

Statutory Report to Creditors

Installed Holdings Pty Ltd (In Liquidation) ACN 169 136 289 (“the Company”)

Michael Hogan and I were appointed joint and several liquidators of the Company on 21 March 2018 pursuant to an order made by the Federal Court of Australia. This superseded our appointment as Voluntary Administrators on 8 March 2018.

This report should be read in conjunction with our initial report to creditors dated 6 April 2018.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation; and
- advise you of the likelihood of a dividend being paid in the liquidation.

We are not proposing to hold a meeting of creditors at this time and creditors are requested to complete the proof of debt form (attached as **Annexure A**) and return it to our office to submit their claim if not already done so. The rights of creditors in relation to the Liquidation can be found at **Annexure B**.

The Company operated a building façade installation business providing services predominately to a related party, Supplied Holdings (NSW) Pty Limited (“Supplied Holdings”). The Company ceased to trade in April 2018 following the Deputy Commissioner of Taxation (on 14 February 2017) filing an application to wind up the Company over a debt of \$513,461.

We provide below a summary of directors of the Company over the last three years;

	Position	Commenced	Cessation
Suzanne Kemp	Director	30 June 2014	
Suzanne Kemp	Secretary	25 August 2017	
Jason Peter Garling	Former Director	16 April 2014	30 June 2014
Brian William Mobbs	Former Director	16 April 2017	25 August 2017
Brian William Mobbs	Former Secretary	16 April 2017	25 August 2017

We expect to have completed this liquidation within six to nine months subject any pursue of recoveries.

1. Executive Summary

There are insufficient assets available in the Liquidation to enable a dividend to the unsecured creditors of the Company, subject to any voidable transaction recoveries identified at section 3.3 of the report.

The Company's failure can be attributed to lack of strategic management, working capital deficiency, industry conditions and high fixed overheads relative to revenue.

Our investigations into the affairs of the Company have identified possible offences and recovery actions available for the Liquidator to pursue. A summary of those offences has been provided in the table below.

Offences / recovery action	Corporations Act	Parties	Claim \$
Insolvent trading	S.588G	Suzanne Kemp, Brian Mobbs & Jason Garling	\$101,041
Breach of director's duties	S.180	Suzanne Kemp, Brian Mobbs & Jason Garling	TBA
Unfair preference	S.588FA	Australian Taxation Office	104,284
Unreasonable director related transactions	S.588FDA	Suzanne Kemp / JPG Constructions	TBA

In our opinion the Company was likely insolvent at 30 June 2017, and possibly earlier, for reasons outlined in the report. An insolvent trading claim of circa \$101,041 may be available to pursue against the directors at the time, dependent on any defences that may be available.

In addition to the above, the directors may have breached their duties pursuant to section 180 of the Corporations, specifically relating to care and diligence. Offences for insolvent trading and breaches of duties would also likely extended to former director Jason Garling, who in our opinion may have been a shadow director at the time of our appointment. Further details are provided at section 3.5.

Whilst we have identified possible recovery actions we will need to assess the commercial viability and the cost benefit of pursuing these actions which will be undertaken during the next phase of our investigations. Any offences will be reported to the Australian Security and Investment Commission in a confidential report issued pursuant to section 533 of the Corporations Act 2001.

2. Financial Analysis

At the date of this report, we have obtained the following information and our investigations are made on a preliminary basis:

- Company's Xero accounting file for the period 1 July 2014 to 13 March 2018;
- Company's bank statements 31 December 2016 to 8 March 2018; and

We have sought further information from the Company's director which includes, tax returns, reconciliation of debtors, relationship with related parties Supplied Holdings Pty Ltd ("Supplied Holdings"). We also have sought information from the ATO through the freedom of information act and other third parties.

A summary of the Historical Financial Statements extracted from the Company's accounting system is summarised below.

2.1 Profit and Loss

The Company was loss making since FY16 with accrued losses of \$537K at the time of our appointment.

The Company's revenue principally relates to work conducted for Façade Innovations Pty Ltd and Supplied Holdings (related party). The revenues reduced significantly through FY17 (\$1.22m being 33%) however fixed labour costs weren't restructured and increased from 31% of sales to 62% of sales in FY17 impacting on profitability and working capital. The largest loss for the Company was recorded during FY17 at \$656K.

