconciliations;
- Company, individual and land title searches;
- Liaised with creditors of the Company in relation to their claims;
- Sought and obtained the books and records of the Company from various parties;
- Examined the Company’s books and records that have been provided in detail;
- Liaised with an auctioneer to assess the commerciality of recovering the Company’s merchandise, plant and equipment;
- Realised the merchandise, plant and equipment of the Company;
- Liaised with the ACT Policing in relation to the stolen plant and equipment of the Company;
- Liaised with the Directors of the Company in relation to the realisation of cryptocurrency and debtors;
- Examined the Company’s books and records to determine if there are any recoveries pursuant to Part 5.7B of the Act, which includes unfair preference action, insolvent trading action against the Directors and potential uncommercial transactions and/or unreasonable director related transactions;



- Undertook a preliminary insolvency analysis to determine if the Company traded whilst insolvent;
- Examined the Company's books and records to determine if there are undisclosed assets;
- Liaised with the Australian Baseball League ("ABL") in relation to the license of the Company; and
- Initial examination of the Company's affairs to determine if the Directors have complied with their obligations.

Appendix “B”



**Canberra Cavalry (ACT) Pty Ltd
(In Liquidation)
ACN 625 850 099
(the "Company")**

**Summary of Liquidator's Receipts and Payments
To 4 August 2021**

Receipts	Total (AUD) \$
Cash at Bank	10,496.99
Sale of Merchandise and Plant & Equipment	11,363.64
GST Payable	1,136.36
Total Receipts	22,996.99

Payments	Total (AUD) \$
Commission Paid	2,272.73
Accounting Fees	190.91
GST Receivable	246.36
GST Clearing Account	857.00
Total Payments	3,567.00

Cash At Bank As At 4 August 2021	\$19,429.99
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**Ezio Senatore
Liquidator**

Appendix “C”

ASIC EXTRACT SNAPSHOT

CURRENT ORGANISATION DETAILS

Date Extracted	24/03/2021
ACN	625 850 099
ABN	30 625 850 099
Current Name	CANBERRA CAVALRY (ACT) PTY LTD
Registered In	Australian Capital Territory
Registration Date	30/04/2018
Review Date	30/04/2021
Company Type	ACN (Australian Company Number)
Current Directors	2
Current Secretaries	1

Start Date	30/04/2018
Name	CANBERRA CAVALRY (ACT) PTY LTD
Name Start Date	30/04/2018
Status	Registered
Type	Australian Proprietary Company
Class	Limited By Shares
Sub Class	Proprietary Company
Disclosing Entity	No
Document No.	6E6663707

Share Structure (Displaying Top 4 Only)

[Go to Full ASIC Results](#)

Class	Class Type	Shares Issued	Amount Paid
ORD	ORDINARY SHARES	144006	\$0.00

ASIC Data Extracted 24/03/2021 at 09:04

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

- 625 850 099 CANBERRA CAVALRY (ACT) PTY LTD -

ACN (Australian Company Number):	625 850 099	Document No.
ABN:	30 625 850 099	
Current Name:	CANBERRA CAVALRY (ACT) PTY LTD	
Registered in:	Australian Capital Territory	
Registration Date:	30/04/2018	
Review Date:	30/04/2021	
Company Bounded By:		

- Current Organisation Details -

Name:	CANBERRA CAVALRY (ACT) PTY LTD	6E6663707
Name Start Date:	30/04/2018	
Status:	Registered	
Type:	Australian Proprietary Company	
Class:	Limited By Shares	
Sub Class:	Proprietary Company	

- Company Addresses -

<u>Registered Office</u>		5EBQ71560
Address:	3 NARUPAI STREET NARRABUNDAH ACT 2604	
Start Date:	22/05/2020	

<u>Previous Registered Office</u>		6E6663707
Address:	BENCHMARC 'FIRST FLOOR' 69 DUNDAS COURT PHILLIP ACT 2606	
Start Date:	30/04/2018	
Cease Date:	21/05/2020	

<u>Principal Place of Business</u>		6E6663707
Address:	3 NARUPAI STREET NARRABUNDAH ACT 2604	
Start Date:	30/04/2018	

- Company Officers -

Note:

A date or address shown as UNKNOWN has not been updated since ASIC took over the records in 1991. For

details, order the appropriate historical state or territory documents, available in microfiche or paper format.

* Check documents listed under ASIC Documents Received for recent changes.

Director

Name: DANIEL JOSEPH AMODIO 6E6663707
Address: '19' 30 LONSDALE STREET BRADDON ACT 2612
Birth Details: 06/03/1984 CLEVELAND UNITED STATES
Appointment Date: 30/04/2018
Cease Date: //

Name: DONALD STUART MCMICHAEL 6E6663707
Address: '33' 43 BLACKALL STREET BARTON ACT 2600
Birth Details: 06/03/1952 MELBOURNE VIC
Appointment Date: 30/04/2018
Cease Date: //

Secretary

Name: DONALD STUART MCMICHAEL 6E6663707
Address: '33' 43 BLACKALL STREET BARTON ACT 2600
Birth Details: 06/03/1952 MELBOURNE VIC
Appointment Date: 30/04/2018
Cease Date: //

- Share Structure -

Current

Class: ORDINARY SHARES 0EUC21172
Number of Shares Issued: 144006
Total Amount Paid / Taken to be Paid: \$0.00
Total Amount Due and Payable: \$0.00

