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Voluntary Administrator's Report to Creditors

Rule 75-225(3) of Insolvency Practice Rules (Corporations) 2016

Section 439A of the Corporations Act 2001

Behemoth Canberra Pty Limited – ACN 656 100 793

14 June 2023

ABN 23 108 190 316 LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION.

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Glossary

ACT	Australian Capital Territory
ARITA	Australian Restructuring Insolvency Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
DOCA	Deed of Company Arrangement
Contractors	Independent Real Estate Agents
ERV	Estimated Realisable Value
Director	Samuel Dodimead
FY or PFY	Financial Year or Part Financial Year
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Voluntary Administrator	Ezio (Eddie) Senatore
ROCAP	Report on Company Activities and Property
SOA	Summary of Affairs
The Act	Corporations Act 2001
The Company	Behemoth Canberra Pty Limited - Administrator Appointed
PPSR	Personal Property and Securities Register

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Statement by the Administrator

In reviewing this report, creditors should note the following:

- The statements and opinions contained in this report are based on good faith and on the belief that such statements and opinions are not false and misleading.
- This report has been prepared based on the Administrator's preliminary investigations. Any further material information identified after the issuing of this report may result in a further report or alternatively such additional information will be brought to the creditors' attention at the forthcoming meeting.
- In considering the options available to creditors and formulating an opinion and recommendation, the Administrator has relied upon forecasts in relation to asset realisations and total claims by creditors based on the best assessment of these amounts as at the date of this report. These forecasts and estimates may change in the future once the asset realisations, if any, progress and any revised or further creditor claims are received. Consequently, the outcome for creditors might differ from the information provided in this report.
- The statements and opinions contained in this report are based on the information including but not limited to statements or information provided by the director, statements or information provided by various third parties and financial statements of the Company. The Administrator reserves the right to alter any conclusions reached in this report based on information which may be provided after the issuing of this report or information that may be found as being incorrect after the issuing of this report.
- The statements and opinions contained in this report are based on the information including but not limited to statements or information provided by the director, statements or information provided by various third parties and financial statements of the Company. The Administrator reserves the right to alter any conclusions reached in this report based on information which may be provided after the issuing of this report or information that may be found as being incorrect after the issuing of this report.

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- This report has been prepared based on information maintained by the Company. Although I have conducted the relevant investigations in relation to the Company and its officers, there may be matters of which I may be unaware as the financial records of the Company have not been audited. In completing this report, I have utilised information obtained from the following sources:
    - Australian Securities and Investments Commission.
    - Personal Property and Securities Register.
    - Company's records including internally prepared financial statements.
    - Discussions with the Director of the Company.
    - Discussions/information received from the solicitors of the Company.
    - Discussions/information received from the creditors of the Company; and
    - Other public databases or websites.
- Information regarding creditors rights has been included in the report which follows. Creditors should seek their own independent legal advice as to their rights and the options available to them at the forthcoming meeting of creditors.

1 Executive Summary

In my opinion it is in the best interests of the creditors of the Company to vote in favour of the proposed DOCA as it provides for:

- Continuation of the Company's business.
- Unsecured creditors will be paid in full.
- Unsecured creditors will be paid earlier compared to liquidation.
- Costs of administering a DOCA will be less than the costs of a liquidation.

1.1 Appointment

I, Ezio (Eddie) Senatore of Eddie Senatore Advisory, of Unit 2, 16 Bougainville Street, Griffith ACT 2603, was appointed as the Voluntary Administrator of the Company on 19 May 2023 pursuant to the provisions of the Act.

My appointment as Voluntary Administrator was ratified by creditors at the first meeting of creditors held on 31 May 2023.

I hereby submit the following report and opinions as required by Rule 75-225(3) of the IPR and section 439A of the Act.

1.2 The Voluntary Administrator's Role and Report Purpose

The purpose of this report is to table the findings of my investigations into the Company's business, property, affairs and financial circumstances, as well as my opinion on the options available to the creditors of the Company. The purpose of the appointment of a voluntary administrator is to allow for independent insolvency practitioners to take control of and investigate the affairs of a company. Creditors' claims are put on hold as at the date the voluntary administrator is appointed and remain so for the duration of the voluntary administration.

The intention of a voluntary administration is to maximise the prospects of a company, or as much as possible of its business, continuing in existence, or, if that is not possible, then to achieve better returns to creditors than what would have been achieved by its immediate liquidation. The voluntary administrator must investigate the company's affairs and report to creditors on the alternative options available to the company. A voluntary administrator has all the powers of a director, including the power to sell the business of the company or individual assets in the lead up to the second meeting of creditors.

The alternative options available for the future of a company, are voted on at a meeting of creditors, known as the second meeting of creditors. At this meeting creditors can decide to:

1. Return a company to the control of a director; or
2. Accept a deed of company arrangement; or
3. Place a company into liquidation.

The purpose of this report is to provide creditors with information regarding the Company's business, property, affairs and financial circumstances, including my opinion, to assist creditors to make an informed decision regarding the future of the Company at the second meeting of creditors.

A notice convening the second meeting of creditors is provided within this report.
Should you require further information please make contact at hello@eddiesenatore.com.

1.3 Conduct of the Administration

Upon my appointment, I took immediate steps to:

- Understand the Company's business and assets.
- Assess the Company's commercial and financial position.
- Liaised with key stakeholders regarding the Company.
- Receive and review the Director's proposal for a DOCA.

1.4 Trading and Sale of Business

I undertook an assessment of the Company's trading position. This assessment noted:

- The Company is engaged as an independent contractor by The Agency Group Australia Limited. The Agency Group Australia Limited (AU1) is a company listed on the Australian Stock Exchange. The Agency Group Australia Limited website states that it:
    - *It empowers agents by eliminating the red tape and franchise constraints that other agents face in most real estate firms throughout the country. Our agents work together as a connected, national team to create more opportunities and better results.*
- The arrangement with AU1 is formalised by way of an agreement.
- At the time of my appointment the Company had:
    - 14 property listings for sale. This agency has since been terminated.
    - Four (4) properties were held for sale. Two (2) have received unconditional offers which have been accepted, leaving two (2) properties for sale.
    - The commissions receivable for these two sales are c$20,000.
- The Company also has 25 properties under management. Management fees payable to the Company vary greatly.
- The Director advises the properties for sale and under management are, in the main, based on relationships such as family, friends and business acquaintances.

Upon my appointment I considered it would be commercially sensible and in creditors best interests for the activities undertaken by the Company in relation to both the sales and property management be undertaken by the agents directly.

1.5 Investigations, Offences and Voidable Transactions

My initial investigations reveal:

- The Company may have been insolvent from inception. However, the Director of the Company had expectations of continued support from stakeholders involved in the business. As such the Director may have a defence to an insolvent trading claim.
- There are no offences.
- Given the Company's limited trading history, there are no voidable transactions.

