

## Initial information for creditors

### Unreal Steel Pty Ltd (In Liquidation) A.C.N. 609 618 322 (“the Company”)

The purpose of this document is to provide you with information about the liquidation of the Company and your rights as a creditor.

## 1. Information for creditors

### 1.1 Notification of appointment

I was appointed Liquidator of the Company on 28 September 2022 pursuant to an order made by the Supreme Court of Victoria. A copy of my Notice of Appointment is **enclosed**. The petitioning creditor is Preston Hire (NSW) Pty Ltd A.C.N. 003 991 062 (“**the Petitioning Creditor**”).

A copy of my Declaration of Independence, Relevant Relationships and Indemnities (“**DIRRI**”) is attached as **Annexure A**. The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. I have considered each relationship and it is my opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect my independence.

### 1.2 What is a court liquidation?

A court liquidation is where an order to place a Company into liquidation is made by the Court. Usually this is on application of a creditor where the Company has not paid its outstanding debt. In most circumstances, this means that the Company is insolvent.

My role as Liquidator is to administer the affairs of the Company, realise the assets and pay dividends (if any). I am also required to investigate the affairs of the Company and report any offences to the Australian Securities and Investments Commission (“**ASIC**”).

### 1.3 What happens to your debt?

According to the information available to me, you are or may be a creditor of the Company.

All creditors of the Company are now creditors in the liquidation. As a creditor, you have certain rights, although your debt will now be dealt with in the liquidation.

If you have leased the Company property, have a retention of title claim or hold a Personal Property Security interest over any assets or property of the Company, please contact my staff as soon as possible if you haven’t already.

## 1.4 Your rights as a creditor

Information regarding your rights as a creditor is provided in the information sheet included at **Annexure B**. This includes your right to:

- Make reasonable requests for a meeting;
- Make reasonable requests for information;
- Give directions to me;
- Appoint a reviewing liquidator; and
- To replace me as liquidator.

## 2. Summary of the Company's affairs

Below is a summary of the information available from ASIC search conducted for the Company:

Company Details		
Registration Date	2 December 2015	
Current Registered Office	c/- Lincoln Partners, Level 1, 120 Sussex Street, Sydney NSW 2000	
Current Principal Place of Business	Unit 2, 27 Jack Williams Drive, Penrith NSW 2750	
Director	Appointed	Ceased
Malcolm George Morris	2 Dec 2015	-
Secretary	Appointed	Ceased
Malcolm George Morris	2 Dec 2015	-
Share Structure	Amount Paid	Amount Unpaid
100 ORD Shares	\$100.00	\$0.00
Current Shareholders	Shares Held/Type	Fully Paid
Malcolm George Morris	100 ORD	Yes

## 3. Update on Liquidation

### 3.1 Background

The Company provided structural steel fabrication and erection services to property development projects from the premises located at Unit 2, 27 Jack Williams Drive, Penrith NSW 2750. The Company undertook works on various projects with the most recent being located at Metro Martin Place –

Integrated Station Development Station and Tower Packages and the Western Sydney Convention & Conference Centre.

The Company hired equipment from the Petitioning Creditor and was subsequently owed \$35,749.49. On 26 August 2022, the Petitioning Creditor filed an application to wind up the Company for the outstanding debt.

On 24 September 2022, Alan Walker and Glenn Livingstone were appointed Administrators of the Company pursuant to Section 436A of the Corporations Act 2001. The Administrators filed an interlocutory application pursuant to Section 440A of the Corporations Act 2001 in the Supreme Court of Victoria to adjourn the winding up of the Company for the Company to continue under administration rather than the Company being placed into liquidation.

On 28 September 2022, the Supreme Court of Victoria dismissed the Administrators' interlocutory application, and I was appointed the Liquidator of the Company.

Prior to my appointment, the Administrators terminated 14 employees and retained 10 employees to allow them to continue to work on the Metro Martin Place – Integrated Station Development Station and the Western Sydney Convention & Conference Centre.

On 26 September 2022, the CFMEU (“**Union**”) stood down all the remaining working employees of the Company due to non-payment of the employee entitlements and superannuation.

On 30 September 2022, a notice was sent to all the Company employees that were stood down advising them of my appointment and confirming that they remain stood down while I negotiate with the head contractors and the Union to get their employee entitlements and superannuation paid up to date so that they can continue to work on the various sites.

Since my appointment, I have attempted to negotiate with the head contractors and sub contractors on the various sites to agree to terms which will allow 100 cents in a dollar return for outstanding superannuation. To date, I have been unable to secure any deal for the employees through the Company. Any employees who have been offered employment by a third party and had their outstanding employee entitlements paid by the third party to allow them back on site to continue work, will not be able to claim their employee entitlements under the Fair Entitlements Guarantee (FEG).

### 3.2 Update

Since my appointment, I have undertaken the following tasks, including but not limited to:

- Contacted Mr Malcolm Morris (“**the Director**”) regarding the affairs of the Company. The Director advised his role in the Company was very minimal as his son Mr Matt Morris (“**the Director’s son**”) was in control on a daily basis and was managing the operations of the business.
- Meeting with the Director and the Director’s son to discuss the Company’s affairs and provided general information regarding the liquidation.

- Obtained access to the Company's accounting system MYOB.
- Attended the Principal Place of Business, arranged for Liquid Asset Management to collect the Company's property and equipment.
- Disclaimed the lease at Unit 2/56 Topham Road, Smeaton Grange NSW 2567.
- Terminated the employees and calculation of outstanding employee entitlements.
- Contacted the former Administrators requesting all books and records of the Company in the Administrators' possession.
- Notified all the PPSR security interest parties of my appointment and requested details of their security.
- On 29 September 2022, correspondence was issued to the Director via email and post respectively to provide me with a completed Report on Company Activities and Property ("**RoCAP**") and the Company's books and records.
- On 29 September 2022, I requested the Director and the Director's son to provide me with the Company's records in their possession.
- On 29 September 2022, the Director's son provided me with the following:
  - Balance sheet, aged payable and age receivables as at 23 September 2022
  - Employee entitlements
  - List of creditors
  - Activity Statements from 1 October 2020 – 19 September 2022
- On 10 October 2022, the Director sought an extension to provide the RoCAP, which I have granted until 17 October 2022. I am currently awaiting to receive a completed RoCAP.
- Commenced investigations in relation to the affairs of the Company.

My investigations are currently ongoing in respect of the above.