Note:

For each class of shares issued by a company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

- Share/Interest Holding -

Current

- Holding -

Class: ORD **Number Held:** 72000 6E6663707
Beneficially Owned: No **Fully Paid:** Yes

- Members -

Name: EIGHTY FOUR SPORTS PTY LTD
ACN: 625 760 509
Address: '19' 30 LONSDALE STREET BRADDON ACT 2612
Joint Holding: No
Abn: 17 625 760 509

- Holding -

Class: ORD **Number Held:** 72000 6E6663707
Beneficially Owned: No **Fully Paid:** Yes

- Members -

Name: HORSESHOE SPORTS PTY LTD
ACN: 625 810 773
Address: '33' 43 BLACKALL STREET BARTON ACT 2600
Joint Holding: No

- Holding -

Class: ORD **Number Held:** 6 0EUC21172
Beneficially Owned: Yes **Fully Paid:** Yes

- Members -

Name: DAVID CHALMERS BUTTERS
Address: 38 SANFORD PLACE KALEEN ACT 2617
Joint Holding: Yes

Name: LYNETTE JOAN BUTTERS
Address: 38 SANFORD PLACE KALEEN ACT 2617
Joint Holding: Yes

- External Administration Documents -

[There are no external administration documents held for this organisation.](#)

- Charges -

[There are no charges held for this organisation.](#)

Notes:

On 30 January 2012, the Personal Property Securities Register (PPS Register) commenced. At that time ASIC transferred all details of current charges to the PPS Registrar. ASIC can only provide details of satisfied charges prior to that date. Details of current charges, or charge satisfied since 30 January 2012 can be found on the PPS Register, www.ppsr.gov.au. InfoTrack may cap documents for on-file searches to 250.

- Document List -

Notes:

- * Documents already listed under Registered Charges are not repeated here.
- * Data from Documents with no Date Processed are not included in this Extract.
- * Documents with '0' pages have not yet been imaged and are not available via DOCIMAGE. Imaging takes approximately 2 weeks from date of lodgement.
- * The document list for a current/historical extract will be limited unless you requested ALL documents for this extract.
- * In certain circumstances documents may be capped at 250.

Form Type	Date Received	Date Processed	No. Pages	Effective Date	Document No.
484	15/05/2020	15/05/2020	2	15/05/2020	5EBQ71560
484B	Change to Company Details Change of Registered Address				
484	19/09/2019	19/09/2019	2	19/09/2019	0EUC21172
484	Change to Company Details				
484O	Changes to Share Structure				
484G	Notification of Share Issue				
484N	Changes to (Members) Share Holdings				
201	30/04/2018	30/04/2018	3	30/04/2018	6E6663707
201C	Application For Registration as a Proprietary Company				

- Company Contact Addresses -

- Contact Address for ASIC use only

Address: LEVEL 10 606 ST KILDA ROAD MELBOURNE VIC 3004
Start Date: 15/05/2020

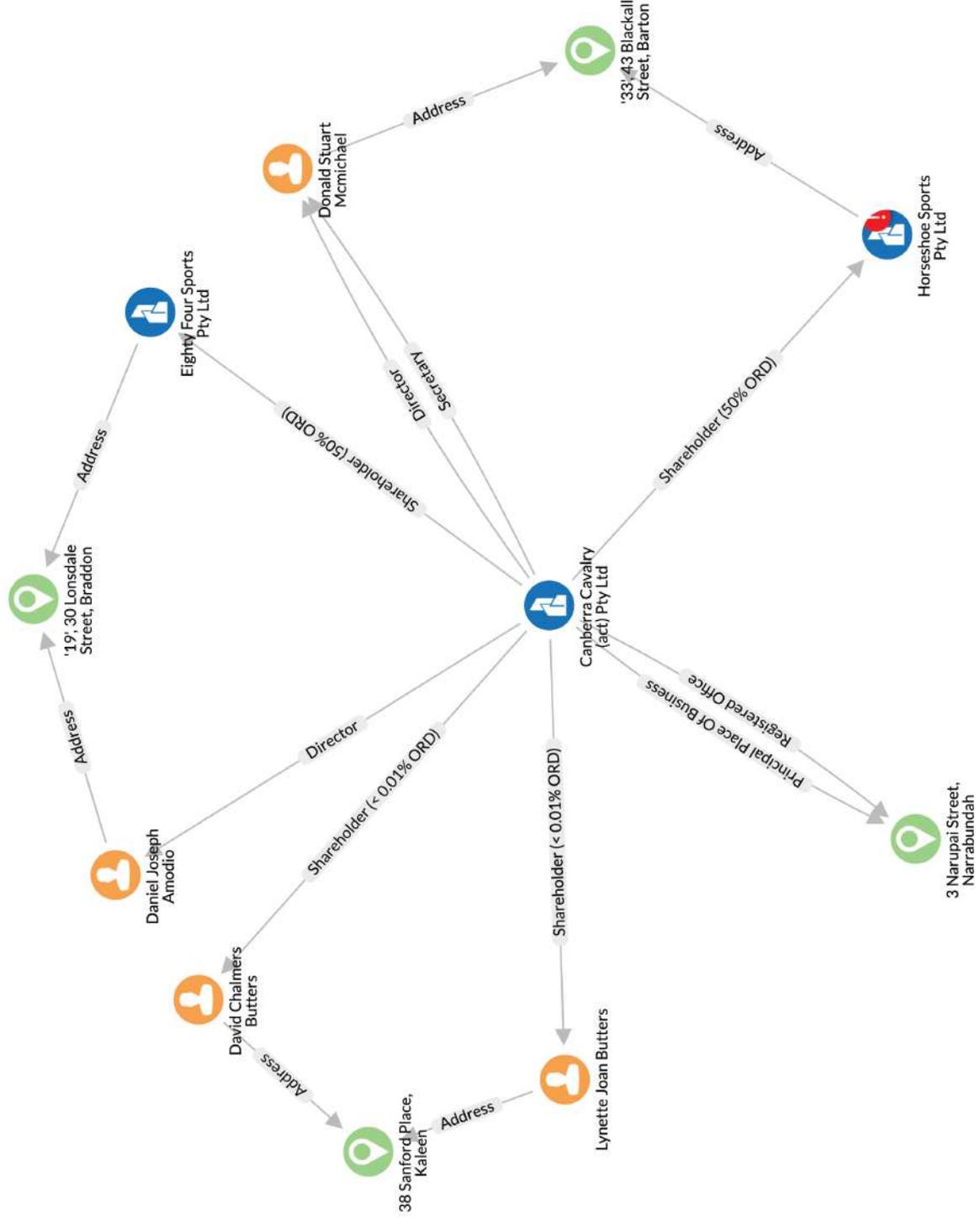
- Previous Contact Address for ASIC use only