1.6 Deed of Company Arrangement

The Director has proposed a DOCA. The salient terms of the proposal are:

- The Director personally assumes the Company's funding debt.
- Commissions due to the Director be foregone until creditors are paid in full.
- Unsecured creditors are paid 100 cents in the dollar.

1.7 Estimated Return to Creditors

It is proposed a DOCA will return unsecured creditors 100 cents in the dollar on their claims.

I note, subject to costs, if the Company is placed into liquidation unsecured creditors will receive less than 100 cents in the dollar on their claims.

The critical differences between the DOCA and liquidation are:

- The DOCA will enable the continuation of the Company's business.
- Unsecured creditors will be paid in full.
- Unsecured creditors will be paid earlier than in a liquidation outcome.
- Costs of administering a DOCA will be less than the costs of a liquidation.

1.8 Voluntary Administrator's Opinion

In accordance with Section 75-225(3) of the IPR I provide the following statements:

- It is my opinion it is in the best interests of creditors to approve the DOCA as proposed as this will result in a better outcome to creditors than would be achieved if the Company were wound up.
- It is my opinion that it is not in the best interests of creditors for the voluntary administration of the Company to end and control of the Company be returned to the Director. and
- It is my opinion that it is not in the best interests of creditors for the Company to be wound up.

The reasons for my opinion are detailed throughout this report**.**

1.9 Second Meeting of Creditors

A second meeting of creditors will be held at 10:00 AM on **Thursday, 22 June 2023.**

Formal notice of the meeting of creditors for the Company is provided at the front of this report. Instructions as to how to attend this meeting are also provided.

1.10 More

If you have any further questions, please do not hesitate to contact me, or send an email to hello@eddiesenatore.com

2 Introduction

Administrator's prior involvement

2.1 Appointment of voluntary administrators

I, Ezio (Eddie) Senatore of Eddie Senatore Advisory, of Unit 2, 16 Bougainville Street, Griffith ACT 2603, was appointed as the Voluntary Administrator of the Company on 19 May 2023 pursuant to the provisions of the Act.

My appointment as Voluntary Administrator was ratified by creditors at the first meeting of creditors held on 31 May 2023.

The effect of our appointment is such that I took control of the business operated by the Company.

2.2 Purpose of this report

The purpose of this report is to provide creditors of the Company with information regarding the Company's business, property, affairs and financial circumstances, including my opinion on which of the three (3) alternatives open to creditors as to the future of the Company is in their best interests, to assist creditors to make an informed decision regarding the future of the Company. This report provides information on the following:

- Background information about the Company.
- The results of my investigations into the affairs of the Company.
- The estimated returns to creditors of the Company.
- Details of the DOCA proposed by the Director.
- The options available to creditors of the Company.
- My opinion on each of the options.

In my role as Voluntary Administrator, I am required to provide information and consider the position of the Company in forming my opinion as to what would be in the best interest of creditors.

The provision of this report is a requirement under Section 75-225 of the IPR. The professional body for insolvency practitioners, the Australian Restructuring Insolvency Turnaround Association (ARITA), provides guidance on what should be included in this report under Practice Statement Insolvency 4. To assist creditors to understand the voluntary administration process and the impact it may have on them, ASIC also provides a number of information sheets which can be found on my website.

2.3 First meeting of creditors

On 31 May 2023, a meeting of creditors of the Company was held in accordance with Section 436E of the Act. At this meeting creditors affirmed my appointment as Voluntary Administrator.

The minutes of the first meeting of creditors has been lodged with ASIC. **A copy of the minutes from the first meeting of creditors may be downloaded from my website.**

At this meeting I provided creditors with a copy of the ROCAP outlining the Company's business, property, activities and financial circumstances including assets and liabilities.

2.4 Committee of Inspection

On 31 May 2023 creditors resolved not to appoint a committee of inspection.

2.5 Court Involvement

There has been no involvement by the Courts, including no winding up applications.

2.6 Extension of convening period

There was no requirement to request a Court consider extending the convening period.

2.7 Electronic communication

Section 600G of the Act allows voluntary administrators to make communications and notifications available for creditors to access electronically, such as via a creditors' portal. Voluntary administrators must notify creditors when information is made available electronically and provide instructions on how it can be accessed.

I have established the following mechanisms for communicating with creditors:

- Information including circulars, minutes, and reports, accessible on my website free.
- Lodge claims and proxy forms to hello@eddiesenatore.com.

2.8 Second meeting of creditors

Pursuant to Section 439A (3) of the Act and Section 75-225 of the IPR, attached is a notice convening the second meeting of creditors to be held for the Company at 10:00 AM on **Thursday, 22 June 2023.**

2.9 Voluntary Administrator's independence, relationships and indemnities

In accordance with Section 436DA of the Act, a DIRRI was provided with the first report to creditors and was also tabled at the first meeting of creditors. The DIRRI disclosed information regarding our independence, prior personal or professional relationships with the Company and any indemnities received in relation to these appointments. There are no indemnities in this matter.

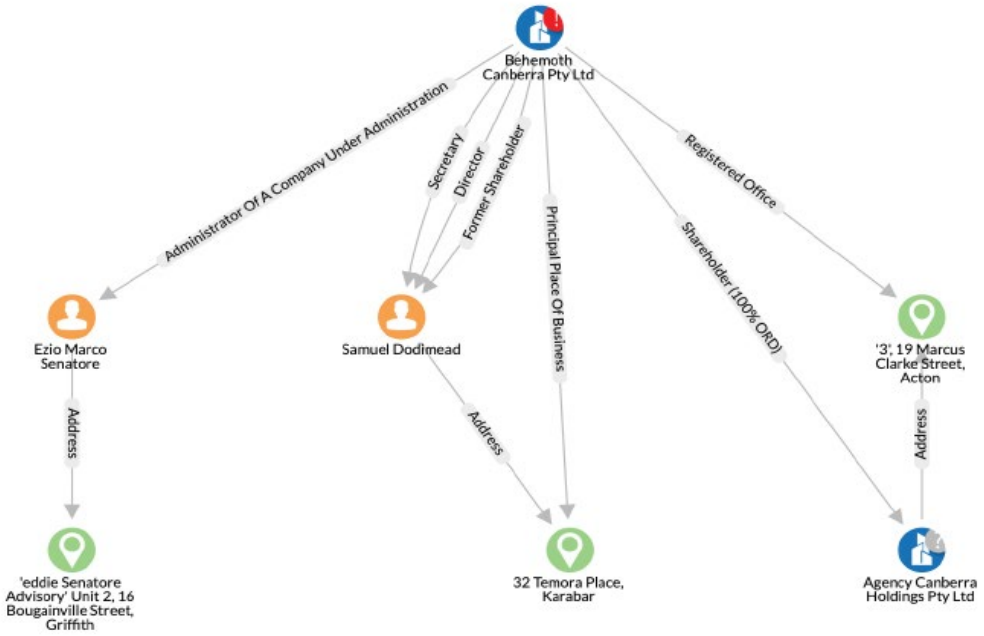
There have been no changes to circumstances nor new information identified that causes any real or potential risk to our professional independence that requires us to update my DIRRI. You can obtain a copy of my DIRRI from my website.