#### 4. Financial Information

I am still awaiting to receive a completed RoCAP from the Director. Detailed analysis of the RoCAP will be provided in my subsequent report to creditors. Notwithstanding, I provide the following information:

#### 4.1. Assets

I am yet to receive a completed RoCAP from the Director. Notwithstanding, my findings in relation to assets of the Company are as follows:

##### Cash at Bank

Since appointment, I notified all the banks and received correspondence from NAB which disclosed that the Company operated three (3) accounts with them. Two (2) accounts had a balance of \$275.49 DR and \$2,046.81 CR respectively as at the date of my appointment and the other account was closed in 2017 shortly after it was opened (prior to my appointment as Liquidator).

##### Vehicles

I have received vehicle search results from the Department of Transport for NSW confirming there are 6 vehicles registered under the name of the Company. Below is a summary of those vehicles:

Motor Vehicle	PPSR Party
2003 Holden Rodeo	-
2018 Toyota Hilux 4x4	Toyota Finance Australia Ltd
2020 Mercedes Benz 447	Mercedes-Benz Financial Services Australia Pty Ltd
2020 LDV SK8C	Macquarie Leasing Pty Ltd
2021 Hyundai Sante Fe	Volkswagen Financial Services Australia Pty Limited
2022 Hyundai Tucson	Volkswagen Financial Services Australia Pty Limited

Creditors will be provided with an update on the position of the vehicles in my next report to creditors.

#### 4.2. Creditors

##### Security Interest Holders

A search of the Personal Property Securities Register (“PPSR”) revealed the below security interests registered against the Company. Upon appointment, I notified the security interest holders, and a summary of the security interests is below.

Secured Party	Registration	Collateral class	Registration	Notes
21 parties	201707070018351	Other Goods	7 July 2017	1
BOC Limited	201801290070054	Other Goods	29 Jan 2018	2
Bluescope Steel Limited	201803150012213	Other Goods	15 Mar 2018	3
Coates Hire Operations Pty Limited	201810110015386	Motor Vehicle	11 Oct 2018	4
Coates Hire Operations Pty Limited	201810110015393	Other Goods	11 Oct 2018	5
Metroll Pty Ltd	201810230023868	Other Goods	23 Oct 2018	6
Toyota Finance Australia Ltd	201811010057986	Motor Vehicle	1 Nov 2018	
11 parties	201904050067213	Motor Vehicle	5 Apr 2019	
11 parties	201904050067221	Other Goods	5 Apr 2019	

Action Access Hire Pty Ltd	201906030049404	Motor Vehicle	3 Jun 2019	
Australian Access Hire Pty Ltd				
Action Access Hire Pty Ltd	201906030049458	Other Goods	3 Jun 2019	
Australian Access Hire Pty Ltd				
Capital Finance Australia Limited	201910170042062	Motor Vehicle	17 Oct 2019	
Capital Finance Australia Limited	201910170042091	Motor Vehicle	17 Oct 2019	
Capital Finance Australia Limited	201910170042193	Motor Vehicle	17 Oct 2019	
23 parties	201910280077937	Other Goods	28 Oct 2019	7
Capital Finance Australia Limited	201910280080929	Other Goods	28 Oct 2019	
Capital Finance Australia Limited	201910280080938	Other Goods	28 Oct 2019	
Capital Finance Australia Limited	201910280080940	Other Goods	28 Oct 2019	
Macquarie Leasing Pty Ltd	201910300011625	Motor Vehicle	30 Oct 2019	8
Westpac Banking Corporation	201910300059747	Motor Vehicle	30 Oct 2019	
Westpac Banking Corporation	201910300059752	Motor Vehicle	30 Oct 2019	
Capital Finance Australia Limited	201911070042520	Motor Vehicle	7 Nov 2019	
Capital Finance Australia Limited	201911070042531	Motor Vehicle	7 Nov 2019	
Westpac Banking Corporation	201911120008910	Motor Vehicle	12 Nov 2019	
7 parties	201911180051318	Other Goods	18 Nov 2019	9
Pepper Asset Finance Pty Ltd	201911200048265	Other Goods	20 Nov 2019	10
Capital Finance Australia Limited	201911200065411	Motor Vehicle	20 Nov 2019	
Scottish Pacific Business Finance Pty. Limited	201911290056117	Other Goods	29 Nov 2019	11
Flexicommercial Pty Ltd	201912020035756	Motor Vehicle	2 Dec 2019	
Adapt-A-Lift Group Pty Ltd	202003020055746	Motor Vehicle	2 Mar 2020	12
Adapt-A-Lift Group Pty Ltd	202003020055751	Other Goods	2 Mar 2020	13
Online Concrete Cutting Services Pty.Ltd.	202003240007032	All PAP	24 Mar 2020	14
Mercedes-Benz Financial Services Australia Pty Ltd	202006180068270	Motor Vehicle	18 Jun 2020	15
Macquarie Leasing Pty Ltd	202006300033047	Motor Vehicle	30 Jun 2020	16
Volkswagen Financial Services Australia Pty Limited ARBN 20097071460	202201190037646	Motor Vehicle	19 Jan 2022	
Volkswagen Financial Services Australia Pty Limited ARBN 20097071460	202201190041613	Motor Vehicle	19 Jan 2022	
Lampson (Australia) Pty. Limited	202207050015745	Other Goods	5 July 2022	17
Hilti (Aust.) Pty. Ltd.	202208170059486	Other Goods	17 Aug 2022	18
Alfasi Equipment Hire Pty Ltd	202208170069565	Other Goods	17 Aug 2022	19
Gore Projects Pty Ltd	202208180057973	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208180057987	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208180057994	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208180067119	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208180067126	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208180067135	Other Goods	18 Aug 2022	
Gore Projects Pty Ltd	202208230024032	Other Goods	23 Aug 2022	
Managed System Services Pty. Ltd.	202209160044525	Account	16 Sep 2022	

On 29 September 2022, correspondence was issued to security interest holders in respect of the security interests registered and the following responses were received:

1. Southern Steel Group have provided a discharge statement as at 30 September 2022.

2. BOC Limited responded and advised the amount owing on the account is \$30,087.12.
3. Bluescope Steel Limited have provided a discharge statement as at 7 October 2022.
4. Coates Hire Operations Pty Limited responded and advised the amount owing on the account is \$68,335.94.
5. Coates Hire Operations Pty Limited responded and advised the amount owing on the account is \$68,335.94.
6. Metroll Pty Ltd have provided a discharge statement as at 29 September 2022.
7. InfraBuild have provided a discharge statement as at 6 October 2022.
8. Macquarie Leasing Pty Ltd responded and advised the amount owing on the account is \$70,299.62.
9. Precision Oxycut responded and advised the amount owing on the account is \$132,308.18.
10. Pepper responded and advised the amount owing on the account is \$10,852.52.
11. ScotPac Business Finance responded and advised a pay out figure of \$128,801.57.
12. Adapt-A-Lift have provided a discharge statement as at 3 October 2022.
13. Adapt-A-Life have provided a discharge statement as at 3 October 2022.
14. Online Concrete Cutting Services Pty. Ltd. have provided a discharge statement as at 29 September 2022.
15. Mercedes-Benz Financial responded and advised the amount owing on the account is \$61,727.08.
16. Macquarie Leasing Pty Ltd responded and advised the amount owing on the account is \$24,327.04.
17. Lampson Australia have provided a discharge statement as at 30 September 2022.
18. Hilti (Aust.) Pty Ltd have responded and advised the amount owing on the account is \$23,579.91.
19. Alfasi Equipment Hire Pty Ltd responded and advised the amount owing on the account as \$381,521.50.