Address: UNIT 3 19 MARCUS CLARKE STREET ACTON ACT 2601
Start Date: 17/09/2019
Cease Date: 15/05/2020

- Previous Contact Address for ASIC use only

Address: UNIT 3 19 MARCUS CLARKE STREET ACTON ACT 2601
Start Date: 28/08/2019
Cease Date: 28/08/2019

*** End of Document ***



Appendix “D”



Appendix “D” – Summary of Assets and Liabilities

Details	Directors' Estimated Realisable Value	Estimated Realisable Value
	\$	\$
Assets		
Cash at Bank	3,200.00	11,042.01
Accounts Receivable	61,650.00	–
Cryptocurrency	30,000.00	Unknown
Merchandise and Plant & Equipment	103,000.00	10,226.90
Start-up Costs	6,000.00	–
Total Assets	203,850.00	21,268.91
Liabilities		
Priority Creditors	1,776.00	18,994.88
Secured creditors	–	–
Unsecured creditors	415,000.00	427,850.07
Total Liabilities	416,776.00	446,844.95
Estimated Surplus / (Deficiency)	(212,926.00)	(425,576.04)

I make the following comments on Company's assets and liabilities:

Assets

Cash at Bank

My review of the Company's balance sheet as at the date of my appointment indicated a cash at bank in the amount of \$3,177.00.

Correspondence was sent to all banks requesting details of any bank account in the name of the Company.

Inquiries indicate that the Company held two (2) bank accounts with the Bendigo and Adelaide Bank (“Bendigo Bank”) with a balance totalling \$7,301.44 as at the date of my appointment as Voluntary Administrator. I have requested these funds be transferred to the Company's liquidation bank account.

To date, a total amount of \$11,268.91 has been transferred to the Company's liquidation bank account. This consists of the bank balance in the amount of \$7,042.01, minimal online sales of merchandise post my appointment in the amount of \$226.90 and an ATO credit in the amount \$4,000.00 relating to JobKeeper wage subsidies for two (2) employees of the Company for the periods 1 March 2021 to 14 March 2021 and 15 March 2021 to 28 March 2021 lodged by the Company's accountant on 13 April 2021.



No other bank accounts in the name of the Company have been identified to date.

Accounts Receivable

The Directors advised in their ROCAP that the Company had \$61,650.00 in accounts receivable as at the date of my appointment.

My review of the Company's balance sheet as at the date of my appointment indicated the Company had \$160,425.22 in accounts receivable. However, it was noted that the receivables were incorrectly stated and only \$59,592.33 of this amount was outstanding as at the date of my appointment. Of this amount;

- two (2) debtors in the total amount of \$38,046.33 are also creditors of the Company and are claiming valid offsets pursuant to section 533C(1) of the Act;
- \$16,500.00 relates to a sponsorship payment which was not included in the schedule of aged receivables as at the date of appointment is currently being disputed by the debtor and is still being pursued to date;
- numerous demand letters have been sent to a debtor in the amount of \$3,300.00 however no payment or response was received to date; and
- a debtor in the amount of \$1,746.00 is also a creditor of the Company however no claim has been received to date.

Cryptocurrency

My inquiries indicate that the Company held cryptocurrency valued in the amount of \$31,965.44 as at the date of my appointment.

Further inquiries are still continuing in relation to the realisation of the cryptocurrency.

Merchandise and Plant and Equipment

My review of the Company's balance sheet as at the date of my appointment indicated that the Company had plant and equipment valued at \$103,540.00.

My inquiries with the Directors of the Company indicated that the Company only had plant and equipment in the amount of \$96,224.64 and merchandise held for sale in the amount of \$8,500.00.

The Directors advised that the online shop for the merchandise was still operating and receiving minimal payments from infrequent purchases post the date of my appointment as Voluntary Administrator.