3 Background information

3.1 History of the Company

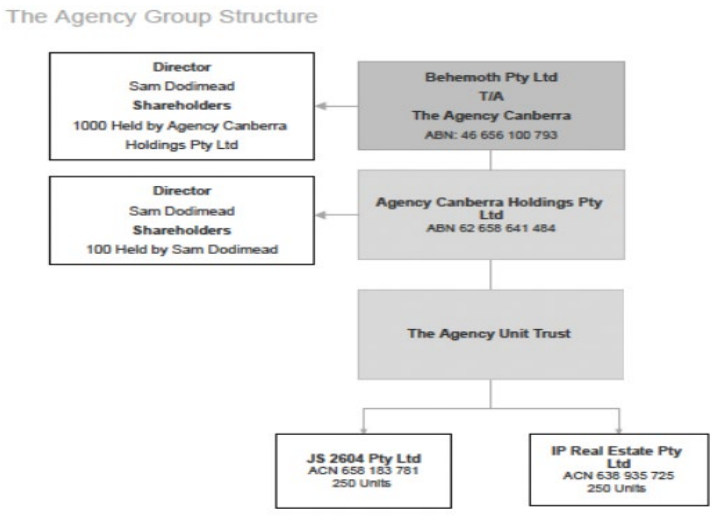
The Company was incorporated on 16 December 2021. The sole Director of the Company is Mr. Samuel Dodimead. The Company has 1,000 issued and fully paid shares. The shareholder of the Company is Agency Canberra Holdings Pty Limited.

The Company structure is illustrated below:



3.2 Structure

The Company was established to provide real estate services in a structured way involving a financier together with a property developer providing ongoing property listings. The structure and the parties involved is illustrated below:



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JS 2604 Pty Limited provided funding. The funding was to be secured by way of a registered security interest over the Company. The security interest was not registered. IP Real Estate Pty Limited is a property developer providing property listings for sale by the Company. There was an expectation that IP Real Estate Pty Limited would provide approximately 800 units per year for sale by the Company.

The Company is engaged as an independent contractor by AU1.

AU1's website states that:

> *We empower our agents by eliminating the red tape and franchise constraints that other agents face in most real estate firms throughout the country. Our agents work together as a connected, national team to create more opportunities and better results.*

At the time of my appointment the Company had:

- 14 properties listed for sale. This agency has since been terminated by the Company.
- 4 units for sale, 2 are under offer generating c$20,000 in commission when settled.
- 30 property managements.
- Property owners sign agency agreements with AU1.
- The Company has the right to terminate the relationship with AU1 with the effect that the Company will be the beneficiary of the property management agreements.
- This arrangement was terminated by the Company in February 2023. AU1 holds these agreements on trust for the Company.

In January 2023 the Director took legal advice on the structure and was advised the agreements between the Company, JS 2604 Pty Limited, and IP Real Estate Pty Limited were unsigned and the unit trust had not been settled. As a result, the agreed 800 units a year could not be enforced and JS 2604 Pty Limited demanded repayment of its advance.

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3.3 Statutory information

You can find information regarding the Company on my website.

The information will show:

- Date of incorporation
- Registered office
- Principal place of business
- Current and former officeholders
- Shareholders, and
- Security interests.

3.4 Outstanding winding up applications

I am not aware of any winding up applications outstanding against the Company as at the date of my appointment.

4 Historical financial performance and financial position

4.1 Overview

The Company prepared financial statements for the FY22. As the Company was incorporated on 16 December 2021, the FY22 represents the first set of financial statements for the Company.

In undertaking my investigations, I have reviewed the Company's financial statements. I have also been provided with management accounts for PFY23. Management accounts are internal documents and as such they have not been prepared to meet the reporting requirements applicable to the Company.

My preliminary analysis and commentary in respect of the Company's financial affairs, including its financial performance and financial position, is detailed below.

5 Directors' report on company activities and property

5.1 Summary

Pursuant to Section 438B of the Act, directors are required to provide a ROCAP to voluntary administrators within five (5) business days of receipt of the request from the voluntary administrators or such longer period as the voluntary administrators allow.

The Director submitted a ROCAP on 26 May 2023. The ROCAP was lodged with ASIC on 26 May 2023.

The ROCAP is split into Part A and Part B. Part A of the ROCAP provides details of the financial position of a company as at the date of the appointment of a voluntary administrator. Part B of the ROCAP provides information regarding a company's affairs and requires the director to provide responses to a number of queries which are expected to assist a voluntary administrator in conducting their investigations with respect to the company.

Only Part A of the ROCAP is lodged with ASIC. Creditors may inspect Part A of the ROCAP for the Company at my website.

The ROCAPs represent the Directors' views of the Company's asset and liability positions as at the date of my appointment as Voluntary Administrator and generally do not give an accurate representation of potential returns to creditors. Estimated returns to creditors are detailed at section 12 of this report for the Company.

A summary of the information provided in Part A of the ROCAP is provided below.

5.2 Does the Company owe money to their employees?

The ROCAP completed by the Director does not disclose any amounts owed to employees.

The Director has advised that all employees were terminated prior to the appointment of the voluntary administrator and were re-employed in a new entity Courtside Property Group Holdings Pty Limited. Courtside Property Group Holdings Pty Limited was incorporated on 26 May 2023. The Director advised as the Company was structured with specific stakeholders and those stakeholder relationships no longer hold it was decided to establish a new entity going forward.

Prior to the first meeting of creditors, I received a claim from a creditor advising he was an employee of the Company. The employee has claimed unpaid commissions totalling $23,924.99 in relation to commercial leasing matters. This same employee also claims a consulting fee of $2,750. In discussion with this creditor and review of supporting documentation provided, the creditor became an independent contractor in December 2022. The unpaid commissions relate to transactions which are yet to settle. The lessees have paid a holding deposit to AU1. When the leasing arrangements settle the creditor will be paid commission from AU1, with the Company receiving the balance. As a result, there is no claim as an employee.

I have also received a claim from an individual regarding unpaid commission in relation to a property sale which took place in February 2023. The total commission claimed is $57,210. The sum of $28,603.24 was paid on 24 February 2023, however the balance remains unpaid. The creditor claims to be an independent contractor, however the invoice states he is both an independent contractor and staff member. The creditor has provided me with a copy of a memorandum of understanding dated 3 August 2022. The Company records also have evidence this agreement was altered to a commission only employment agreement. The Director advises 50% commission was paid in February 2023 with the balance being held a part of the Company's PAYG obligations and also recovering expenses incurred. This claim requires further investigations.