Payments to related parties, Mobbs Group and JPG Constructions on account of directors' fees were high and increased despite of the Company's deteriorating performance. We note that JPG Constructions was deregistered at the time of our appointment and management has advised transactions were incorrectly recorded against JPG instead of Mrs Kemp. We are unsure how recipient parties have treated the payments for tax purposes.

	FY15 \$'000	FY16 \$'000	FY17 \$'000	YTD FY18 \$'000
Director fees	325	541	677	276
Profit/(Loss) after tax	256	(183)	(656)	(152)

Whilst the directors would have been entitled to management fee's we are of the view that they were excessive, and a portion of the fee may be deemed as a loan or an unreasonable director related transaction.

We note a bad debt of \$362K was incurred in FY16 that was the primary cause of the Company's loss during in FY16.

Profit and Loss	FY15	FY16	FY17	YTD FY18
	\$'000	\$'000	\$'000	\$'000
Revenue	2,148	3,649	2,382	1,615
COGS				
Mobbs Group - Director Fees/Contract Work	173	274	323	54
JPG Construction - Director Fees/Contract Work	150	267	354	222
Contractors	1,025	1,199	333	547
Materials and Other	200	324	208	212
Total COGS	1,548	2,064	1,217	1,035
Gross profit	600	1,585	1,165	580
Gross Profit %	27.9%	43.4%	48.9%	35.9%
Operating expenses				
Accounting/bookskeeping fees	1	3	0	15
Bad Debt	-	362	-	-
Employee expenses	7	12	11	2
Entertainment and equipment	-	1	15	0
Fines and penalties	0	0	10	4
Income tax expenses	16	-	-	-
Insurance	10	34	80	27
Interest expense	-	-	16	12
Payroll taxes	3	78	74	34
Superannuation	24	94	115	40
Travel expenses	5	3	5	-
Wages and salaries	273	1,144	1,471	581
Workers compensation	-	-	-	12
Other	4	38	22	3
Total Expenses	345	1,769	1,821	732
Net profit after tax	256	(183)	(656)	(152)

2.2 Balance Sheet Statements

The Company funded its trading losses through a combination of related party loans, Supplied Holdings Pty Ltd (\$338K), and delaying of statutory payments to the ATO (\$466K).

We make the following observations regarding the Company's balance sheet:

- The Company's net asset position deteriorated from a net positive asset position in FY16 of \$161k to a negative position on appointment of \$741k. During this period the ATO liability has increased by \$393k and Supplied Holdings liability increased by \$265k. Other related party loans have either remained constant or reduced during this period.
- Other key movements include the reduction of receivables from \$618k (FY16) to \$363k (March 2018). We were advised by the director that debts of \$363k were repaid prior to the appointment. This position will be reviewed and analysed to determine where the funds have been paid (detailed in section 3).

Balance Sheet	FY15 \$'000	FY16 \$'000	FY17 \$'000	YTD FY18 \$'000
Current Assets				
Cash and cash equivalents	34	11	38	27
Receivables	623	618	579	363
Total Current Assets	658	629	617	390
Non-Current Assets				
Property, plant and equipment	0	0	4	4
Total Non-Current Assets	0	0	4	4
Total Assets	658	629	621	395
Current Liabilities				
Accounts Payable	332	288	672	269
ATO Liability	46	73	44	466
PAYG withheld	13	21	72	77
Superannuation payable	1	25	31	27
Wage payable	(5)	(0)	(4)	(5)
Total Current Liabilities	386	406	815	834
Non-Current Liabilities				
Loan - Tori Chisholm	-	-	-	10
Loan - Brian Mobbs	-	(0)	(1)	-
Loan - JPG Construction	(0)	(40)	(46)	(51)
Loan - Mobbs Group	(0)	30	36	4
Loan - Supplied Holdings	-	73	167	338
Total Non-Current Liabilities	(0)	63	155	301
Total Liabilities	386	469	970	1,135
Net Assets	272	161	(349)	(741)

3. Investigations

3.1 Company books and records

To date we have received the Company's accounting software and bank records however, the management accounts appear to have incorrectly recorded certain transactions, which may not accurately reflect the Company's financial position. This is evidenced by the treatment of transactions with JPG and director fees.