A desktop valuation taken by an auctioneer on 14 April 2021 indicated that the remaining merchandise and plant and equipment of the Company had an estimated realisable value of \$10,000.00.



It is noted that some of the Company's merchandise and plant & equipment were stolen from the Company's former trading premises post the date of my appointment and prior to the sale of assets. The theft incident was subsequently reported to the ACT Policing.

The asset values of the stolen merchandise and plant & equipment were minimal.

To date, an amount of \$10,226.90 net of realisation costs has been received from the sale of the remaining merchandise and plant and equipment of the Company.

Start-up Costs

My review of the Company's balance sheet as at the date of my appointment discloses start-up costs of \$6,000.00.

Due to the nature of this asset, it has been deemed to be of no value.

Interest in Land

The Directors' ROCAP indicated that the Company had no interest in land as at the date of my appointment.

Land title searches in all States and Territories of Australia were conducted and it has been confirmed that the Company has no interest in land as at the date of my appointment.

No further investigation will be conducted in relation to the Company's interest in land.

Liabilities

Priority Creditors

As at the date of my appointment, the Directors advised in their ROCAP an amount of \$1,776.40 was owed to the employees of the Company.

My investigations have identified that a total amount of \$29,889.02 was owed to employees of the Company as at the date of my appointment, details of which are below:

Entitlement	Amount (\$)
Employee Annual Leave	14,777.98
PILN	7,708.32
Players' Claims	7,402.72
Total	\$29,889.02

Pursuant to section 556 of the Act, employee entitlements are afforded a priority over unsecured creditor claims in any distribution of the assets of the Company in a liquidation scenario.



Included in the above calculation is amounts owed to the Directors of the Company.

Directors and certain relatives of Directors are classified as “excluded employees” pursuant to the Act and their claims are limited to \$2,000.00 for wages and superannuation and \$1,500.00 for leave entitlements.

Excluded employees do not receive priority for any retrenchment payments.

Detailed below are the amounts owed for employee entitlements with the removal of the “excluded employee” claims above the threshold amounts.

Entitlement	Amount (\$)
Employee Annual Leave	9,508.84
PILN	2,083.32
Players’ Claims	7,402.72
Total	\$18,994.88

The amounts owed to excluded employees above the thresholds will be deemed unsecured creditor claims.

If there are insufficient assets to satisfy priority creditors in full, the Fair Entitlements Guarantee (“FEG”) scheme is available to eligible employees of the Company to make a claim for the entitlements, excluding superannuation.

Secured Creditors/PPSR

A review of the Personal Property and Securities Register (“PPSR”) indicated no security interests registered against the Company.

No further investigations will be conducted in relation to secured creditors of the Company.

Unsecured Creditors

Taxation Liabilities

A formal proof of debt was received from the ATO indicating the Company’s outstanding taxation liability in the amount of \$93,946.31 which relates to the Running Balance Account deficit debt in respect of BAS owing as at the date of my appointment.



Ordinary Unsecured Creditors of the Company

The Directors advised in their ROCAP that an amount of \$101,899.28 was owed to unsecured creditors of the Company.

My inquiries to date indicate a total of twenty-five (25) unsecured creditors totalling \$323,009.62 are owed by the Company, details of which are as follows:

Creditor	Amount (\$)
ACT Sport and Recreation	34,138.20
SportsLink Travel CBR	30,807.43
Sunny Singh (Shareholder)	30,000.00
Stuart Hood (Shareholder)	30,000.00
MIT Services	24,692.00
Grease Monkey	18,176.17
Australian Baseball League/ Baseball Australia	46,195.00
Graham Wilson (Shareholder)	12,000.00
Paul Nicholl (Shareholder)	12,000.00
Chris Coleman (Shareholder)	12,000.00
Janrule Total	11,880.00
Barlens Total	10,408.78
Dorevitch	7,040.00
Dino Hladenki (Shareholder)	6,000.00
Dan Holdsworth (Shareholder)	6,000.00
Rick Jackson (Shareholder)	6,000.00
Abode Total	5,550.27
Bentspoke Total	5,139.41
Design Risk Group	4,383.25
Baseball Canberra /ACT Baseball Association	4,751.52
ROJO Customs	2,500.00
Melbourne Aces	1,584.00
Journal Accounting (Toy Drake)	800.00
Regional Wine and Beverage Merchants Pty Ltd	493.81
Matrix Physiotherapy	469.78
Total	\$323,009.62



Eight (8) shareholders of the Company whose shareholdings were not registered with ASIC were deemed unsecured creditors of the Company.

There was an additional amount owed to the CBR – Brave, a company which operates the Canberra Ice Hockey team in the amount of approximately \$121,000.00. This represents funds held by the Company in relation to the CBR - Brave. These funds have been absorbed by the Company.

No other creditors have been identified to date.

Related Party Creditors

The following amounts are owed to the Directors of the Company for employee entitlements owed above the allowable threshold amounts pursuant to section 556 of the Act:

Creditor	Amount (\$)
Donn McMichael PILN	3,750.00
Donn McMichael Annual Leave in excess of limit	3,499.95
Daniel Amodio PILN	1,875.00
Daniel Amodio Annual Leave in excess of limit	1,769.19
Total	\$10,894.14

To date, no formal proof of debt has been received from any of the Directors of the Company for the abovementioned claims.