## Other Creditors

A summary of other creditors which was gathered and collated from the list the Director provided, the accounting management system and creditors who have submitted a proof of debt form. As at the date of this report, the creditors claim total \$4,591,636. I anticipate the creditors' list and amount may increase pending on proof of debts received from creditors and further investigations.

Creditors	Amount (\$)
33 Survey	1,331
Able Door Services (NSW) Pty Ltd	275
Able Fix Fasteners	2,500
Access Hire NSW	385,594
ACIRT	53,084
Adler Fabrications	5,440
AGL	2,060
Alfasi Equipment Hire Pty Ltd	378,667
All Access Haulage Pty Ltd	1,190
Alsco Pty Ltd	86
ANC Cranes	176,565
Astley Medical Centre	445
ATO	2,097,658
Australian Access Hire Pty Ltd	9,630
Australian Lifting & Safety Pty Ltd	55,269
Bluedog Haulage	6,661
BOC Limited	29,936
Botany Access	14,548
BSM Industries (Aust) Pty Ltd	3,892
Bunnings Warehouse	5,046
Camden Hire	475
CBUS – Quick Super	150,995

CIDAF – Construction Industry Drug & Alcohol Found	990
CMS Surveyors Pty Limited	14,933
Coates Hire Operations Pty Limited	68,336
Contour Scan	605
DaiDung Australia Pty Ltd	127,019
Ed Olsson Transport	6,702
Enstruct Group Pty Ltd	9,350
EWP Plant Equipment Service & Spares Pty Ltd	2,455
Forward Fabrications Pty Ltd	9,240
Golden Construction Group	83,469
Goulburn Health Hub Medical Centre	253
Hilti Pty Ltd	23,580
Inglis Property Macarthur	6,387
Jaybro Group Pty Ltd	8,810
JJ Richards	587
Knapp Property Group	9,367
KONNECT	83,744
Lampson (Australia) Pty Ltd	110,000
Land Surveys	5,155
Lincoln Business Services	83
Lincoln Partners	11,550
LJ Hooker Commercial Penrith	7,109
LMATS	16,774
Medical Radiology Imaging Now Pty Ltd	1,165
Mini Tankers	63,321
MMM Logistics Pty Ltd	2,901
Nepean Boltmaster	18,334
Neverland Holdings	53,253
NSW State Revenue	165,872
Officeworks	119
Onsite Rental Group	54,370
Pace Cranes	1,800
Panelquip Pty Ltd	818
Pennytel	316
Precision Oxycut	132,308
Preston Hire Pty Limited	35,064
Pronto Access Pty Ltd	808
RuiQi Steel Detailing Co: Ltd	4,900
Sky High Steel Pty Ltd	12,540
Slam Contracting	9,356
Superior Saws Pty Ltd	262
Sydney Services Group Recruitment and Labour Hire	4,227
Sydney Sweep & Scrub	935
Tav Transcrane	1,742
Telstra Corporation Limited	Unknown
Terex Australia Pty Ltd	3,254
Toll Global Forwarding	1,103
United Forklift and Access Solutions	25,288
Uphire Pty Ltd	1,740
UPLUS	2,288

Veris Australia Pty Ltd	1,725
WFJ Engineering Co Pty Ltd	3,630
ZKK Group	352
<b>Total</b>	<b>4,591,636</b>

My investigations in respect of the assets and liabilities position are continuing. Creditors will be notified should there be any material updates. Further details in relation to the RoCAP received and analysis of records will be provided in my next report to creditors.

## 5. Investigations

My investigations are continuing, in particular with the following:

- Breaches of any of the director's duties;
- Investigations into the affairs of the business;
- Voidable recoveries available to the liquidator; and
- Reporting to the corporate regulator, ASIC.

Whilst I have only commenced my preliminary investigations into the Company, I am seeking creditors assistance in providing any additional information which may assist with my investigations or recoveries. Please contact Anny Ngo of my office, by email at or by phone (02) 8020 5853 if you have any information which may assist in my investigations or recoveries.

I will write to you within three months of my appointment advising the likelihood of a dividend and update you on the progress of my investigations.

## 6. What happens next?

I will proceed with the liquidation including but not limited to:

- Recovering and realising any available property;
- Investigating and pursuing recoveries;
- Investigating the Company's affairs; and
- Reporting to the corporate regulator ASIC.

## 7. Costs of the liquidation

Included at **Annexure C** is my Initial Remuneration Notice. This document provides you with information about how I propose to be paid for undertaking the liquidation.

I am seeking approved of my proposed remuneration, without a meeting of creditors, via the following circular resolutions:

I am seeking approved of my proposed remuneration, without a meeting of creditors, via the following circular resolutions:

- Approve the remuneration of the Liquidator for \$32,157 exclusive of GST (**Annexure D**);
- Approve the remuneration of the Liquidator for \$12,843 exclusive of GST (**Annexure E**); and
- Approve the future internal disbursements of the Liquidator for \$2,000 exclusive of GST (**Annexure F**).

**Annexure G** is the Proof of Debt Form

**Annexure H** is the ARITA Information sheet: Proposals without meeting

**Annexure I** is a copy of Liquidator Remuneration Report

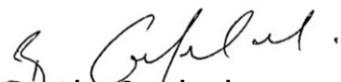
## 8. Further information

The Australian Restructuring Insolvency and Turnaround Association (“**ARITA**”) provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA’s website at [www.arita.com.au/creditors](http://www.arita.com.au/creditors).

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC’s website at [www.asic.gov.au](http://www.asic.gov.au) (search for “insolvency information sheets”).

Should you have any questions in relation to this matter, please contact Anny Ngo of my office, by email at [anny@hogansproawles.com.au](mailto:anny@hogansproawles.com.au) or by phone on (02) 8020 5853.