5.2.1 Excluded employees

Excluded employees are directors or relatives of directors of a company. The priority claims for excluded employees are capped at different amounts for different classes of entitlements pursuant to Section 556 of the Act, with the balance being classed as an unsecured claim against their employing entity. The maximum amount an excluded employee can receive via a distribution to priority creditors is $3,500. This is made up of a capped amount of $2,000 for unpaid wages and superannuation and $1,500 for annual leave and long service leave, with the balance of any entitlements ranking as a non-priority

unsecured claim. The Director has not lodged a claim for unpaid wages. I note however the Director is owed commission for property sales yet to settle.

5.3 Does the Company owe money, goods or services to others?

The Director's ROCAPs provided details of monies, goods or services owed to creditors, including sub-contractors.

The following table provides a summary of monies, goods or services owed to each of the creditors of the Company as disclosed in the Director's ROCAP as at 19 May 2023 compared the PFY23:

Detail	Notes	PFY23	Amount $	DOCA $	Liquidation $
JS 2604 Pty Limited	1	626,904.00	626,904.00		626,904.00
CBA Loan	2	158,000.00	158,000.00		158,000.00
Unsecured Creditors	3	108,034.00	119,955.86	135,883.86	135,883.86
Australian Taxtion Office	4	266,697.00	266,697.00	199,327.61	199,327.61
Superannuation	5	14,290.00			
Agent's Loans	6	88,921.00	88,921.00		
Director Loan Account	7	60,938.00	60,938.00		
Total Creditor Claims		**$1,323,784.00**	**$1,321,415.86**	**$ 335,211.47**	**$1,120,115.47**

Notes

1 JS 2604 Pty Limited funded the Company's operations as part of the group structure. The Director will assume this claim in a DOCA.

2 CBA Loan is a loan provided to the Company from the Director's self-managed superannuation fund. This will not be claimed in a DOCA ouctome.

3 Unsecured creditors at the time of the appointment of the voluntary administrator, not included disputed claims.

4 Proof of debt lodged amount subject to further lodgements.

5 No debt.

6 The Director advises loans are amount owed on agent's commissions.

7 Director's loan account balance. Requires further investigations to substantiate.

The following comments are made in relation to the creditor claims:

1. The table does not include the disputed creditor claims noted in section 5.2 above.

2. Only 6 unsecured creditors have lodged claims. Those who have claimed disclose being owed more than the aged payables to the extent of $15,928. This would be due to not reconciling the Company's records prior to the appointment of the voluntary administrator.
3. The claim by the ATO is subject to lodgement of outstanding returns including:
    - Activity statement for the period 1 May 2023 to 19 May 2023
    - Income tax return for year ended 30 June 2022
    - Income tax return for part year to 19 May 2022
    - Single Touch Payroll Declaration for the part-year to 19 May 2022
4. Claims by contractors are subject to property settlements. The arrangement with contractors is that the Company would share the value of commissions due on settlements on the basis of 35% payable to the Company and 65% payable to the contractor.
5. Both JS 2604 Pty Limited and the Director's loan account will not be claimed in the event of a DOCA being accepted by creditors.

5.4 Is the Company owed money?

The ROCAP provided details of monies owed to the Company. The aged debtors listing states the Company is owed $722,719.33. These funds are due from AU1. The aged receivables are due over a period of time when property settlements take place. Settlements are to occur over a period of 1 to 36 months. From these settlements contractors are owed the sum of $47,750.

I have written to AU1 and requested payment of amounts due presently. I provide the following information with respect to Company's receivables, including an estimated value of the recoverability:

Debtors	Current	< 1 Month	1 Month	2 Months	3 Months	Older	Total
Total	$ 722,719.33	$ 5,471.67	$ 12,878.63	$ 12,136.00	$ 2,560.00	$ 30,298.61	$ 786,064.24
Percentage of total	91.94%	0.70%	1.64%	1.54%	0.33%	3.85%	100.00%

	High	Low
Recoverable Amount	$ 786,064.24	$ 741,069.63
Less Agent's	$ (47,750.00)	$ (47,750.00)
Less Costs of Receovery (Liquidation Outcome)	$ (20,000.00)	$ (20,000.00)
Total	$ 718,314.24	$ 673,319.63

- The 'Low' estimated realisable value of assets in the above table is based on the assumption only amounts 2 months and younger will be collected.

- The 'High' estimated realisable value of assets in the above table is based on the assumption all debtors are realised.

- The additional difference between the 'High' and 'Low' positions is the allowance I have made for the costs that may be incurred in pursuing the recovery of this class of asset in a liquidation outcome.

On this basis the Company can expect to recover the sum of between $673,320 and $718,315.

I have reviewed the debtor's ledger. Of the total of $786,064 outstanding, the sum of $613,500 relates to commissions on sales or exchanged contracts on the Markets Residence development project. I have reviewed several exchanged contracts. I note the debtor's ledger describes the developer as Canberra Property Holdings Pty Limited, however the exchanged contracts note the debtor as Canberra Property Development Holdings Pty Limited. The Director has advised the initial sales information provided by the lawyers acting for the developer had incorrect details. I am unable to confirm this. This development is expected to be complete in 36 months and as result debtor's will not be resolved sooner than this time frame.

5.5 Does the Company own any assets?

The Director's ROCAP provided details of other assets owned by the Company. The following table provides a summary of other assets:

Asset	ERV	High	Low
Rent Roll	200,000	100,000	50,000
Basic IP for Courtside Property Group	15,000		
Total	**$ 215,000**	**$ 100,000**	**$ 50,000**
Less Costs	($15,000)	($15,000)	($15,000)
Available	$ 200,000	$ 85,000	$ 35,000

I provide the following information with respect to Company's other assets, including an estimated value of the recoverability:

1. There is no cash at the bank. I have written to all banks and confirmed the Company holds no funds.
2. As noted, all property managements were written between the property owner on the one hand and AU1 on the other. I have reviewed the property management agreements and note this to be the case. As noted earlier in this report the Company terminated its arrangement with AU1 and AU1 currently holds these property management agreements on trust for the Company. In order to preserve the value of the property managements the Director will transfer property managements from AU1 to another, newly, established entity. The property owners are related either through family, friendships or business relationships. On this basis I have estimated the value of the property managements should they be sold on the open market at between $100,000 to $50,000.
3. The Company also produced a large volume of marketing and operational material which the Director classifies as intellectual property. I have not attributed any value to intellectual property.

4. The additional difference between the 'High' and 'Low' positions is the allowance I have made for the costs that may be incurred in pursuing the recovery of this class of asset in a liquidation outcome.

5.6 Reasons for failure of the Company's business

I provide the following information with respect to the failure of the Company's business.