We are of the view that the Company's books and records may not be kept in a manner that complies with Section 286 of the Act.

Failure to maintain books and records may also give rise to a presumption of insolvency pursuant to Section 588E of the Act. This presumption may be relied upon by the Liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Part 5.7B of the Act from the directors and related parties.

3.2 Reasons for Failure

The director advises that the reason of the failure of the business was due the inability to collect a large debtor, Coli Oregon Australia Pty Ltd for \$362,178 and the reliance on related party loans to fund the working capital of the business.

The Director of the Company has also noted that poor communication between management was also a cause.

It is our view that whilst the bad debt affected the FY16 year profit, it does not wholly explain the significant losses incurred in FY17 and YTD18. In our opinion, in addition to the reasons provided by the director, the Company failed as it didn't restructure its fixed overheads, eroding the net working capital.

3.3 Recoveries, offences and voidable transactions

The liquidators are required to complete and lodge a report with the ASIC pursuant to Section 533 of the Act where it appears to the liquidators that a past or present officer of the Company may have been guilty of an offence in relation to the Company and in other circumstances. We intend to lodge a report pursuant to this section of the Act.

Pursuant to Part 5.8B of the Act, the liquidator is permitted to recover transactions that appear to be voidable transactions in respect of money, property or other benefits.

To the extent that information has been available, we have reviewed the books and records for the period approximately six months prior to the appointment of the liquidators to determine whether any creditors have been preferred over the general body of creditors as a result of any transaction.

The relation back date period is 9 September 2017 (six months prior to the appointment of the administrators) to 8 March 2018.

Based on the information available, we have identified possible voidable transactions that would be recoverable by the liquidator.

a) Unfair preferences (Section 588FA)

Unfair preferences are transactions between the Company and a creditor resulting in the creditor receiving more than the creditor would receive if the transaction were set aside and the creditor was to prove for this amount in the winding-up. Voidable transactions must have taken place in the period beginning six (6) months prior to the relation back day and ending on the date of liquidation.

A summary of the creditors and the amount paid during the back-date period is highlighted below.

Creditor	Amount (\$)
JPG Construction Pty Ltd	154,033
Australian Taxation Office	104,284
Office of State Revenue	34,765
Allfastners Australia	157,344
MCR Installations	128,129
AWV Contracting Pty Ltd	256,402
Labour Revolution	32,782
Winfix Installations Pty Ltd	186,940
Sydney Swing Stage Pty Ltd	13,750
Total	1,068,429

i) JPG Construction Pty Ltd - \$154,033

JPG Construction Pty Ltd was a related entity of the Company which was deregistered in January 2018. The director of the Company has advised payments made post the deregistration of the company were incorrectly reported in the management accounts and is in fact a payment to Suzanne Kemp for director's fees.

The directors are entitled to be remunerated for their services, however in our opinion the remuneration appears excessive. We will continue to investigate this matter and consider possible recovery actions.

ii) Australian Taxation Office ("ATO") – \$104,284

The ATO lodged a statutory demand for the amount of \$511k for the period. According to the ATO, there are outstanding taxation lodgements dating back to 30 June 2015. Below is a summary of the closing balance of the debt owed to the ATO during the last four (4) financial years:

Financial Year	Closing balance \$
2015	56,730.82
2016	121,848.50
2017	228,738.79
YTD 2018	508,969.67

During the relation back period, \$104,284 was paid to the ATO for tax liabilities incurred during that period. We believe the transactions may constitute unfair preferences and we are currently reviewing the information supplied by the ATO under the freedom of information act to determine the strength of the claim.

j) Office of State Revenue - \$34,765

Our investigations show that these payments are not considered preference payments and we believe they were made in ordinary course of business to pay for Payroll tax obligations.

k) Other Suppliers - \$775,347

Payment to suppliers were for cost of materials and contractors to undertake the works. Payments to suppliers appear to be consistently in arrears for at least one (1) month. These payments were made in ordinary course of business and we have found no evidence of suppliers being aware of the company's financial position prior to receiving payment.

b) Uncommercial Transactions (Section 588FB)

Section 588FB of the Corporations Act provides for transactions that were not beneficial or detrimental to the Company as being void. The transaction must have occurred when the Company was insolvent or would become insolvent.