DATED this 12<sup>th</sup> day of October 2022  
**Unreal Steel Pty Ltd (In Liquidation)**

  
**Brendan Copeland**  
Liquidator

### Attachments

Annexure A	Declaration of Independence, Relevant Relationships and Indemnities
Annexure B	Information Sheet - Creditor Rights in Liquidation
Annexure C	Initial Remuneration Notice
Annexure D	Proposal 1: Current Remuneration
Annexure E	Proposal 2: Future Remuneration
Annexure F	Proposal 3: Future Disbursements
Annexure G	Informal Proof of Debt form
Annexure H	ARITA Information Sheet: Proposals without meeting
Annexure I	Liquidator’s Remuneration Report

**Form 505**

Corporations Act 2001  
**415(1), 427(2), 427(4), 450A(1)(a),**  
**499(2C)(a) & (b), 537(1) & (2),**  
Insolvency Practice Rules (Corporations) 2016  
**s70-60(2)**  
Corporations Regulations 2001  
5.3B.50, 5.3B.54, 5.5.06

## External Administration or Controllership Appointment of an administrator or controller

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### Liquidator details

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Registered liquidator number

**421144**

Registered liquidator name

**BRENDAN JAMES COPELAND**

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### Company details

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Company name

**UNREAL STEEL PTY LTD**

ACN

**609 618 322**

Industry division

**CONSTRUCTION**

Industry group

**Non-Residential Building Construction**

ANZSIC Code

**302**

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### Add a new appointment

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#### Appointee details

Liquidator No. **421144**

Person Name

**BRENDAN JAMES COPELAND**

Address

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**HOGANSPROWLES PTY LTD, LEVEL 9 60  
PITT STREET SYDNEY NSW 2000 Australia**

Type of Appointment **Appointed Singly**

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**Appointment Details**

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Provide the date of appointment.

**28-09-2022**

Type of administrator

**Liquidator of Court liquidation**

Method of appointment

**appointment by court order**

Court

**Supreme Court**

State or Territory of Court

**VIC**

Date of obtaining  
order:

**28-09-2022**

Proceeding Matter  
Number

**03310**

Year

**2022**

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**Authentication**

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This form has been authenticated by

Name **BRENDAN JAMES COPELAND**

This form has been submitted by

Name **Brendan James COPELAND**

Date **29-09-2022**

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**Payment**

You need to pay the fee (and any late fees if required) by Bpay or cheque in accordance with the instructions on your invoice

**For more help or information**

Web [www.asic.gov.au](http://www.asic.gov.au)  
Ask a question? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

## DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

### Unreal Steel Pty Ltd (In Liquidation) A.C.N. 609 618 322 ("the Company")

The purpose of this document is to assist creditors with understanding any relationship that the liquidator has and any indemnities or upfront payments that have been provided to the liquidator. None of the relationships disclosed in this document are such that the independence of the liquidation is affected.

This information is provided to you to enable you to make an informed assessment on any independence concerns, so you have trust and confidence in my independence and, if not, can act to remove and replace me if you wish.

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
  - i the circumstances of the appointment;
  - ii any relationships with the Insolvent and others within the previous 24 months;
  - iii any prior professional services for the Insolvent within the previous 24 months;
  - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my partners and HoganSprowles.

### 1. Independence

I, Brendan Copeland of HoganSprowles have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as liquidator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. I am not aware of any reasons that would prevent me from accepting this appointment.

### 2. Declaration of Relationships

#### i. Circumstances of appointment

On 26 August 2022, I was contacted by Sam Haguthee of Hilton Bradley Lawyers who represents Preston Hire (NSW) Pty Ltd, the petitioning creditor, seeking my consent to act as Liquidator of the Company. On the same day, I provided my consent to act as Liquidator of the Company. Subsequently, on 28 September 2022, I was contacted by Mr Haguthee who advised, I was appointed Liquidator of Unreal Steel Pty Ltd by the Supreme Court of Victoria.

The reason I believe this relationship does not result in the Liquidator having a conflict of interest or duty are:

- Referrals from lawyers are commonplace and do not impact on my independence in carrying out my duties as Liquidator of the Company.

- Referrals from this source, and associated fees, are not a significant percentage of my business and accordingly, I am by no means dependent on referrals from this source.
- The referrer has not been remunerated for the referral.

**ii. Relevant Relationships (excluding Professional Services to the Insolvent)**

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company's property.

**iii. Prior Professional services to the Insolvent**

Neither I, nor my firm, have provided any professional services to the Company in the previous 24 months.

**iv. No other relevant relationships to disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company's property that should be disclosed.

**C. Indemnities and up-front payments**

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my remuneration or disbursements.

Dated: 12 October 2022



**Brendan Copeland**  
Liquidator

*Notes:*

- 1. If circumstances change, or new information is identified, I am/we are required under the Corporations Act and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
- 2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

## 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.

Specific queries about the liquidation should be directed to the liquidator's office.

## 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.

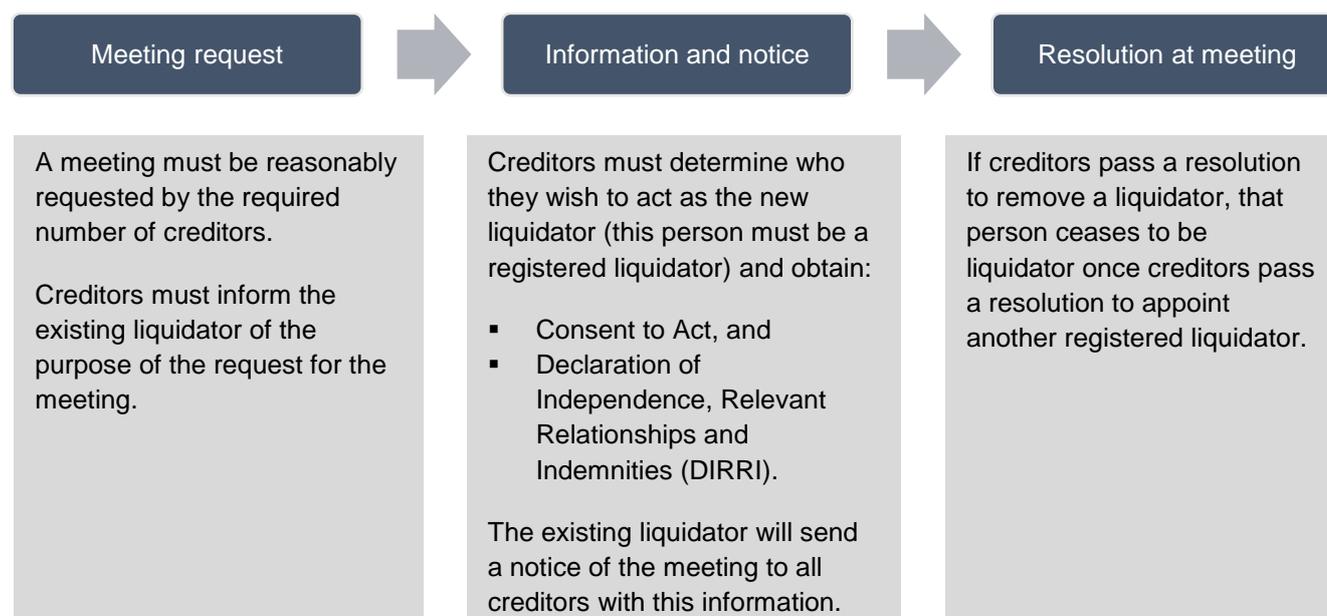
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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](http://www.arita.com.au/creditors).  
Specific queries about the liquidation should be directed to the liquidator's office.**

## INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50  
Insolvency Practice Rules (Corporation) 70-35

### **Unreal Steel Pty Ltd (In Liquidation) A.C.N. 609 618 322 (“the Company”)**

The purpose of the Initial Remuneration Notice is to provide you with information about how I propose my remuneration for undertaking the Liquidation will be set.

#### **1 Remuneration Methods**

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

- A. **Time based / hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- B. **Fixed Fee:** The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.
- C. **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- D. **Contingency:** The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

#### **2 Method chosen**

Given the nature of this liquidation I propose that my remuneration be calculated on a time based/hourly rates basis. The amount of work required and the recoveries from Company assets are at this stage not known to me and accordingly the time based/hourly rates basis best allows me to accurately determine how much work has been completed in the liquidation and remunerate accordingly. I have chosen the time based/hourly rates method because:

- This method is considered to be the most suitable for this appointment as it ensures creditors are only charged for work that is performed in the liquidation, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time-based method in this case again ensures that creditors are only charged for work that is actually performed in the external Liquidation.
- The practitioner is required to perform a number of tasks which do not relate to the realisation of assets, for example, reporting to the Australia Securities and Investments Commission (“ASIC”), undertaking investigations, responding to creditor enquiries and distributing funds to creditors.

- The practitioner has a time recording system that can produce a detailed analysis of the time spent on each type of task by each individual staff member in the liquidation.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.

### 3 Explanation of Hourly Rates

The rates for my remuneration calculation are set out in the attached table, schedule of hourly rates, together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. Time is charged in six-minute increments.

### 4 Estimated remuneration

I have estimated that this liquidation will cost approximately \$45,000 exclusive of GST to completion, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine at this early stage in the administration:

- The time required to obtain the Company books and records from the director and third parties;
- The recovery of the Company's assets (if any);
- Investigations required into the business affairs of the Company and identify any assets or recoveries available to the liquidator; and
- Any matters identified that are required to be reported to statutory authorities, such as ASIC.

The Liquidator's time costs are recoverable only against the asset realisations available.

### 5 Disbursements

Disbursements are divided into three types:

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

I am not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the liquidation.

Details of the basis of recovering disbursements in this liquidation are provided below.

**Basis of disbursement claim**

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost
Search fees	At cost
Courier	At cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At cost
Stationary and other incidental disbursements	At cost
Travel - Staff by own vehicle	\$0.78 per km
Travel - other	At cost

Scale applicable for the financial year ending 30 June 2022.

**Queries**

Creditors have the right to request and obtain further information from the liquidator.

**Information Sheet**

Creditors may access the remuneration information sheet (ASIC Information Sheet 85 – Approving fees: a guide for creditors) at ASIC's website under Regulatory Resources.

<http://www.asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/approving-fees-a-guide-for-creditors/>

DATED this 12<sup>th</sup> day of October 2022

**Unreal Steel Pty Ltd (In Liquidation)**



**Brendan Copeland**

Liquidator

# hogan sprowles

Schedule of rates as @ 1 July 2022

Private & Confidential

Title	Description	Hourly rate (Excl. GST) (\$)
Partner	Registered liquidator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. experience. Leads engagements with full accountability for strategy and execution.	595
Director	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner.	550
Senior Manager	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.	500
Manager	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.	450
Supervisor	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements.	420
Senior Analyst 1	Generally degree qualified and undertaking Chartered Accountant's qualification. Controls certain tasks on small engagements and assists staff with completing tasks on medium to large engagements.	370
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	360
Analyst 1	Experienced graduate. Required to assists senior staff in completing tasks on small to large engagements.	310
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	240
Graduate	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.	215
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	190
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	190
Bookkeeper	Assist senior staff with accounting functions of engagement.	170
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	150
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	120

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**NOTICE OF PROPOSAL TO CREDITORS**

**Dated: 12 October 2022**

**Voting Poll Closes: 4 November 2022**

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**Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 (“the Company”)**

**Proposal No. 1 for creditor approval**

“That the current remuneration of the Liquidator for the period 28 September 2022 to 11 October 2022 is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report of 12 October 2022 of fees equalling \$32,157.00 exclusive of GST, and that the liquidator can draw the remuneration immediately or as required.”

**Vote on the Proposal No. 1**

Please select the appropriate Yes, No or Object box referred to below with a  to indicate your preferred position.

- Yes            I approve the proposal
- No              I do not approve the proposal
- Object          I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies to you:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form
- I am **not** a related creditor of the Company
- I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

---

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- Approval by Creditors, by circulating resolution from the Notice of Proposal to Creditors, is less costly than convening a meeting of creditors to obtain remuneration approval.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidators staff, by email or telephone, for an update on the liquidation.

---

**Name of creditor /  
authorised person:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

---

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **Friday, 4 November 2022** by email to Anny Ngo at anny@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Anny Ngo on (02) 8020 5853.

HoganSprowles  
Level 9, 60 Pitt Street  
Sydney NSW 2000

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**NOTICE OF PROPOSAL TO CREDITORS**

**Dated: 12 October 2022**

**Voting Poll Closes: 4 November 2022**

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**Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 (“the Company”)**

**Proposal No. 2 for creditor approval**

“That the future remuneration of the Liquidator for the period 12 October 2022 to the conclusion of the liquidation is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report of 12 October 2022 of fees equalling \$12,843.00 exclusive of GST, and that the liquidator can draw the remuneration immediately or as required.”

**Vote on the Proposal No. 2**

Please select the appropriate Yes, No or Object box referred to below with a  to indicate your preferred position.

- Yes            I approve the proposal
- No              I do not approve the proposal
- Object          I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies to you:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form
- I am **not** a related creditor of the Company
- I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

---

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- Approval by Creditors, by circulating resolution from the Notice of Proposal to Creditors, is less costly than convening a meeting of creditors to obtain remuneration approval.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidators staff, by email or telephone, for an update on the liquidation.