The Director advises the following for the reasons for the failure of the Company:

> *JS 2604 Pty Limited was to provide financing and IP Real Estate Pty Limited was to provide 800 units per year to sell. The business strategy was based upon drawing down on debt in order to realise commission payments over the next 36 months. It appeared to be a controlled risk as both the finance and to sell were dealt with by having meaningful relationships in the business.*
>
> *This business relationship was formalised through a unit trust. Having become concerned for our ability to continue trading I sought legal advice on our agreements including the loan to JS 2604 Pty Limited. As part of this process my lawyers advised IP Real Estate Pty Limited had not signed any agreement nor was the unit trust settled.*
>
> *As the only shareholder and Director, I did not have sufficient resources to maintain the business operations personally which led to the appointment of a voluntary administrator.*

The voluntary administrator's opinion for the reasons for the failure of the Company is:

> 1. Failure to execute of the agreed structure, which led to
> 2. Insufficient sales being generated, resulting in
> 3. Unprofitable trading, and
> 4. A cashflow deficiency.

This is verified by the Company's trading results for PFY22 and PFY23 which show a loss-making position. This position is presented in the following table:

Detail	PFY22	PFY23
Income		
Property Management	9,541	90,303
Sales	139,140	1,042,534
Other	0	12,025
Total Income	**148,681**	**1,144,863**
Less Cost of Sales	76,430	82,735
Gross Profit Margin	**72,251**	**1,062,128**
Operating Expenses		
Labour	(290,819)	(716,584)
Director fees and licenses	(45,509)	(220,000)
Marketing	(55,898)	(93,241)
Other expenses	(37,901)	(186,630)
Finance	(121)	(8,471)
Total Expenses	**(430,248)**	**(1,224,927)**
Profit/(Loss) Before Tax	**(357,997)**	**(162,799)**

6 Investigations

6.1 Introduction

Section 438A of the Act requires that as soon as practicable after a voluntary administration begins the voluntary administrator must investigate a company's business, property, affairs, and financial circumstances and form an opinion as to whether it would be in the best interests of the company's creditors for:

1. The company to execute a DOCA, or
2. The voluntary administration to end, or
3. The company to be wound up (that is, placed in liquidation).

Pursuant to Section 75-225(3) of the IPR, the voluntary administrator is also required to investigate and report on possible recovery actions that may be available to a liquidator should creditors resolve that the company be wound up. These potential legal recovery actions available to a liquidator, if any, are not otherwise available if a company executes a DOCA.

An explanation of the possible offences by a director and insolvent and voidable transactions that a liquidator could pursue is provided on my website. This information sheet has been prepared by ARITA and is intended to reduce the amount of generic information included as part of the body of this report. Creditors who are not familiar with the nature of offences and liquidator actions should refer to this material for explanations. If further explanation is required in respect of this material or of our investigations, creditors should contact me.

In this section of the report, I outline the various causes of action that may be available to a liquidator of the Company and the potential value of those claims to creditors in the event that the Company is placed into liquidation. This section also identifies potential actions the Company may have against its directors and the further considerations associated with those claims.

Whilst I have no reason to doubt any information contained in this report, I reserve the right to alter any of my conclusions should the underlying data prove to be inaccurate or any other material changes occur from the date of this report.
Section 286 of the Act provides that a Company must keep written financial records that:

(a) correctly record and explain its transactions and financial position and performance; and
(b) would enable true and fair financial statements to be prepared and audited.

To date, I have been provided and reviewed inter alia the following books and records of the Company:

- Financial statements for the PFY22;
- Internally prepared management accounts for PFY23;
- General ledger and bank register for the period FY22 and PFY23;
- Memorandum of understanding with AU1;
- Agency Agreements; and
- Bank account ledger.

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 Act.

Should the Company be placed into liquidation at the forthcoming meeting of creditors, a part of the liquidator's investigations into the Company's affairs will be to further examine whether the Company complied with Section 286 of the Act.

6.2 Summary of potential claims

I provide the following summary of my investigations with respect to potential claims that may be pursued by the Company.

1. The Company was insolvent from inception based on its management accounts. The value of the insolvent trading claim is the Company's current deficiency of net assets in the sum of $529,000. Creditors should be aware the Director is likely to raise defences to any insolvent trading claim. In addition, pursuing the Director for insolvent trading would only be advisable in the case the Director has sufficient assets personally to meet any claim for insolvent trading. I note the Director has real property registered in his name, however it is subject to a mortgage and co-owners in a complex tenant in common and joint tenancy arrangement. As such, the recoverable value of the insolvent trading claim is uncertain and may be $Nil.
2. I have not identified any voidable transactions, although the Director's loan account requires further investigation.
3. I have not identified any potential breaches of directors' duties other than for insolvent trading.

6.3 Overview of investigation

In the time available to me, I have undertaken the following investigations to prepare this report and formulate my opinions:

1. ASIC searches.
2. PPSR searches.
3. Reviewed the Company's books and records.
4. Reviewed the ROCAPs completed by the Director.
5. Discussions with the Director.

6.4 Insolvent trading (Section 588G)

The Act states that 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.

It is generally accepted that a company's solvency is dependent on:

1. The ability of a company to meet its liabilities from the company's assets on hand (known as the 'Balance Sheet Test'), and
2. The ability of a company to generate sufficient cash flows to meet payment of its debts as and when they become due and payable (known as the 'Cash Flow Test').

The Balance Sheet Test is an indicator of a company's solvency which considers whether a company's total assets exceed it total liabilities whilst the Cash Flow Test focuses on a company's liquidity, the overall viability of the business and other amounts which may be available to support a company to pay its debts as and when they fall due and payable. As such, when assessing a company's solvency, consideration is required to be given to the company's financial performance and financial position as well as other factors, which may reasonably have been expected to enable a company to pay its debts as and when they fell due and payable. Australian Courts have favoured the Cash Flow Test when assessing a company's solvency.

Directors have a positive duty to prevent a company from trading whilst it is insolvent pursuant to Section 588G of the Act. If directors are found to have contravened Section 588G of the Act, they may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention. The Company's financial position is presented in the following table:

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Detail	PFY22	PFY23	
Current Assets			
Cash at bank	8,487	0	
Accounts receivable	119,488	786,064	
Cash on hand	1,000	1,000	
Prepayments	8,210	8,530	
Total Current Assets	**137,185**	**795,595**	
Non-Current Assets			
Director Loan - Sam Dodimead	25,650	0	
Other - Property Managements	0	0	
Other - IP	0	0	
Total Assets	**162,835**	**795,595**	
Current Liabilities			
Accounts Payable	(109,984)	(48,339)	
Credit card facilities	(34,569)	(59,695)	
Taxation	(52,569)	(266,697)	1
Superannuation	(20,341)	(14,290)	
Agents' Loans		(88,921)	
Director Loan		(60,938)	
Total Current Liabilities	**(217,463)**	**(538,879)**	
Non-Current Liabilities			
Loan - JS 2604 Pty Limited	(310,000)	(626,904)	
CBA		(158,000)	
Total Liabilities	**(527,463)**	**(1,323,783)**	
Net Assets	**(364,628)**	**(528,189)**	

On the basis of this financial information, it appears the Company has been insolvent from inception.