Based on the Company books and records available to us, we have not identified any transactions that would be subject to this Section of the Act.

c) Unfair Loans (Section 588FD)

Section 588FD of the Act provides for loans to be voided in circumstances where interest or charges are considered extortionate.

Based on the Company books and records available to us, we have not identified any transactions that would be subject to this Section of the Act.

d) Unreasonable Director-Related Transactions (Section 588FDA)

Section 588FDA of the Corporations Act provides for transactions where it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefits, detriments and respective benefits to other parties.

Based on the Company books and records available to us, we believe payment of director fees may be excessive and contravene this section of the Act. We haven't determined the quantum of the potential claim and will continue to investigate the matter.

e) **Related Party Transactions (Section 588FE(4))**

Section 588FE(4) of the Act provides for payments to related parties may be voided where the Company was insolvent at the time of the transaction.

Below is a summary of the director fees paid in the last three financial years:

Director Fees for the Following Periods	JPG Construction	Mobbs Group	Total
Financial Year end 2015	149,887	172,438	322,325
Financial Year end 2016	262,132	264,000	526,132
Financial Year end 2017	342,364	312,755	655,118
Year to date 2018	210,000	54,000	264,000

We note that the Company's related party transactions increased significantly in FY16 to \$526k, whilst this corresponds to a significant increase in revenues the FY17 sales significantly reduced to \$1.22m by 33% but saw the director fees increase to \$655k and remained high as a percentage of sales through YTD FY18. We have also not been provided with any records or documentation regarding the work and duties performed to warrant the amount paid.

We will be conducting further investigations into the reasonableness of the directors' fees.

f) **Circulating security interest created within six months before relation back date (Section 588FJ)**

Our searches reveal there were no circulating security interest created within six months before our appointment.

3.4 **Insolvent Trading (Section 588G)**

Section 588G of the Act provides that a company's director(s) has a duty to protect the Company from incurring debt when there are reasonable grounds for suspecting that the Company will be unable to pay its debts as and when they fall due. Section 588M of the Act provides that a Liquidator is able to recover 'damages' from the director(s) of an insolvent company, in an amount equal to the loss or damage suffered by the Company as a result of a breach of duty.

Section 95A(1) of the Corporations Act 2001 provides a definition of a solvent entity as follows:

"A person is Solvent if, and only if, the person is able to pay all of its debts, as and when they become due and payable"

An insolvent entity if defined under Section 95A(2) of the Corporations Act 2001 as:

"A person which is not Solvent is Insolvent"

Section 588V of the Corporations Act states that a holding company can be liable for insolvent trading claims against a Liquidator if:

1. The corporation is the holding company of the Company at the time the debts were incurred by subsidiary; and
2. The Company is insolvent at that time; and
3. There were reasonable grounds for suspecting that the Company is insolvent or would become insolvent; and
4. The holding company or at least one of its directors were aware of the grounds for suspecting insolvency.

Based on the current information available, we have determined the Company was likely insolvent from at least 30 June 2017. According to the financial statements the Company was loss making since at least FY16 and funded its trading losses through a combination of related party loans and delaying payment of statutory obligations relating to GST and PAYG.

The Company also had a net working capital deficiency of \$202K at 30 June 2017 which deteriorated during FY18. At the time of our appointment the Company would have required at minimum of circa \$450K to recapitalise. We do not believe the Company had the ability to access capital, sell assets or fund the recapitalisation. At 30 June 2017 the Company had a net asset deficiency of \$349K and was balance sheet insolvent.

The quantum for the claim is estimated to be approximately \$101,041. Further investigations will be conducted in relation to the portion of the insolvent trading claim pursued against each director during their directorship.

According to the land title searches for Mrs Suzanne Kemp and former directors Mr Jason Garling and Mr Brian Mobbs they do not own real property, however are directors of other companies.