---

**Name of creditor / authorised person:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

---

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **Friday, 4 November 2022**, by email to Anny Ngo at anny@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Anny Ngo on (02) 8020 5853.

HoganSprowles  
Level 9, 60 Pitt Street  
Sydney NSW 200

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**NOTICE OF PROPOSAL TO CREDITORS**
**Dated: 12 October 2022****Voting Poll Closes: 4 November 2022**


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**Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 (“the Company”)**
**Disbursements**

Disbursements are divided into three types:

- **Externally provided professional services** (eg legal fees) – these are recovered at cost.
- **Externally provided non-professional costs** (eg travel, accommodation and search fees) – these are also recovered at cost.
- **Internal disbursements** (eg photocopying, telephone, fax, printing and postage costs) – these are generally recovered at cost, however, expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties, however, I am required to account to creditors for such expenses and I must be satisfied that those disbursements are appropriate, justified and reasonable. In respect of Internal disbursements, to the extent that these may be recovered at more than their cost, they may be considered as deriving a profit or advantage and must therefore be approved by creditors, a committee of inspection (if one is appointed), or by the Court prior to them being drawn.

**Declaration**

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

It is proposed that future disbursements to be provided by my firm will be charged to the Company on the following basis:

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost
Search fees	At cost
Courier	At cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At cost
Stationary and other incidental disbursements	At cost
Travel - Staff by own vehicle	\$0.78 per km
Travel - other	At cost

**Proposal No. 3 for creditor approval**

“That the internal disbursements of the liquidator for the period 28 September 2022 to the conclusion of the liquidation at the rates outlined in the Remuneration Approval Report dated 12 October 2022 be capped at the amount of \$2,000 plus GST and can be drawn by the liquidator as required.”

**Vote on the Proposal No. 3**

Please select the appropriate Yes, No or Object box referred to below with a  to indicate your preferred position.

- Yes  I approve the proposal
- No  I do not approve the proposal
- Object  I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Liquidator. Please select the option that applies to you:

- I have previously submitted a proof of debt form and supporting documents
- I have **enclosed** a proof of debt form and supporting documents with this proposal form
- I am **not** a related creditor of the Company
- I am a related creditor of the Company\*

relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

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

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my disbursements without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my disbursements will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidator’s staff, by email or telephone, for an update on the liquidation.

**Creditor details**

*Name of creditor*

*Address*

*ABN (if applicable)*

*Contact number*

*Email address*

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**Name of creditor /  
authorised person:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

---

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **Friday, 4 November 2022**, by email to Anny Ngo at anny@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Anny Ngo on (02) 8020 5853.

HoganSprowles  
Level 9, 60 Pitt Street  
Sydney NSW 2000

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

**Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 ("the Company")**

Name of creditor: .....

Address of creditor: .....

.....

ABN: .....

Telephone number: .....

Amount of debt claimed: \$..... (including GST \$ .....

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....  
.....  
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....  
.....  
.....

Other information:

.....  
.....

.....  
Signature of Creditor  
(or person authorised by creditor)

.....  
Dated

**Notes:**

Under the Insolvency Practice Rules (Corporations) (IPR) 75-85, a creditor is not entitled to vote at a meeting unless:

- a. his or her claim has been admitted, wholly or in part, by the Liquidator; or
- b. he or she has lodged with the Liquidator particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR 75-87 ).

Proxies must be made available to the Liquidator.

## Information sheet: Proposals without meetings

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

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

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

### What is a proposal without a meeting?

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

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

### What types of proposals can be put to creditors?

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

### What information must the notice contain?

The notice must:

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

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

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

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

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

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

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

### How is a resolution passed?

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

### What happens if the proposal doesn't pass?

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

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

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

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

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

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

### Where can I get more information?

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

This information is available from ARITA's website at [artia.com.au/creditors](http://artia.com.au/creditors).

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

## Liquidators Remuneration Approval Report

### Unreal Steel Pty Ltd (In Liquidation)

### A.C.N. 609 618 322 (“the Company”)

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the liquidation of Unreal Steel Pty Ltd.

This report has the following information:

#### Contents

Part 1: Declaration .....	2
Part 2: Executive Summary .....	2
Part 3: Remuneration.....	3
Part 4: Disbursements.....	3
Part 5: Likely impact on dividends .....	4
Part 6: Remuneration Recoverable from External Sources .....	4
Part 7: Report on Progress of the Liquidation .....	4
Part 8: Summary of Receipts and Payments.....	5
Part 9: Queries .....	5
Part 10: Approval of remuneration and internal disbursements .....	5

#### What do you need to do next?

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

To minimise the costs in the administration and this liquidation, I have elected to seek the approval of creditors for my remuneration without a meeting. Information about the proposals without a meeting process is included as Annexure H.

You can cast your vote by using the included voting form. This form needs to be returned to my office by post, scanned and emailed or faxed. I need to receive your forms by **Friday, 4 November 2022** for your vote to count. If you choose to use post, please allow enough time for your letter to be delivered.

If you have any questions or need any assistance in this matter, please contact Anny Ngo of my office on (02) 8020 5853 or by email at [anny@hogansprowles.com.au](mailto:anny@hogansprowles.com.au).

## Part 1: Declaration

I, Brendan Copeland of HoganSprowles, have undertaken a proper assessment of this remuneration claim for my appointment as liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

## Part 2: Executive Summary

The total remuneration for this appointment is estimated to be \$45,000 exclusive of GST.

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (ex GST)
<b>Future Remuneration claim:</b>		
Liquidation		
Resolution 1: 28 September 2022 to 11 October 2022	Part 3	\$32,157.00
Resolution 2: 12 October 2022 to the conclusion	Part 3	\$12,843.00
<b>Total remuneration</b>		<b>\$45,000.00</b>
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Internal disbursements currently claimed are summarised below:

Period	Report Reference	Amount (ex GST)
<b>Future Internal disbursements approval</b>		
Resolution 3: 28 September 2022 to the conclusion	Part 4	\$2,000.00
<b>Total – future disbursements</b>		<b>\$2,000.00</b>
* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the liquidation. Should additional disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.		

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

## Part 3: Remuneration

### 3.1 Remuneration claim resolutions

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

#### **Resolution 1: remuneration from 28 September 2022 to 11 October 2022**

“That the current remuneration of the Liquidator from 28 September 2022 to 11 October 2022 is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as detailed in the Liquidator’s Remuneration Approval Report dated 12 October 2022 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$32,157.00 exclusive of GST, and that the Liquidator can draw the remuneration on a monthly basis or as required.”