In the event of a dividend, further inquiries will be made in relation to the validity of these claims and any amount accepted will rank equally with other unsecured creditor claims.

Appendix “E”



Appendix “E” – Historical Financial Performance

The following is a summary of the Company’s financial position as per the internally prepared balance sheets for the period covering FYE 2019 to 30 March 2021.

Comparative Balance Sheets			
	As at 30 March 2021	Internally Prepared FYE 2020	Internally Prepared FYE 2019
	\$	\$	\$
Assets			
Current Assets			
Bank			
Operating Account	3,178	10,399	17,820
Petty Cash Account	(1)	73,348	6,000
Total Bank	3,177	83,747	23,820
Accounts Receivable	160,425	-	-
Cash Float	279	-	-
Director's Loan – Dan	-	-	28,822
Director's Loan – Donn	-	-	39,789
Cryptocurrency	-	-	-
Future Season Membership & Ticket Sales	(8,615)	(31,185)	(30,546)
Total Current Assets	155,266	52,562	61,885
Non-Current Assets			
Fixed Assets			
Plant & Equipment	103,540	102,691	89,177
Total Fixed Assets	103,540	102,691	89,177
Start-up Costs	6,000	6,000	6,000
Total Non-Current Assets	109,540	108,691	95,177
Total Assets	264,806	161,253	157,062
Liabilities			
Current Liabilities			
Accounts Payable	109,302	-	-
GST	51,537	38,634	15,552
Loan - CBR Brave	120,901	119,501	-
PAYG Withholdings Payable	101,537	95,593	14,550
Superannuation Payable	33,145	33,145	9,811
Wages Payable – Payroll	5,721	117	117



Closing Stock	(10,479)	(10,479)	(10,479)
Total Current Liabilities	411,664	276,511	29,551
Non-Current Liabilities			
ABL License Fee	(178,071)	(178,071)	(86,025)
Total Non-Current Liabilities	(178,071)	(178,071)	(86,025)
Total Liabilities	233,593	98,440	(56,474)
Net Assets / (Deficiency)	31,213	62,813	213,536

Note that the internally prepared balance sheets may have been incorrectly prepared and do not reflect the true financial position of the Company.

A review of the Company's internally prepared balance sheet as at 30 March 2021 indicates accounts receivable in the amount of \$160,425.00. Inquiries and correspondence with the Directors of the Company indicate that the Company's receivables were incorrectly recorded and were only in the amount of \$59,592.33.

The Company's internally prepared balance sheets from FYE 2019 up to 30 March 2021 also disclosed a negative liability in relation to the ABL Licence. This indicates an overstatement in the Company's balance sheets as the Company would not have been able to realise the ABL Licence.



Below is the Company's amended balance sheets removing the abovementioned discrepancies:

Comparative Balance Sheets			
	Amended as at 30 March 2021	Amended Internally Prepared FYE 2020	Amended Internally Prepared FYE 2019
	\$	\$	\$
Assets			
Current Assets			
Bank			
Operating Account	3,178	10,399	17,820
Petty Cash Account	(1)	73,348	6,000
Total Bank	3,177	83,747	23,820
Accounts Receivable	-	-	-
Cash Float	279	-	-
Director's Loan – Dan	-	-	28,822
Director's Loan – Donn	-	-	39,789
Cryptocurrency	-	-	-
Future Season Membership & Ticket Sales	(8,615)	(31,185)	(30,546)
Total Current Assets	(5,159)	52,562	61,885
Non-Current Assets			
Fixed Assets			
Plant & Equipment	103,540	102,691	89,177
Total Fixed Assets	103,540	102,691	89,177
Start-up Costs	6,000	6,000	6,000
Total Non-Current Assets	109,540	108,691	95,177
Total Assets	104,381	161,253	157,062
Liabilities			
Current Liabilities			
Accounts Payable	109,302	-	-
GST	51,537	38,634	15,552
Loan - CBR Brave	120,901	119,501	-
PAYG Withholdings Payable	101,537	95,593	14,550
Superannuation Payable	33,145	33,145	9,811
Wages Payable – Payroll	5,721	117	117
Closing Stock	(10,479)	(10,479)	(10,479)



Total Current Liabilities	411,664	276,511	29,551
Non-Current Liabilities			
ABL License Fee	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	411,664	276,511	29,551
Net Assets / (Deficiency)	(307,283)	(115,258)	127,511

The Company's financial performance from the internally prepared profit and loss statements for the FYE 2019 to 30 March 2021 is summarised as follows:

Detail	As at 30 March 2021	Internally Prepared FYE 2020	Internally Prepared FYE 2019
Trading Income	946,598	1,010,079	981,949
Less: Costs of Sales	247,547	343,025	275,766
Gross Profit	699,051	667,054	706,183
Less: Expenses	827,716	868,966	758,292
Operating Profit	(128,665)	(201,912)	(52,109)
Add: Other Income	51,800	12,000	-
Less: Other Expenses	-	-	-
Net Profit / (Loss)	(76,865)	(189,912)	(52,109)
Gross Profit Ratio	74%	66%	72%
Net Profit Ratio	N/A	N/A	N/A

The gross profit ratio is a profitability ratio which shows the relationship between gross profit and total net sales revenue. It is a popular tool to evaluate the operational performance of a business.