When making our assessment of the Company's insolvency we would also consider the many common law principles, some of which include:

- Whether or not a company is insolvent for the purposes of the Corporations Act, ss95A, 459B, 588FC or 588G(1)(b) is a question of fact to be ascertained from the consideration of the company's financial position taken as a whole.
- In considering the company's financial position as a whole, the court must have regard to the commercial realities. Commercial realities will be relevant in considering what resources are available to the company to meet its liabilities as they fall due, whether the resources other than cash are realisable by sale or borrowing upon security, and when such realisation are achievable.
- The conclusion of insolvency ought to be clear from a consideration of the debtor's financial position in its entirety and generally speaking ought not to be drawn simply from evidence of temporary lack of liquidity. It is the debtor's inability, utilising such cash resources as he has or can command through the use of his assets, to meet his debts as they fall due which indicates

The defences available to directors pursuant to section 588FGB of the Act include:

- if it is provided that, at the payment time, the person had reasonable grounds to expect, and did expect, that the company was solvent at that time and would remain solvent if it made the payment;
- had reasonable grounds to believe, and did believe:
 - that a competent and reliable person (*the other person*) was responsible for providing to the first-mentioned person adequate information about whether the company was solvent; and
 - that the other person was fulfilling that responsibility;
- expected, on the basis of information provided to the first-mentioned person by the other person, that the company was solvent at that time and would remain solvent even if it made the payment.
- because of illness or for some other good reason, the person did not take part in the management of the company at the payment time.
- the person took all reasonable steps to prevent the company from making the payment; or there were no such steps the person could have taken.

If a liquidator further investigates and/or pursue an insolvent trading claim against the directors, that action will be assessed on a cost/benefit basis and will include consideration of the financial position of the directors against whom recovery action may be taken. Funding may be sought from creditors to pursue the directors for an insolvent trading claim. Creditors are also able to pursue the directors for their own insolvent trading action, subject to consent of the Liquidator and time frames imposed under the Act.

If creditors are interested in funding any recoveries or wish to assist with our investigations, please contact our office.

3.5 Breach of Directors Duties

Section 180 to 183 of the Act sets out duties and powers of directors and officers of a company to enable Directors act in the interest of the Company. The duties include:

- Section 180 – Care and Diligence
- Section 181 – Good Faith
- Section 182 – Use of Position
- Section 183 – Use of Information

There may potentially be a breach of section 180 of the Act due to the lack of managerial oversight and controls relating to the Company by the current and former directors and officer of the Company.

Pursuant to section 180 of the Act a director or other officer of a corporation must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:

- (a) were a director or officer of a corporation in the corporation's circumstances; and
- (b) occupied the office held by, and had the same responsibilities within the corporation as, the director or officer.

In considering whether a director has met their duties in exercising care and diligence, various circumstances may be considered including the type of company, the size and nature of its business, the composition of its board and the distribution of the work between the board.

The duties of a director will also vary depending on the experience or skills that the directors held themselves out to have in order to secure their appointment as director. The Company's current director, Mrs Suzanne Kemp has minimal knowledge of the Company's operations and her appointment as director coincided with the resignation of Mr Mobbs in August 2017. It would appear based on the evidence, that Mrs Kemp took the directorship with minimal experience and knowledge of the business may have been acting under instructions from her partner Mr Garling who was disqualified from managing a corporation at the time, due to his bankruptcy.

The courts have found that where a director breaches the duty of care and diligence in the performance of their duties, an action can be brought under the tort of negligence.

Since the Company's incorporation there has been frequent changes to the directors and officers.

We are also considering whether shadow director or de facto director role is evident with former director Mr Garling who appears to have had exerted significant influence over the decisions of the Company's and is actively involved in the day to day operations of the Company since at least Mr Mobbs resignation on 27 August 2017.

Shadow or de facto directors can include someone who:

- exercises top-level management functions;
- undertakes tasks that would typically be expected of a director; or
- regularly attends and/or has a vote at board meetings.

Both de facto and shadow directors have the same statutory duties and liabilities under the Act as the appointed directors of the company, and can be held liable for breaches of directors' duties. We will be continuing our investigations into the matter.

4. Receipts and Payment to date

Below is a summary of our receipt and payments for the Period 21 March 2018 to 19 June 2018.