Information about possible insolvent trading is relevant to creditors when deciding about the future of the company as directors of the company may only be pursued for insolvent trading if the company is in liquidation.

In light of the above, creditors should consider the potential recoverable value of any insolvent trading claim when determining the future of the company.

6.4.1 Preliminary assessment of solvency

As detailed in this section of the report, it is generally accepted that a company's solvency is dependent on the Balance Sheet Test and Cash Flow Test. A company's ability to satisfy the Balance Sheet Test and Cash Flow Test is predominantly determined by reference to the prevalence of generally accepted indicia of insolvency for the purposes of assessing solvency.

In light of the above, I have prepared the following table which considers the prevalence of various indicators of insolvency for the purposes of assessing the solvency of the Company:

Table 18: Presence of indicators of insolvency

Indicia	Present	Section Reference
Continuing losses	Yes	6.4.1.1
Liquidity (current) ratios below 1.0	Possible	6.4.1.2
Overdue Commonwealth and State taxes	Yes	6.4.1.3
Poor relationship with financier including an inability to borrow further funds	Possible	6.4.1.4
No access to alternate finance	Yes	6.4.1.5
Inability to raise further equity capital	Yes	6.4.1.6
Suppliers placing the company on cash on delivery (COD), or otherwise demanding payments	No	6.4.1.7
Creditors unpaid outside trading terms	Yes	6.4.1.8
Issuing of post-dated cheques	No	6.4.1.9
Dishonoured payments	No	6.4.1.10
Special arrangements with selected creditors	No	6.4.1.11
Solicitors' letters, summonses, judgments, or warrants issued against the Company	No	6.4.1.12
Payments to creditors of rounded lump sums not reconcilable to specific invoices	No	6.4.1.13
Inability to produce timely and accurate financial information	No	6.4.1.14
Reliance on key projects and / or sales	Yes	6.4.1.15

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6.4.1.1 Continuing losses

Continuing losses may indicate that a company is unable to generate sufficient cash flows from its operations to pay its debts as and when they fall due and payable. As highlighted in this report Company's financial statements indicate this.

6.4.1.2 Liquidity (current) ratios below 1.0

Liquidity ratios, also known as current ratios, consider whether a company is expected to have available realisable assets to pay its short-term liabilities. The current ratio is calculated as follows:

- Current ratio = net current assets / net current liabilities

A current ratio below 1.0 is considered to be an indicator of insolvency as it signifies that a company does not have sufficient current assets to meet its current liabilities when they become due and payable. This was certainly the case for PFY22. PFY23 shows a current ratio of more than 1.0.

6.4.1.3 Overdue Commonwealth and state taxes

Another accepted indicator of insolvency is where a company is not paying amounts which are due for Commonwealth or state taxes. In this case the Company had a payment arrangement in place with the ATO and from the Company's financial records has overdue taxes due to the ATO.

6.4.1.4 Poor relationship with financier including an inability to borrow further funds

The Company had a loan arrangement with JS 2604 Pty Limited which was called in.

6.4.1.5 No access to alternate finance

If a company is able to access alternate finance, it may indicate that the company was in a position to secure further funding which could be used to ensure that the company paid its debts as and when they fell due and payable.

In this case the Company does not have access to alternate finance as noted in the Director's statement for reasons for failure.

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6.4.1.6 Inability to raise further equity capital

If a company is able to raise further equity capital, this may indicate that the company had access to additional funds that may have been utilised to pay its debts as and when they fell due and payable.

In this case the Company does not have access to alternate finance as noted in the Director's statement for reasons for failure.

6.4.1.7 Suppliers placing the company on cash on delivery (COD), or otherwise demanding payments before resuming supply

If a company's suppliers are demanding payment before continuing to undertake services for a company or otherwise placing the company on restricted terms of trade such as cash on delivery, this may indicate that a company is unable to pay its debts as and when they fall due and payable.

This is not applicable in the Company's case.

6.4.1.8 Creditors unpaid outside trading terms

If a company's creditors are unpaid outside trading terms, this may indicate that the company was unable to pay its debts as and when they fell due and payable.

The Company has overdue accounts as demonstrated in its aged payable ledger.

6.4.1.9 Issuing of post-dated cheques

If a company was issuing post-dated cheques, it may indicate that the company did not have sufficient available cash resources to pay its debts as and when they fell due and payable.

This is not the case for the Company.

6.4.1.10 Dishonoured payments

If a company had dishonoured payments, it may indicate that the company did not have sufficient available cash resources to pay its debts as and when they fell due and payable.

This is not the case for the Company.

6.4.1.11 Special arrangements with selected creditors

If a company was entering into special arrangements for the purpose of facilitating payment to selected creditors, this may indicate that a company was unable to pay its debts as and when they fell due and payable.

This is not the case for the Company.

6.4.1.12 Solicitors' letters, summonses, judgments or warrants issued against the Company

If a company was receiving solicitors' letters, summonses, judgments or warrants, it may indicate that a company was unable to pay its debts as and when they fell due and payable.

This is not the case for the Company.

6.4.1.13 Payments to creditors of rounded sums not reconcilable to specific invoices

If a company is making payments of rounded lump sums not reconcilable to specific invoices, this may indicate that a company was unable to pay its debts as and when they fell due and payable.

This is not the case for the Company.

6.4.1.14 Inability to produce timely and accurate financial information to display the companies' trading performance and financial position and make reliable forecasts

If a company is unable to produce timely and accurate financial information with respect to its trading performance and financial position or make reliable financial forecasts, this may indicate that the company is insolvent.

The Company is able to produce timely records.

6.4.1.15 Reliance on key projects and/or sales

If a company is reliant on a key project or completion of a sale, this may indicate that a company is unable to pay its debts as and when they fall due and payable.

This was certainly the case with the Company relying on IP Real Estate Pty Limited for special projects and properties for sale.

6.4.2 Preliminary view regarding the date of insolvency

In reviewing the above, I note that the Company was likely to be insolvent from inception.

6.4.3 Defences to an insolvent trading claim

It is important to note that a director can raise a number of possible defences or carve outs to a claim for insolvent trading.

These defences may include:

1. Safe harbour protection from insolvent trading.

   Not applicable to the Director.

2. The Director had reasonable grounds to expect, and did expect, that the Company was solvent and would remain solvent.

   Possible defence as there was an expectation of support from key stakeholders.

3. The Director:

   a. had reasonable grounds to believe, and did believe, that a competent and reliable person was responsible for providing adequate information to the director about the company's solvency and that person was fulfilling that responsibility, and

b. expected, on the basis of that information, that the company was solvent and would remain solvent.

Not applicable in the case of the Director.

4. The director, because of illness or for some other good reason, did not take part in the management of the company at the relevant time.

Not applicable to the Director

5. The director took all reasonable steps to prevent the company from incurring the debts in question.

Possible defence.

6.4.4 Directors' capacity to satisfy a potential insolvent trading claim

The Director has advised me he has no capacity to fund a claim for insolvent trading nor does the Company have any insurance to cover such an event.

In the event that a liquidator is appointed to the Company, further investigations would be required by the liquidator to assess the financial capacity of the Director to repay any claims made against them in the liquidation.

6.4.5 Administrator's conclusions regarding solvency

In conducting my investigations, we have formed the following preliminary views:

1. The Company was likely insolvent from inception, and

2. The value of any potential insolvent trading claim may be $529,000.

My investigations also revealed the Director of the Company may not have the capacity to meet a claim for insolvent trading.

Further investigations would be conducted with respect to an insolvent trading claim and the date of insolvency. A liquidator, if so appointed, would need to consider the likelihood of recovery against the risks and costs in commencing proceedings.

6.5 Voidable transactions

Section 75-225(3)(b)(vi) of the IPR requires an administrator to specify in their report to creditors whether there are any transactions that appear to the voluntary administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.

It is appropriate to consider the potential recoverable value of any claims pursuant to Part 5.7B of the Act, as those claims may only be pursued in the event that a company is placed into liquidation. As such, it is imperative to consider the recoverable value of claims pursuant to Part 5.7B of the Act when determining the future of the company.

It is important to note that some transactions are only voidable if they are considered insolvent transactions of the Company. In order for a liquidator to recover any amount, it would first be necessary to establish a Company was insolvent at the time of the transaction.

Generally, actions by liquidators to recover voidable transactions are expensive and must be litigated in Court. As such, should there be inadequate funds available, or the liquidators consider it uncommercial or not in the creditors' best interests, recovery actions may not be commenced even if a liquidator is appointed. In these circumstances, creditors wishing to fund any such actions may do so. Should any funds be recovered from these actions, those creditors providing the funding may be entitled to receive their contribution in priority to other creditors.

Litigation funding and/or insurance may also be available to fund these actions. However, such funding is generally only available where legal advice indicates that there are strong prospects of successfully recovering the claims.

My preliminary investigations relating to the identification of potential voidable transactions claims are set out on my website.

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6.6 Offences by the Directors

6.6.1 Overview

Voluntary administrators are required to lodge a report with ASIC where it appears that a past or present officer of a company may have been guilty of an offence in relation to the company. These reports are not available to the public and are used by ASIC to determine whether they wish to investigate further and/or commence legal proceedings against directors.

6.6.2 Directors' duties

Sections 180 to 184 of the Act, impose duties on directors in their capacity as an officer of a company to exercise care and diligence, act in good faith in the best interests of the company and not to misuse their position.

My preliminary investigations with respect to potential breaches of directors' duties note there are no breaches other than a possible claim for insolvent trading.

6.6.3 Books and records

Section 286 of the Act provides that a Company must keep written financial records that:
(a) correctly record and explain its transactions and financial position and performance; and
(b) would enable true and fair financial statements to be prepared and audited.
To date, I have been provided and reviewed inter alia the following books and records of the Company:

1. Financial statements for the PFY22 and management accounts PFY23;
2. General ledger and bank register for the period FY22 and PFY23;
3. Memorandum of understanding with AU1;
4. Agency Agreements; and
5. Bank account ledger.

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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 Act.

Should the Company be placed into liquidation at the forthcoming meeting of creditors, a part of the liquidator's investigations into the Company's affairs will be to further examine whether the Company complied with Section 286 of the Act.

7 Voluntary Administrators' actions to date

7.1 Actions to date

On appointment, I undertook a number of key operational initiatives and statutory tasks. Our work included an urgent assessment of the financial viability of the Company and its immediate liquidity position. This work allowed me to consider the best course of action to protect the Company's assets with a view to maximising the outcome for all creditors.

I made an initial decision to cease trading the Company's business. This decision was based upon the following information:

- There is no funding available to conduct trade on activities.
- The Company's activities are limited.
- I noted the operational structure of the Company's activities involves:
    - The Company is engaged as an independent contractor by AU1.
    - The Company presently has 2 active sales listings.
    - The Company manages 30 properties serviced by one employee. The annual costs for this staff member is a salary of $110,000 per year plus bonuses. The Company generates approximately $4,500 a month after The Agency Group Australia Limited fees are deducted in property management revenue. Historically, the Company has received the following property management fees:
        - January 2023 - $5,310.46
        - February 2023 - $3,733.85
        - March 2023 - $9,523.56
    - Management fees vary greatly.

The additional tasks completed by me are contained on my website.

7.2 Voluntary Administrators' trading performance and receipts and payments

To date there have been no receipts and no payments.

8 Deed of Company Arrangement

8.1 Proposal

I have received a proposal from the Director for a DOCA. The terms of the DOCA are as follows:

The DOCA proposes the following key points:

1. The Director assumes the debt due to JS 2604 Pty Limited.
2. The Director employs the former Contractors of the Company into Courtside Property Group Pty Limited, a Company owned by the Director. Thereby relieving the Company of obligations due to employees.
3. All branding, marketing collateral, trademark application, domain names, and any other assets relating to Behemoth Canberra Pty Ltd be transferred to Courtside Group Pty Limited.
4. All company files including but not limited to databases, property files, and other business property to be transferred from Behemoth Canberra Pty Ltd to Courtside Property Group Holdings Pty Limited.
5. Rights to sign direct Managing Agency Agreements currently managed by The Agency to be transferred from Behemoth Canberra Pty Ltd to Courtside Property Group Holdings Pty Limited.
6. Unsecured creditors be paid in full from debtors at settlement between now and 36 months.
7. Commission claims by the Director will be excluded from participating in the DOCA.

8.2 Effect on creditors

Contractors and creditors will receive a distribution of 100 cents in the dollar over a 3-year period.

9 Liquidation

9.1 Proposal

The following is the likely outcome if the Company was placed into liquidation compared to that of a DOCA.