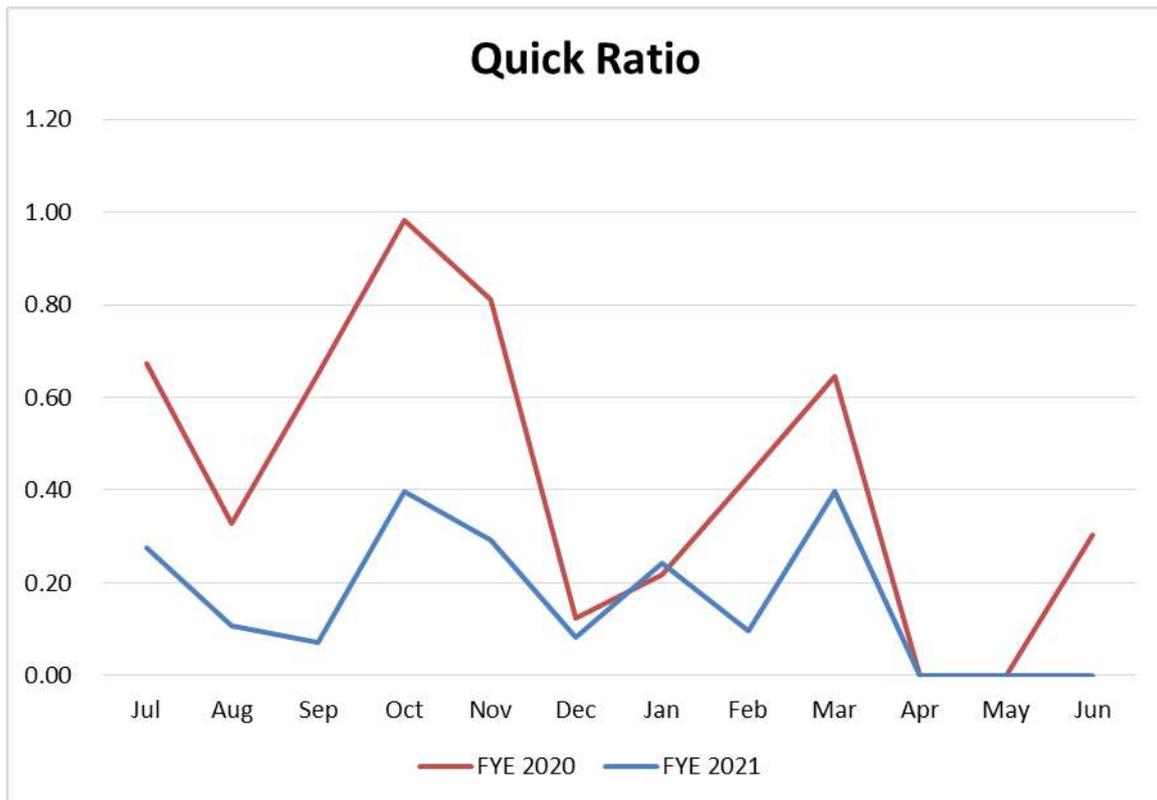
As seen from the table, the Company's gross profit ratio from the internally prepared financial statements for the period covering FYE 2019 to 30 March 2021 are all above 50%.

The net profit percentage is the ratio of profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales.

The Company's operations resulted in a net loss for the period FYE 2019 to 30 March 2021.



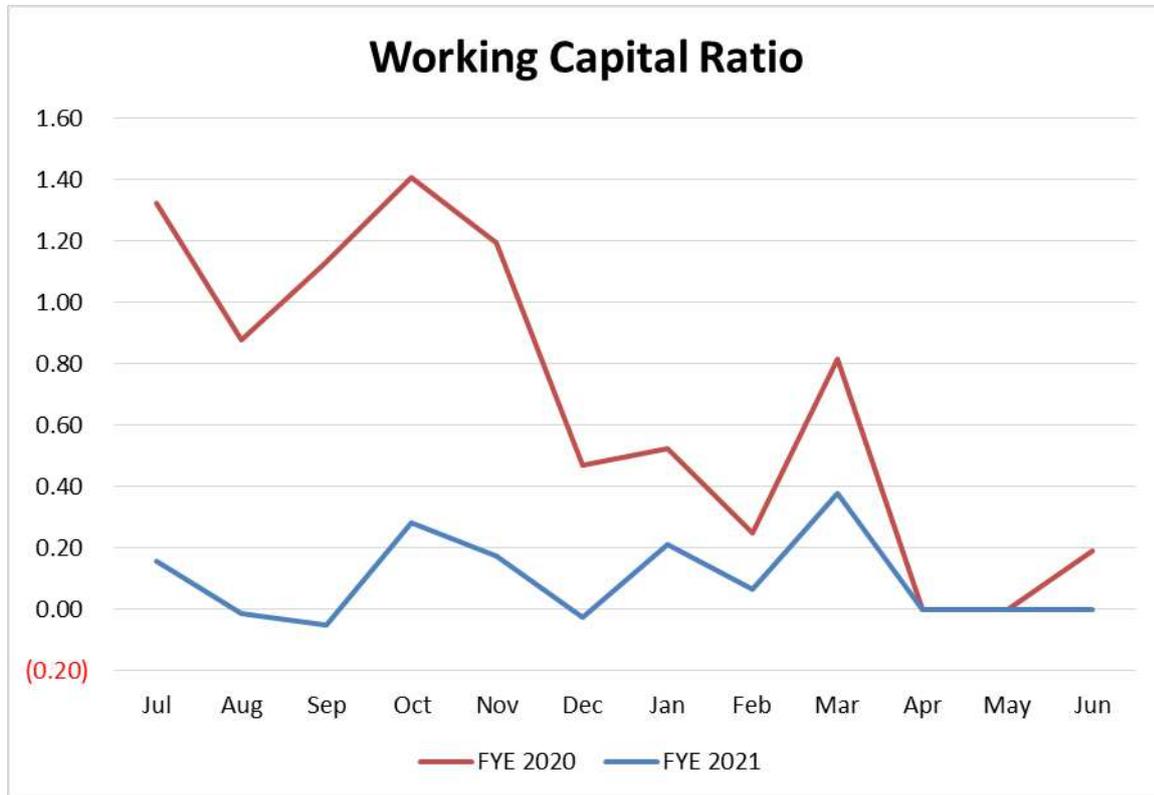
A summary of the Company's key financial indicators is set out below using the Company's internally prepared financial statements:



The liquidity ratio measures the ability of a company to pay its current liabilities with its current assets when they become due.

A company with a liquidity ratio of 1 indicates that a company could pay off its current liabilities without selling any long-term assets.

As seen from above, the Company's liquidity ratios were consistently below 1 during the period covering FYE 2020 and as at 30 March 2021 indicating the Company's inability to pay off its creditors with quick assets during the said period.



The working capital is a measure of a business' liquidity, revealing whether a business can pay its obligations.

A review of the Company's working capital, as seen from the above graph, indicates that the Company's working capital ratios were below 1 during the period covering FYE 2020 except for the months of July, September, October and November. It also indicates that the Company's working capital were all below 1 from 1 July 2020 up to 30 March 2021.

Appendix “F”



Appendix “F” – Deficiency of Assets To Liabilities

A deficiency analysis has been undertaken.

Based on the information provided by the Directors and from my inquiries to date, I estimate the net deficiency (loss) to creditors to be approximately \$425,576.04, before the costs of the liquidation.

This deficiency is calculated as follows:

Details	Directors' Estimated Realisable Value	Estimated Realisable Value
	\$	\$
Assets		
Cash at Bank	3,200.00	11,042.01
Accounts Receivable	61,650.00	–
Cryptocurrency	30,000.00	Unknown
Merchandise and Plant & Equipment	103,000.00	10,226.90
Start-up Costs	6,000.00	–
Total Assets	203,850.00	21,268.91
Liabilities		
Priority Creditors	1,776.00	18,994.88
Secured creditors	–	–
Unsecured creditors	415,000.00	427,850.07
Total Liabilities	416,776.00	446,844.95
Estimated Surplus / (Deficiency)	(212,926.00)	(425,576.04)

The deficiency can be explained as follows:

Deficiency Of Assets To Liabilities	\$425,576.04
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Accumulated Years Losses		
Financial Year Ending	Amount \$	Accumulated \$
30 June 2019	(52,109.00)	
30 June 2020	(189,912.00)	(242,021.00)
30 March 2021	(76,865.00)	(318,886.00)



Details	Book Value \$	Estimated Realisable Value \$	Total \$
Total Accumulated Years Losses			(318,886.00)
Assets			
Cash at Bank	3,177.00	11,042.01	
Accounts Receivable	160,425.00	–	
Cash Float	279.00	–	
Cryptocurrency	–	Unknown	
Future Season Membership & Ticket Sales	(8,615.00)		
Merchandise and Plant & Equipment	103,540.00	10,226.90	
Start-up Costs	6,000.00		
Difference Between Book Value and ERV of Assets	264,806.00	21,268.91	(243,537.09)
Liabilities			
Priority Creditors	38,866.00	18,994.88	
Secured creditors	–	–	
Unsecured creditors	194,727.00	427,850.07	
Difference Between Book Value and ERV of Liabilities	233,593.00	446,844.95	213,251.95
Adjusted Accumulated Years Losses			(349,171.14)
Deficiency of Assets to Liabilities			(425,576.04)
Variance			(76,404.90)

My inquiries into the Company's books and records indicate that in addition to the reduction in the Company's revenue for the baseball seasons 2019/2020 and 2020/2021 and the continuous trading losses incurred from the financial year ending 2019 up to the date of my appointment as a result of the bushfires and COVID19, the deficiency may have been caused by the failure to properly account for the accounts receivable of the Company and the loss from not being able to realise the written down value of the Company's merchandise, plant & equipment.

Appendix “G”

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

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

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

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

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

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

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

Voidable charges

Certain charges over company property are voidable by a liquidator:

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

Insolvent trading

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

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

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

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

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

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

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

Queries about the voluntary administration should be directed to the administrator's office.

Appendix “H”



Appendix “H” – Voidable Transactions

The following provides comments on my investigations regarding voidable transactions:

Unfair Preferences Payments (Section 588FA)

My investigations into the affairs of the Company include the review of payments from the Company’s bank accounts in the six (6) months leading up to my appointment as external administrator which could be considered preferential in nature and recoverable.

I advise I have not identified any unfair preference payments in this liquidation.

Uncommercial Transactions (Section 588FB)

I have not identified any uncommercial transactions to date.

Arrangements to Avoid Employee Entitlements (Section 596AB)

I have not identified any transactions of this nature.