Receipts and Payments for the Period 21 March 2018 to 19 June 2018	
Receipts	\$
Cash at Bank	<u>26,835.85</u>
Total	26,835.85
Payments	
Legal Fees	2,775.85
Petitioners Costs	2,808.78
Administrators Remuneration	13,049.20
Administrators Expenses	<u>92.07</u>
Total	18,725.90
Cash at Bank	8,109.95

In our previous initial report to creditors dated 6 April 2018, creditors approved our proposed remuneration for the Liquidators and Voluntary Administrators fees of \$25,000 exclusive of GST and \$11,862.91 exclusive of GST respectively. As at 17 June 2018, we have incurred \$26,865.25 and disbursements. We do not intent to seek further approval of our fees at this stage.

5. Estimated Position Statement

A return to unsecured creditors is contingent on voidable transaction recoveries. At this stage there is no likelihood of a dividend to unsecured creditors.

Estimated Position	Notes	RATA as at 13 March 18		Liquidators 17-Jun-18
		Book value (\$)	ERV (\$)	ERV (\$)
Assets				
Cash at Bank		26,844	26,844	26,836
Trade Debtors	5.1	363,373	363,373	TBA
Plant and Equipment		4,177	-	Nil
Voidable transaction recoveries	5.2	TBA	TBA	TBA
Liabilities				
Legal fees		-	-	(2,776)
Petitioning creditors costs		-	-	(2,809)
Appointees Fees and disbursements		-	-	(25,616)
Total Surplus/deficiency for priority creditors		394,394	390,217	(4,365)
Less: Employee entitlements				
	5.3			
Annual leave		4,208	4,208	4,208
PILN		3,680	3,680	3,680
Superannuation		485	485	485
		8,374	8,374	8,374
Total surplus / deficiency to unsecured creditors		386,020	381,843	(12,739)
Unsecured creditors				
	5.4			
Trade creditors		-	-	39,466
Statutory creditors		511,993	511,993	542,927
Related party		586,333	586,333	378,626
		1,098,326	1,098,326	961,019
Total surplus / deficiency before costs		(712,306)	(716,483)	(973,757)

5.1 Trade Debtors

The director of the Company has advised that all the debtors have paid prior to our appointment. We will continue our investigations into the potential claims through a review of bank account transactions and to recover any funds from debtors. We will also determine if funds were paid where these funds were paid and whether funds could be clawed back through voidable transactions.

The trade debtor amount owed by Supplied Holdings of \$196,293.55 has been offset by the Supplied Holdings loan payable amount of 338,203 pursuant to *Section 533C* of the Act.

5.2 Voidable Transaction recoveries

Refer to Section 2 of this report.

5.3 Employee Entitlements

As previously discussed, Supplied Holdings Pty Ltd offered all employees employment and agreed to the transfer the outstanding entitlements.

5.4 Unsecured Creditors

Below is a summary of the unsecured creditors totalling \$736,623 in accordance to the claims received.

Summary of Unsecured Creditors	ERV (\$)
Statutory Creditors	
Australian Taxation Office	513,461
Office of State Revenue	29,466
Related Parties	
JPG Construction Pty Ltd	53,200
Supplied Holdings Pty Ltd	130,496
Tori Chisholm	10,000
TOTAL	736,623

We will proceed with the liquidation, including, but not limited to:

- The finalisation of investigations into potential voidable transactions;
- the investigations into potential insolvent trading;
- the investigations into possible shadow director claims; and
- funding to pursue any recovery action.

At this stage of the liquidation it is unlikely a dividend will be paid to unsecured creditors. Should this position change, creditors will be notified.

6. What happens next?

We will proceed with the liquidation, including, but not limited to:

- Requesting further information from the Director regarding debtor claims;
- finalising our investigations;
- completing our reporting to the corporate insolvency regulator, ASIC; and
- any other matters relevant to the liquidation.

If we receive a request for a meeting that complies with the guidelines set out in the ARITA information sheet "Creditors Rights in Liquidation" as attached at **Annexure B**, we will hold a meeting of creditors.

We may write to you again with further information on the progress of the liquidation should further funding be provided to pursue the potential recoveries outlined above. We expect to have completed this liquidation within nine to twelve months subject to any pursue of recoveries.

7. Where can you get more information?

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

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

Installed Holdings Pty Ltd (In Liquidation)
A.C.N 169 136 289
21 June 2018
Statutory Report to Creditors

hogan  sprowles

You can contact our office and speak with Anny Ngo on 02 8020 5853 or via email on anny@hogansproyles.com.au.