#### **Resolution 2: remuneration from 12 October 2022 to the conclusion of the liquidation**

“That the future remuneration of the Liquidator from 12 October 2022 to completion is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as detailed in the Liquidator’s Remuneration Approval Report dated 12 October 2022 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$12,843.00 exclusive of GST, and that the Liquidator can draw the remuneration on a monthly basis or as required.”

### 3.2 Details of remuneration

The below tables sets out the predicted time charges to each major task area by staff members working on the liquidation for the period 28 September 2022 to the conclusion which is the basis of the Resolution 1 and 2 claims. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule A and B below.

### 3.3 Total remuneration reconciliation

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

## Part 4: Disbursements

Details of the type and calculation of disbursements are included in the attached initial remuneration notice. Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.

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

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

Approval of the payment of my internal disbursements at the rates detailed in the attached initial remuneration notice to a capped amount of \$2,000 exclusive of GST is being sought from creditors via a proposal without a meeting.

### **Resolution 3: internal disbursements**

“That the internal disbursements of the liquidator for the period 28 September 2022 to the conclusion of the liquidation at the rates outlined in the Remuneration Approval Report dated 12 October 2022 be capped at the amount of \$2,000 plus GST and can be drawn by the liquidator as required.”

### **Part 5: Likely impact on dividends**

The likelihood of a dividend being paid to creditors depends on the outcome of my investigations and any recoveries. A further notice will be sent to creditors prior to any dividend distribution.

### **Part 6: Remuneration Recoverable from External Sources**

At this stage the Liquidator has not received, and is not entitled to receive, any funding from external sources in respect of remuneration.

### **Part 7: Report on Progress of the Liquidation**

Please see the Liquidators' Report to Creditors dated 12 October 2022.

## Part 8: Summary of Receipts and Payments

There have been no receipts and payments in the liquidation to date.

## Part 9: Queries

If you have any queries in relation to the information in this report, please contact Anny Ngo on (02) 8020 5853 or via email at [anny@hogansproyles.com.au](mailto:anny@hogansproyles.com.au).

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

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors); and
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for “insolvency information sheets”).

## Part 10: Approval of remuneration and internal disbursements

At **Annexure D to F**, I have enclosed the following for your completion by **Friday 4 November 2022**:

- Voting slips for the Liquidator’s current and future remuneration;
- Voting slip for the Liquidator’s disbursements; and
- Proof of debt form.

In my report I am seeking creditors to vote via a proposal without a meeting on the following resolutions:

### Resolution 1: remuneration from 28 September 2022 to 11 October 2022

“That the current remuneration of the Liquidator from 28 September 2022 to 11 October 2022 is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as detailed in the Liquidator’s Remuneration Approval Report dated 12 October 2022 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$32,157.00 exclusive of GST, and that the Liquidator can draw the remuneration on a monthly basis or as required.”

### Resolution 2: remuneration from 12 October 2022 the conclusion of the liquidation

“That the future remuneration of the Liquidator from 12 October 2022 to completion is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as detailed in the Liquidator’s Remuneration Approval Report dated 12 October 2022 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$12,843.00 exclusive of GST, and that the Liquidator can draw the remuneration on a monthly basis or as required.”

AND

**Resolution 3: internal disbursements**

“That the internal disbursements of the liquidator for the period 28 September 2022 to the conclusion of the liquidation at the rates outlined in the Remuneration Approval Report dated 12 October 2022 be capped at the amount of \$2,000 plus GST and can be drawn by the liquidator as required.”

## Schedule A – Resolution 1 - Calculation of remuneration

Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 ("the Company")  
ACTUAL HOURS INCURRED FOR THE PERIOD 28 SEPTEMBER 2022 TO 11 OCTOBER 2022  
CALCULATION OF REMUNERATION

Employee	Position	\$ /hour	Total actual hours	Total (\$)	Task Area											
					Assets hrs	\$	Creditors hrs	\$	Employees hrs	\$	Trade On hrs	\$	Investigation hrs	\$	Administration hrs	\$
Brendan Copeland	Partner	595	31.8	18,921	10.6	6,307	-	-	2.3	1,369	16.1	9,580	2.8	1,666	-	-
Christian Sprowles	Partner	595	4.1	2,440	-	-	-	-	-	-	-	-	-	-	4.1	2,440
Anny Ngo	Senior Manager	500	4.0	2,000	-	-	-	-	-	-	-	-	3.7	1,850	0.3	150
Tony Nguyen	Supervisor	420	18.6	7,812	4.3	1,814	4.1	1,722	4.6	1,932	-	-	4.1	1,714	1.5	630
Christine Xiao	Analyst	240	0.4	96	-	-	-	-	-	-	-	-	0.2	48	0.2	48
Tom Farquhar	Analyst	240	0.7	168	-	-	-	-	0.6	144	-	-	-	-	0.1	24
Dominique Bui	Administration	120	6.0	720	-	-	-	-	-	-	-	-	-	-	6.0	720
<b>Total</b>			<b>65.6</b>	<b>32,157</b>	<b>14.9</b>	<b>8,121</b>	<b>4.1</b>	<b>1,722</b>	<b>7.5</b>	<b>3,445</b>	<b>16.1</b>	<b>9,580</b>	<b>10.8</b>	<b>5,278</b>	<b>12.2</b>	<b>4,012</b>
GST				3,216												
TOTAL (Including GST)				35,372												
Average hourly rate (Excluding GST)				490												

## Schedule B – Resolution 2 - Calculation of remuneration

Unreal Steel Pty Ltd (In Liquidation)  
A.C.N. 609 618 322 ("the Company")  
ESTIMATED HOURS FOR THE PERIOD 12 OCTOBER 2022 TO CONCLUSION OF THE LIQUIDATION  
CALCULATION OF REMUNERATION

Employee	Position	\$ /hour	Total actual hours	Total (\$)	Task Area											
					Assets hrs	\$	Creditors hrs	\$	Employees hrs	\$	Investigation hrs	\$	Administration hrs	\$		
Brendan Copeland	Partner	595	11.1	6,605	2.5	1,488	2.1	1,250	3.0	1,785	3.0	1,785	0.5	298		
Anny Ngo	Senior Manager	500	3.5	1,750	0.0	0	1.0	500	1.5	750	1.0	500	0.0	0		
Tony Nguyen	Supervisor	420	8.6	3,612	0.6	252	1.5	630	4.0	1,680	2.0	840	0.5	210		
Tom Farquhar	Analyst	240	1.0	240	0.0	0	0.5	120	0.5	120	0.0	0	0.0	0		
Dominique Bui	Administration	120	5.3	636	0.0	0	0.0	0	0.0	0	0.0	0	5.3	636		
<b>Total</b>			<b>29.5</b>	<b>12,843</b>	<b>3.1</b>	<b>1,740</b>	<b>5.1</b>	<b>2,500</b>	<b>9.0</b>	<b>4,335</b>	<b>6.0</b>	<b>3,125</b>	<b>6.3</b>	<b>1,144</b>		
GST				1,284												
TOTAL (Including GST)				14,127												
Average hourly rate (Excluding GST)				435												

## Schedule C – Resolution 1 - Table of major tasks for remuneration

The below table provides a description of the work which has been undertaken in each major task area during the course of the liquidation.

Task Area	General Description	Includes
<b>Assets</b> 14.9 hours \$8,121	Plant and Equipment	Liaising with valuers and interested parties Correspondence with director regarding plant and equipment
	Assets subject to specific charges	All tasks associated with realising a charged asset Liaising with secured interest parties
	Other assets	Tasks associated with realising other assets
<b>Creditors</b> 4.1 hours \$1,722	Creditor Enquiries	Receive and respond to creditor enquiries Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives
	Secured creditor reporting	Notifying PPSR registered creditors of appointment
	Creditor reports	Preparation statutory report to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend
	Proposals to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors
<b>Employees</b> 8 hours \$3,445	Employee enquiries	Review company books and records for employee entitlements Liaise with company director and staff regarding employee entitlements Receive and follow up employee enquiries Review and prepare correspondence to creditors and their representatives via facsimile, email and post Letters to employees regarding entitlements
	Calculation of entitlements	Reviewing employee files and company's books and records
<b>Trade On</b> 16.1 Hours \$9,580	Trade On Management	Liaising with suppliers Liaising with management and staff Attendance on site

Task Area	General Description	Includes
		Trade on management and managing trade on issues
Investigation 10.8 hours \$5,278	Conducting investigation Litigation/Recoveries	Contacted the Petitioning creditor's liquidator's office Contacted and corresponded with the Director Preparing correspondence to the Accountant requesting books & records Review and preparation of company nature and history Conducting and summarising statutory searches Correspondence with MYOB and access to account Investigation into the affairs of the company. Reviewing books and records and prepare creditors list Preparing correspondence to landlords
Administration 12.2 hours \$4,012	Document maintenance/fire review/checklist	Filing of documents File reviews Preparing correspondence to the Director Preparing day one notices re appointment
	Bank account administration	Requesting bank statements Correspondence with banks
	ASIC Forms and other forms	Preparing and lodging ASIC Forms including 505 and 507
	ATO and other statutory reporting	Notification of appointment Correspondence with ATO regarding lodgements and registration
	Planning / Review	Discussions regarding status of administration

## Schedule D – Resolution 2 - Table of major tasks for remuneration

The below table provides a description of the work which has been undertaken in each major task area during the course of the liquidation.

Task Area	General Description	Includes
Assets 3.1 hours \$1,740	Assets subject to specific charges	Correspondence to security interest holders Collecting information regarding the vehicles and the balances on the accounts Various correspondence with the Director regarding the vehicles in his possession Correspondence with Pickles regarding the collection of vehicles Realising the vehicles Dealing with proceeds of sale Attending to the payment in respect of the security interest

Task Area	General Description	Includes
	Other Assets	Tasks associated in dealing with other assets (if any)
<b>Employees</b> 9.0 hours \$4,335	Employee enquiries (if any)	Received and follow up employee enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via email and post Prepare letters to employees advising of their entitlements and options available Assist staff with FEG claims
	FEG	Correspondence with FEG Preparing notification spreadsheet Preparing FEG quotation Completing FEG questionnaire
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
<b>Creditors</b> 5.1 hours \$2,500	Creditor Enquiries, Requests & Directions	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparation statutory report to creditors Prepare investigations, meeting and general report to creditors Prepare estimated position and return to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Proposals to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
<b>Investigations</b> 6.0 hours \$3,125	Conducting investigations	Collection of company's books and records Reviewing company's books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and

Task Area	General Description	Includes
		<ul style="list-style-type: none"> <li>records and Report on Company Affairs and Property</li> <li>Review and preparation of company nature and history</li> <li>Conducting and summarising statutory searches</li> <li>Preparation of deficiency statement</li> <li>Review of specific transactions and liaising with directors regarding certain transactions</li> <li>Liaising with directors regarding certain transactions</li> <li>Preparation of investigation file</li> <li>Lodgement of investigation with the ASIC</li> <li>Consider and review related party loans and transactions</li> <li>Preparation and lodgement of investigation with the ASIC</li> <li>Preparation and lodgement of supplementary report if required</li> </ul>
	ASIC Reporting	<ul style="list-style-type: none"> <li>Preparing statutory investigation reports</li> <li>Preparing affidavits seeking non-lodgement assistance</li> <li>Liaising with ASIC</li> </ul>
<b>Administration</b> <b>6.3 hours</b> <b>\$1,144</b>	Correspondence	<ul style="list-style-type: none"> <li>With various stakeholders</li> <li>Liaise with director, solicitor and/or accountant to discuss financial position</li> </ul>
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>First month, then six monthly administration reviews</li> <li>Filing of documents</li> <li>File reviews</li> <li>Updating checklist</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Identification of potential issues requiring attention of insurance specialists</li> <li>Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>Reviewing insurance policies</li> <li>Correspondence with previous brokers</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>Preparing correspondence opening and closing accounts</li> <li>Requesting bank statements</li> <li>Bank account reconciliations</li> <li>Correspondence with bank regarding specific transfers</li> </ul>
	ASIC Forms and lodgements	<ul style="list-style-type: none"> <li>Preparing and lodging ASIC forms</li> <li>Correspondence with ASIC regarding statutory forms</li> </ul>

Task Area	General Description	Includes
	ATO and other statutory reporting	Notification of appointment Correspondence with ATO regarding lodgements and registration Notifying ATO of finalisation Cancelling AGN/GST/PAYG registration Request for information
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Recall records for investigations and collation of documents Sending job files to storage



Schedule of rates as @ 1 July 2022

Private & Confidential

Title	Description	Hourly rate (Excl. GST) (\$)
Partner	Registered liquidator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. experience. Leads engagements with full accountability for strategy and execution.	595
Director	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner.	550
Senior Manager	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.	500
Manager	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.	450
Supervisor	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements.	420
Senior Analyst 1	Generally degree qualified and undertaking Chartered Accountant's qualification. Controls certain tasks on small engagements and assists staff with completing tasks on medium to large engagements.	370
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	360
Analyst 1	Experienced graduate. Required to assists senior staff in completing tasks on small to large engagements.	310
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	240
Graduate	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.	215
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	190
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	190
Bookkeeper	Assist senior staff with accounting functions of engagement.	170
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	150
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	120