Circulating Security Interests Created Within Six Months (Section 588FJ and FL)

I have not identified any transactions of this nature.

Unreasonable Director-Related Transactions (Section 588FDA)

My investigations have not identified any unreasonable director-related transactions.

Unfair Loans (Section 588FD)

My investigations have not identified any unfair loans.

Creditor-Defeating Disposition (Section 588FDB)

This law only came into effect from 18 February 2020 and only applies to debts incurred or dispositions made after 18 February 2020.

I advise that I have not identified any creditor defeating dispositions by the Company or its Directors to date.

Appendix “I”



Appendix “I” – Insolvent Trading

Directors can be held personally liable for the debts of a company in certain circumstances.

The Act provides that directors owe a duty of care not to incur debts at a time when a company is insolvent or would become insolvent by incurring the debt (section 588G of the Act). If there are reasonable grounds for suspecting that a company would become insolvent, then a director can be held personally liable for any debts incurred after that time.

The Act provides that a liquidator may seek to recover compensation for such debts incurred from the directors of a company.

I advise pursuing claims for insolvent trading are often drawn out and involve significant cost.

Creditors should also be aware any successful claim may be set-off by a director against amounts due to that individual by way of unsecured advances or loan accounts. In this regard, I note the Directors have not made any advances to the Company.

Pursuant to section 545 of the Act, I will not be proposing to pursue an insolvent trading claim against the Directors as the matter would require legal advice, mediation, and a requirement for the liquidator to attend court and these costs would deem the amount of the claim to be uncommercial to pursue.

However, should any creditor would want to pursue and fund an action for insolvent trading against the Directors, creditors are required to contact my office within 20 business days from the date of this report.

Defences

The Act provides a number of possible defences to directors to a claim for insolvent trading.

These defences are:

- At the time a debt was incurred, a director had reasonable grounds to expect and did expect the company was solvent and would remain solvent if it incurred that debt and any other debts that it had incurred at that time;
- At the time the debt was incurred, a director had reasonable grounds to believe and did believe that a competent and reliable person was responsible for providing information about the company’s solvency and that person was fulfilling that responsibility;
- A director through illness or some other good reason were not taking part in the management of a company at the time the debt was incurred;
- The directors took all reasonable steps to prevent a company from incurring the debt; and



- The directors took a 'safe harbour' course of action that resulted in a better return to creditors than immediately entering into external administration.

In addition, the Coronavirus Economic Response Package Omnibus Act 2020 provides temporary relief for the directors from the duty to prevent insolvent trading in respect of debts incurred in the ordinary course of business during the period 25 March 2020 to 31 December 2020.

Timing of Insolvency

The Act states a company is considered to be solvent if, and only if, the company is able to pay its debts as and when they become due and payable. A company that is not solvent is insolvent. Accordingly, the test for insolvency is not a balance sheet test but rather a cash flow test.

Result of Investigations

My investigations indicate that the Company had been trading whilst insolvent from at least 30 June 2019, if not earlier. This is because this was the time when the Company started to experience trading losses which continued up to the date of my appointment, as evidenced by the Company's internally prepared profit and loss statements.

A review of the cash flow position of the Company also indicates that the Company was cash flow insolvent since FYE 2019, if not earlier. This is due to the Company incurring severe net losses since the FYE 2019 up to the date of my appointment.

In addition, the Company started accumulating a large tax bill from the Company's inception up to the date of my appointment in the amount of \$93,946.31.

Appendix “J”



Appendix “J” - Funding of Further Investigations

In relation to pursuing voidable transactions, including insolvent trading, money for the recovery of such actions would come from the assets of the Company. If there were insufficient funds from the assets of the Company, alternative options are:

- Funding by creditors - if funding was received from creditors, section 564 of the Act provides the Court with the power to make orders in favour of creditors who have provided an indemnity for costs of litigation or costs of the liquidator, where those creditors may be given an advantage over other creditors in consideration of the risk assumed by creditors. An advantage may include the distribution of some or all of the net proceeds from that action that was funded to the creditor that provided the funding or indemnity in priority to creditors with whom that creditor would normally be ranked. ***Creditors are requested to contact me should they wish to consider funding any action noted in this report.***
- Funding from a litigation funder - a litigation funder is an organisation that provides funds for the pursuit of legal actions. The funding typically covers the costs of lawyers, barristers and the external administrator and provides an indemnity for any adverse cost order if the legal action is unsuccessful. The agreement with the litigation funder usually provides for a substantial amount of any return to be paid to them. ***A litigation funder only takes on actions that it considers to have a high probability of success and is likely to result in a substantial return. This is not the case in this matter.***
- ASIC’s Assetless Administration Fund – this fund finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, where it appears that enforcement action may result from the investigation and report. A particular focus of the fund is to curb fraudulent phoenix activity. ***I will not be seeking funds from ASIC, as I have reviewed the criteria and do not consider that an application for funding would be successful.***
- Fair Entitlements Guarantee (FEG) Recovery Program – this program provides funding for pursuing recovery proceedings, including litigation, to increase assets available to creditors in the winding up where there have been amounts advanced under FEG. ***I advise an eligible employee of the Company was requested to lodge their claim through the FEG scheme, however no correspondence has been received from FEG to date.***

Any creditor willing to fund any recovery action is requested to contact me.