Detail	PFY22	PFY23	Liquidation Outcome High	Liquidation Outcome Low
Current Assets				
Cash at bank	8,487	0	0	0
Accounts receivable	119,488	786,064	718,315	673,320
Cash on hand	1,000	1,000	0	0
Prepayments	8,210	8,530	0	0
Other Assets			85,000	35,000
Total Current Assets	**137,185**	**795,595**	**803,315**	**708,320**
Current Liabilities				
Accounts Payable	(144,553)	(108,034)	(135,884)	(135,884)
Taxation	(52,569)	(266,697) [1]	(199,327)	(199,327)
Superannuation	(20,341)	(14,290)		
Agents' Loans		(88,921) [2]		
Director Loan		(60,938)		
Disputed Debt				(28,607)
Total Current Liabilities	**(217,463)**	**(538,879)**	**(335,211)**	**(363,818)**
Non-Current Liabilities				
Loan - JS 2604 Pty Limited	(310,000)	(626,904)	(626,904)	(626,904)
CBA		(158,000)	(158,000)	(158,000)
Total Liabilities	**(527,463)**	**(1,323,783)**	**(962,115)**	**(990,722)**
Costs of the Liquidation			**(60,000)**	**(60,000)**
Costs of the DOCA				
Net Assets	**(364,628)**	**(528,189)**	**(554,011)**	**(706,220)**
Creditors Cents in the Dollar			**0.68**	**0.55**

[1] Proof of debt raised by the ATO as at 31 May 2023 and subject to lodgement of:
- Activity Statement 1 May 2023 to 19 May 2023
- Income tax return 30 June 2022
- Income tax return to 19 May 2023
- Single Touch Payroll to 19 May 2023

2 Adjustments due to agents, currently shown as net of commissions receivable.

This position is also subject to legal costs associated with any sale of assets.

9.2 Effect on creditors

The effect on creditors in a winding is that independent contractors and unsecured creditors will receive a return of between 55 to 68 cents in the dollar.

10 Estimated return to creditors

10.1 Introduction

In preparing this report, I am required to advise creditors of the options available for the Company and provide our opinion as to the best option available for creditors of each of the Company.

The following table sets out the return to creditors of the Company under both a DOCA and liquidation.

Detail	PFY22	PFY23	DOCA Outcome ROCAP	Liquidation Outcome High	Liquidation Outcome Low
Current Assets					
Cash at bank	8,487	0	0	0	0
Accounts receivable	119,488	786,064	387,711	718,315	673,320
Cash on hand	1,000	1,000	0	0	0
Prepayments	8,210	8,530	0	0	0
Other Assets			0	85,000	35,000
Total Current Assets	**137,185**	**795,595**	**387,711**	**803,315**	**708,320**
Current Liabilities					
Accounts Payable	(144,553)	(108,034)	(135,884)	(135,884)	(135,884)
Taxation	(52,569)	(266,697)	(199,327)	(199,327)	(199,327)
Superannuation	(20,341)	(14,290)			
Agents' Loans		(88,921)			
Director Loan		(60,938)			
Disputed Debt					(28,607)
Total Current Liabilities	**(217,463)**	**(538,879)**	**(335,211)**	**(335,211)**	**(363,818)**
Non-Current Liabilities					
Loan - JS 2604 Pty Limited	(310,000)	(626,904)		(626,904)	(626,904)
CBA		(158,000)		(158,000)	(158,000)
Total Liabilities	**(527,463)**	**(1,323,783)**	**(335,211)**	**(962,115)**	**(990,722)**
Costs of the Liquidation				**(60,000)**	**(60,000)**
Costs of the DOCA			(40,000)		
Costs - Legal DOCA			(12,500)		
Net Assets	**(364,628)**	**(528,189)**	**387,711**	**(554,011)**	**(706,220)**
Creditors Cents in the Dollar			**100**	**0.68**	**0.55**

[1] Proof of debt raised by the ATO as at 31 May 2023 and subject to lodgement of:
- Activity Statement 1 May 2023 to 19 May 2023
- Income tax return 30 June 2022
- Income tax return to 19 May 2023
- Single Touch Payroll to 19 May 2023

2 Adjustments due to agents, currently shown as net of commissions receivable.

10.2 Return

The return to creditors is better under the proposed DOCA than under a liquidation scenario. In the DOCA outcome, the Company's assets would need to fall below $387,710 before creditors receive less than100 cents in the dollar.

10.3 Timing

Creditors will receive a return over a three-year period in both the DOCA, and liquidation outcome.

11 Voluntary Administrators' opinion

11.1 Introduction

At the second meeting of creditors for the Company, creditors will have the following options with respect to the future of the Company:

- The Company execute a DOCA, or
- The voluntary administration of the Company ends, or
- The Company be wound up.

My opinion on each of the above options and our reasons for our opinions are discussed below.

11.2 The Company execute a DOCA

I am of the opinion that the return to creditors would be greater under DOCA than in liquidation. I am also of the view the DOCA would provide greater certainty of a return to creditors.

11.3 The administration should end

Based on my analysis, the Company is presently insolvent and unable to pay its debts as and when they fall due and payable. Ending the voluntary administrations and returning control of the Company to the Director would not be in the best interests of creditors and would expose the Director to the possibility of liability for breaches of director duties.

Accordingly, I am of the opinion that it would not be in the best interests of creditors for the voluntary administrations being conducted for the Company to end.

11.4 The Companies be wound up

As the DOCA results in a greater estimated return to creditors than a liquidation I am of the opinion that it would not be in the best interests of creditors to place the Company into liquidation.

11.5 Opinion

In my opinion, creditors would be best served if the Company executed a DOCA.

I reserve the right to change my opinion should there be any change to the DOCA.

Should I receive any new information relevant to creditors between the date of issuing this report and the date of the creditors meeting, a summary of that relevant information will be made available on my website.

11.6 Other material information

I am not aware of any other information that is materially relevant to creditors being able to make an informed decision on the future of each of the Company.

12 Remuneration

I have issued my initial remuneration notice setting out the basis of my remuneration and the schedule of hourly rates applicable.

Creditors can find this document on my website.

Remuneration can be approved by resolution of a committee of inspection, a company's creditors or by an application to Court. As there is no committee of inspection, creditors or the Court will have this right.

Attached to this report is my Remuneration Approval Report. At the forthcoming meeting, creditors will be requested to approve the following resolutions.

13 Meeting

Pursuant to Section 439A(3) of the Act and Section 75-225 of the IPR, attached is a notice convening the second meeting of creditors to be held at 10:00 AM on Thursday, 22 June 2023.

The notice of meeting is enclosed.

Amendments to the legislation that governs insolvent administrations provides that meetings of creditors may be held virtually, using technology that will give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place.

At the second meeting of creditors which is being convened for the Company, creditors will be asked to resolve whether:

- The Company execute the DOCA, or
- The administration ends, or
- The Company be wound up.

Attendance at this meeting is not compulsory, however, those creditors wishing to attend and vote at the second meeting are required to lodge their Proof of Debt or Claim by 3:00 PM on Wednesday, 21 June 2023.

The electronic proxy form which is available by following this link and allows for creditors to nominate a special or general proxy to be lodged.

A creditor will not be able to vote at the meeting unless a proof of debt or claim is lodged with me.

Those creditors who have already lodged an informal proof of debt are not required to submit a further proof, unless you have an amended claim, in which case, please send your amended claim to hello@eddiesenatore.com.

Ezio (Eddie) Senatore

Digitally signed by Ezio (Eddie) Senatore
Date: 2023.06.14 17:54:22 +10'00'