Yours faithfully
Installed Holdings Pty Ltd


Christian Sprowles
Joint & Several Liquidator

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of Installed Holdings Pty Ltd (In Liquidation)

1. This is to state that the company was, on 21 March 2018 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
('Creditor')

.....
of (full address)

for \$ dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ <small>state how the debt arose</small>	Amount \$	GST included \$	Remarks ⁽⁴⁾ <small>include details of voucher substantiating payment</small>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

- I am **not** a related creditor of the Company ⁽⁵⁾
- I am a related creditor of the Company ⁽⁵⁾
relationship: _____

3A.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2018

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) - Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

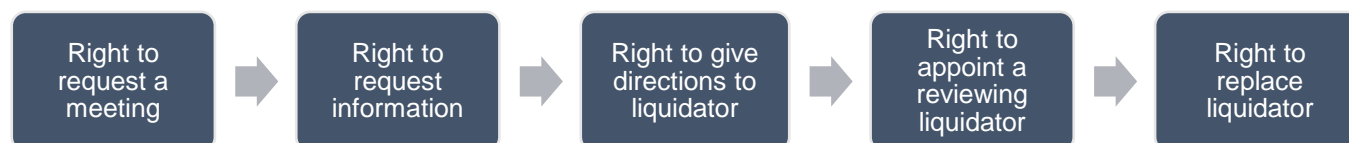
- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

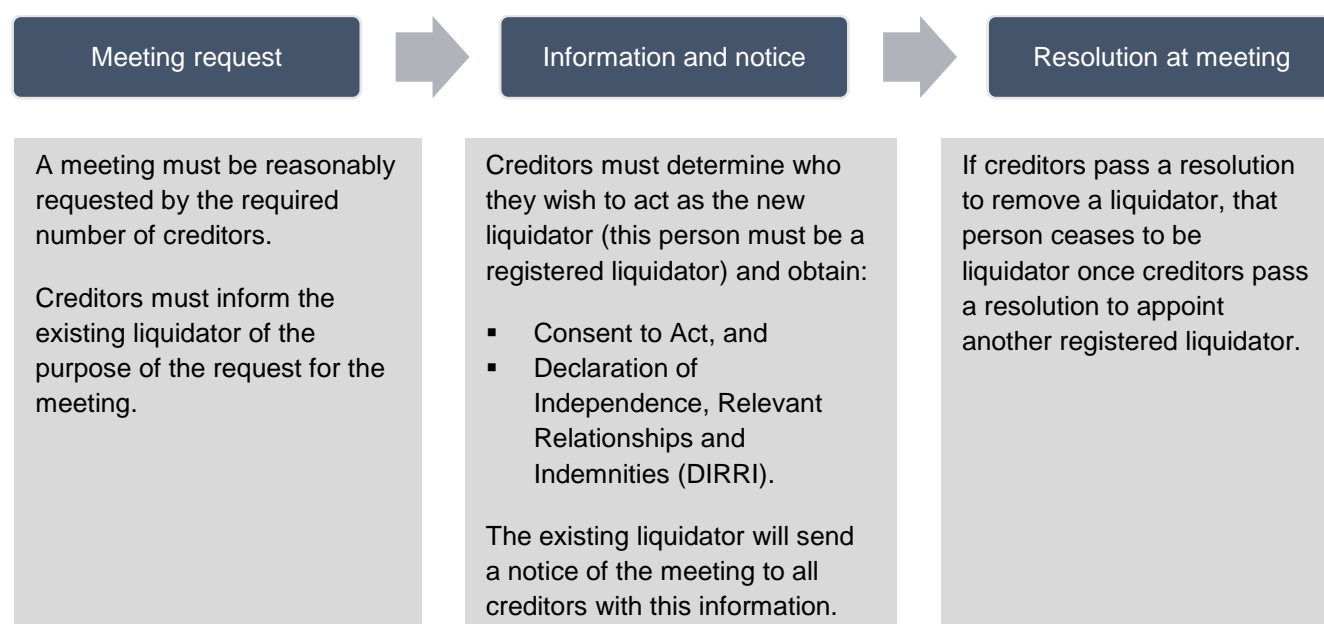
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors