



**The Preview (NSW) Pty Ltd
(In Liquidation)
Formerly trading as Dose Espresso Café &
The Preview Cafe
A.C.N 613 549 965
("the Company")**

Statutory Report to creditors

19 October 2022

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Annexures

Annexure A	Informal Proof of debt form
Annexure B	Information Sheet – Creditor Rights in Liquidation

1. Executive Summary

1.1 Liquidator's appointment

I was appointed Liquidator of the Company on 19 July 2022 pursuant to a resolution passed by the Company's members.

This report should be read in conjunction with my initial report to creditors dated 2 August 2022.

1.2 Purpose of this report

The purpose of this report is to:

- provide you with an update on the progress of the liquidation;
- advise you of the likelihood of a dividend being paid in the liquidation; and
- seeking approval for Liquidator's remuneration and disbursements.

If you have not already done so, creditors are requested to complete and submit to this office a proof of debt form (attached as **Annexure A**).

Creditors have the right to request a meeting that complies with the guidelines set out in the ARITA information sheet "Creditors Rights in Liquidation" as attached as **Annexure B**. I do not propose to hold a meeting of creditors at this time.

1.3 Summary of investigations

Based on my review of the Company's books and records and investigations to date, I have identified the following recovery actions available for me to pursue. Further details of my investigations are detailed in section 5 of this report.

Offences/recovery action	Corporation Act	Parties	Claim (\$)
Unreasonable director related transactions	s588FDA	Nicholas Blair ("the Director") & Vincenzo Capozzi ("the Director")	Uncertain
Insolvent trading	s588G	N/A	Nil

2. Update on the Liquidation

2.1 Company Background

The Company was incorporated on 8 July 2016. In 2019 the Company purchased the business for \$440K and operated two café shops, Dose Espresso Café at 183-191 High Street, Willoughby NSW 2068 ("**Dose Cafe**") and The Preview Café at /51 Arthur Street, Forestville NSW 2087 ("**The Preview Cafe**").

The two businesses were sold to separate third parties prior to my appointment, with The Preview Café being sold in August 2019 and Dose Café being sold in July 2020. My investigations indicate that the sales appear to have been established at an arm's length with a third party for appropriate consideration. All known creditors at the time, being the trade creditors and director loans were repaid from the sale proceeds. Further information in relation to the sale is provided at Section 2.2.

Following the sale on 30 July 2021, the Company was issued with a notice from the State Insurance Regulatory Authority NSW ("SIRA") to produce details of any Workers Compensation policies that the Company had held. Without having held any Workers Compensation policies, the Company was issued on 22 April 2022, with a penalty notice from Revenue NSW for failure to obtain and maintain adequate workers compensation insurance for the period 30 July 2016 to 30 June 2021. The penalty incurred was \$71,099.64, being double the outstanding premium.

I understand that prior to my appointment, the Directors were unsuccessful in their attempts to negotiate a settlement with Revenue NSW that involved the payment of the outstanding premiums in full and a remission of the penalties.

With insufficient funds to repay the penalty in full, the Company subsequently appointed me as Liquidator and wound up the Company on 19 July 2022.

Below is a summary of the ASIC extract of the Company:

Company Details		
Registration Date	8 July 2016	
Registered Office	Hill, Rae & Embrey, Level 7, 2 Bulletin Place, Sydney NSW 2000	
Principal Place of Business	79 Hewlett Street, Bronte NSW 2024	
Director	Appointed	Ceased
Nicholas Blair	8 July 2016	-
Vincenzo Capozzi	8 July 2016	-
Secretary	Appointed	Ceased
Nicholas Blair	8 July 2016	-
Share Structure	Amount Paid	Amount Unpaid
100 Ordinary Share	\$100.00	\$0.00
Current Shareholders	Shares Held/Type	Fully Paid
Nicholas Blair	50	Yes
Vincenzo Capozzi	50	Yes

2.2 Sale of Business

On 5 August 2019, the Company sold the Preview Café to Quality Select Pty Ltd for an amount of \$40,500.00 ("the Preview Purchaser"). According to the business sale agreement, the sale included:

- Fixture and fittings
- Plant and equipment
- Stocks
- Goodwill

- Facebook site
- Instagram account

Subsequently on 29 July 2020, the Company entered a contract with LLY Prosperity Pty Ltd (“**the Dose Purchaser**”) to sell the Dose Espresso Cafe for a pre-adjustment consideration of \$440,000. According to the business sale agreement, the sale included:

- The goodwill of the business
- The equipment of the business

The Dose Purchaser entered a new lease agreement with the landlord for the Premises, and the remaining \$44,000 security deposit was returned to the Company.

My investigations indicate that the sales appear to have been conducted at an arm’s length to a third party for appropriate consideration. The proceeds from the business sales were applied towards the known creditors at the time.

2.3 Progress of the Liquidation

Since the date of my appointment, I have attended to the following matters:

- I received a completed a Report on Company Affairs and Property (“**RoCAP**”) from the Director.
- I was provided access to the Company’s accounting system, Xero.
- Requested documents of the Company’s books and records from the director and the Company’s accountant.
- Obtained information regarding the Company from the Australian Taxation Office pursuant to Freedom of Information Act.
- Conducted my preliminary investigations into the affairs of the business and potential voidable transactions that are available to the liquidator

3. Estimated Position Statement

Below is a summary of the assets and liabilities extracted from the directors Report on Company Affairs and Property (“RoCAP”) and my estimate of the likely realisable value of the Company’s assets and liabilities.

Estimated Position	Notes	ROCAP ERV (\$)	Liquidation ERV (\$)
Assets Subject to Security Interest			
Secured creditor & PPSR	3.1	(30,419)	10,000
Total surplus/deficiency for specific secured creditors		(30,419)	10,000
Assets			
Cash at Bank	3.2	Nil	Nil
Plant and equipment	3.3	Nil	Nil
Voidable transactions	3.4	-	TBA
Liabilities			
Less: Approved Appointees Fees and disbursements	3.5	-	12,100
Total surplus/deficiency for priority creditors		-	(2,100)
Less : Employee Entitlements	3.6	Nil	Nil
Total surplus/deficiency to unsecured creditors		-	TBC
Unsecured creditors	3.7		
Revenue NSW - Workers Compensation		67,893	67,893
Related Parties			
Loan - Vincenzo Capozzi		5,000	5,000
Loan - Nicolas Blair		5,000	5,000
Total Unsecured Creditors		79,598	79,598
Total surplus/deficiency before costs		(79,598)	TBC

Notes

Note 1 Secured Interest Parties

The Company’s ASIC Search revealed that there are three (3) secured interest registered under the name of the Company. The status is provided below:

Secured party group	Registration	Collateral	Status
Gabriel Coffee	202001140056684	Other goods	Discharged on 20 July 2022
Metro Finance	201807170363674	Motor vehicle	No Liability
Water Vend Pty Ltd	201805110043120	Other goods	Discharged on 28 July 2022

The Metro Finance security relates to a 2017 BMW Series 3 with a payout of \$30,419.20. The lease was transferred to the director, Mr Blair shortly following my appointment. Based on my investigations, the equity in relation to the vehicle is circa \$10,000 less realisation costs.

The sum of \$10,000 for the net value of the motor vehicle has been offset against the upfront payment from the Directors as consideration for the transfer of the vehicle.

Note 2 Cash at Bank

I understand the Company held four (4) accounts with the Australia and New Zealand Bank Group (“ANZ”). At the date of my appointment, the balance for the account is \$13.41 and has been transferred to the Liquidators nominated account.

Note 3 Plant and Equipment

Based on my investigations, all the Company’s assets including plant and equipment were transferred upon the sale of the business in 2020.

Note 4 Voidable Transactions

Please refer to section 5 of this report.

Note 5 Liquidators’ Costs

On 24 August 2022, I received remuneration and disbursements approval from the creditors via proposal without a meeting of \$10,000 and \$1,000 excluding GST respectively. At this stage, I will not be seeking further approval of fees from creditors.

Note 6 Priority Creditors (Employee Entitlements) Distribution

Employees claims are afforded priority over the claims of other unsecured creditors pursuant to section 556 of the Act and the circulating security interests held by secured creditors pursuant to section 561 of the ACT.

My investigations revealed that all outstanding employee entitlements have been paid in full.

Note 7 Unsecured Creditors

My investigations and proof of debts received to date consist of the following creditors:

Creditors	Projected Claim (\$)
NSW Revenue	67,893
Hill, Rae & Embrey	1,705
Vincenzo Capozzi	5,000
Nicholas Blair	5,000
Total	79,598

The Company’s records indicated that there are 4 ordinary unsecured creditors with claims estimated at \$79,598 of which two (2) related creditor’s totalling \$10,000.

4. Financial Analysis

Below are the Company's prepared financials for FY19 to FY21. Following the sale of the business during FY21, the Xero accounts closed. As such there were no financial records maintained from 1 July 2021 to the date of my appointment.

4.1 Profit and Loss

Profit and Loss	FY19 (\$)	FY20 (\$)	FY21 (\$)
Operating Income			
Sales	1,703,454	1,351,944	508,383
<i>Less: Cost of sales</i>	738,912	548,598	178,586
Gross Profit	964,542	803,346	329,797
<i>Gross Margin</i>	<i>57%</i>	<i>59%</i>	<i>65%</i>
Other Income			
Capital gain (loss) on sale of asset	-	(66,660)	12,691
JobKeeper	-	54,000	117,000
Cash flow boost	-	31,495	46,405
	964,542	18,835	176,096
Total Income		822,181	505,894
Operating Expenses			
Accountancy fees	15,095	9,350	22,145
Electricity fees	36,786	24,858	7,654
Rent	152,553	128,318	36,951
Salaries & wages	644,559	541,049	306,989
Superannuation contribution	58,514	41,663	11,507
Others	62,456	35,335	14,866
	969,964	780,573	400,113
EBITDA	-5,421	41,608	105,781
Less: Interest expenses	8,388	1,069	-
Less: Depreciation expense	16,549	9,697	-
Less: Rates & taxes	2,525	100	-
Less: Income tax expense	-	3,136	(12,193)
Net Profit/(Loss)	(32,883)	27,606	93,588

My Comments on the comparative profit and loss statement is as follows:

- The Company generated sales from trading the two café shops, the Preview Café and Dose Espresso Cafe at their respective premises.
- The Company maintained a steady growing gross margin from 57% in FY19 to 65% in FY21.
- The reduction in sales in FY21 was due to the closure of the Preview Café and the impact of Covid-19 restrictions on restaurants.

- The Company operated at a net profit during FY20 and FY21 however this was largely attributed to the government support income received in response to the Covid-19 pandemic. During FY20 and FY21, the Company received a total of \$248K in JobKeeper payment and cash flows boost from the ATO. Without this payment the Company would have operated at a loss in FY20 and FY21.
- The Company's major operating expenses during FY19 to FY21 were wages and rental fees, which comprised of 71% and 14% of the total costs, respectively.
- In July 2020, the Company sold the Dose Espresso Cafe for \$440,000 with the sale being completed and finalised in November 2020.

4.2 Balance Sheet

Balance Sheet	FY18 (\$)	FY19 (\$)	FY20 (\$)	FY21 (\$)
Current Assets				
Bank account	171,051	35,650	41,578	56,106
Other current assets-prepayment	-	9,744	9,011	577
	171,051	45,394	50,589	56,683
Non-current Assets				
Property, plant and equipment	70,919	183,102	136,791	-
Investments	445,614	445,614	391,614	-
Trade and other receivables/rental bond	33,951	33,951	33,951	-
	550,484	662,667	562,356	-
Total Assets	721,534	708,061	612,945	56,683
Current Liabilities				
Super payable	15,468	26,497	-	-
Trade creditors	275	12,400	164,458	7,015
GST Collected	33,767	33,767	-	-
Wages payable	-	7,111	-	-
Hire purchase liability	-	96,186	-	-
Amounts withheld from salary wages	15,247	22,322	-	-
Provision	1,405	-	3,136	(2)
	66,163	198,282	167,593	7,013
Non-current Liabilities				
Associated loans				
Nicholas Blair	155,755	163,637	155,637	1,006
Vincent Capozzi	365,510	266,432	310,884	1,006
ANZ	150,000	128,486	-	-
	671,265	558,555	466,521	2,012
Total Liabilities	737,428	756,837	634,114	9,024
Net Assets	(15,893)	(48,776)	(21,169)	47,659

My comments on the comparative Balance Sheet are as follows:

- The Company was asset deficit during FY18 to FY20.

- Review of the records shows that the Company has paid off its statutory debts and employees' entitlement in FY20.
- According to the Company's FY18 to FY21 balance sheet, the Directors has provided \$521K loan to the Company in support of its working capital. The loan balance has been reduced to \$2K in FY21.
- The Company's FY21 balance sheet recorded no assets as the business was sold in July 2020.

5. Investigations

5.1 Company books and records

Liquidators are required to provide an opinion as to whether the Company's books and records are maintained in accordance with Section 286 of the Act for a period of seven years. The Act requires that a company maintain financial records that correctly record and explain its transactions, financial position and performance, and enable true and fair financial statements to be prepared.

Failure to maintain books and records may 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.

I have obtained from Xero, access to the management accounts in relation to the Preview Cafe. Based on the information from the Accountant, the Company also maintained a separate Xero file for Dose Cafe. I have been unable to recover this Xero file, however based on the information provided by the Accountant, it was being maintained up to the date of the sale of the business.

To date, I have been provided with the following books and records:

- Completed Report on Company Activities and Property ("RoCAP");
- Company's financial statements prepared by the Accountant for financial years (FY) 2017 to 2021;
- Copy of the Company's constitution;
- Xero management accounts for the Preview Cafe;
- Bank statements provided by ANZ;
- Australia Taxation Office ("ATO") documentation including STP lodgement; and the Integrated Client Account statements;
- ATO correspondence
- Tax returns for FY20 and FY21
- Contract and invoices in relation to the purchase and sale of the business; and
- General ledgers for FY17 to FY21

Given the above, I am of the view that the Company's books and records has been kept in a manner that complies with Section 286 of the Act.

5.2 Reasons for Failure

The Director has disclosed in the completed RoCAP that the reason for the business's failure was due to an oversight in obtaining workers compensation, closure of the business and insufficient funds to pay outstanding premium.

Based on my investigations, the Director's reasons for the failure of the business appear to be reasonable.

5.3 Recoveries, offences and voidable transactions

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

Pursuant to Part 5.8B of the Act, a 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, I have conducted the following preliminary investigations in relation to recoveries, offences and voidable transactions:

- Review books and records to determine whether any creditors have been preferred over the general body of creditors as a result of any transaction during the relation back period, being 19 July January to 19 July 2022.
- Review the movement of related party loan accounts 4 years prior to the appointment of the liquidator to identify any related parties preference payment;
- Investigation into insolvent trading claim;
- Investigations into the Director's misconducts and breaches of directors duties;

Based on my review of the Company's books and records, I am of the view that the Company was insolvent during late FY 2019 and early FY20. Please refer to section 5.4 for insolvency analysis.

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, being 19 January 2022 to 19 July 2022.

There are a range of defences that may be available, and it would be necessary to establish that the Company was insolvent at the time the payments were made, and the recipient had reasonable grounds for suspecting that the Company was insolvent at that time or would become insolvent.

Based on my review of the Company's books and records available to date, I have not identified any transactions that would be subject to this Section of the Act.

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 my review of the Company's books and records available to date, I 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 my review of the Company's books and records available to date, I 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 my review of the Company's books and records available to date, I have not identified any transactions that would be subject to this Section of the Act.

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 or entered during the 4 years ending on the relation back day, being 19 July 2022.

The Company's balance sheet disclosed a reduction of the Director's loan balance from \$521K in FY18 to \$2K in FY21. The loans were repaid from the funds obtained from the sale of the businesses. Given all other known creditors were repaid following the sales, the repayment of loans would not constitute transactions that would be subject to this section of the Act.

In January 2022, the Directors, Mr Blair and Mr Mr Capozzi withdrew \$46K from the Company's bank account, reducing the remaining balance of the Directors' loan accounts to nil. As at this date, the Company had not received the penalty notice from Revenue NSW, however they would have been aware since July 2021 that that SIRA were conducting a review in relation to the Company's outstanding Workers Compensation obligations. As such, the payment may be a transaction subject to this section of the Act.

The likelihood of a recovery from these transactions is uncertain and given the quantum of the claim, it appears that it would be uncommercial to pursue this claim. Creditors will be notified should there be any material updates.

5.4 Insolvent Trading (Section 588G)

Section 588G of the Act provides that a company's director(s) has a duty to protect a 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 is 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

Indicators of Insolvency

I am of the view that the Company became insolvent on or around March 2022 having regard to the statutory definition of Solvency pursuant to section 95A(1), section 286 and 588E of the Act and the information available to date.

a) Presumption of Insolvency

Pursuant to Section 286 of the Act, the Company is required to maintain financial records that would:

- correctly record and explain its transactions and financial position and performance; and
- would enable true and fair financial statements to be prepared and audited for the period of 7 years.

Failure to maintain sufficient books and records will give rise to presumption of insolvency throughout the period. As mentioned in section 5.1 above, the Company's books and records have been maintained in compliance with Section 286 of the Act.

It is in my opinion that the Company became insolvent on or around March 2022, shortly after the Company received the penalty notice from SIRA; for the reasons below:

- All known creditors, aside from the related party loans were repaid following the sale of the businesses.
- After the businesses were sold, the Company ceased to trade and did not incur any further liabilities, aside from the Revenue NSW debt that the Company was not aware of at the time.

5.4.1 Insolvent Trading Quantum/Claim

- On 24 March 2020, the Coronavirus Economic Response Package Omnibus Bill 2020 was implemented and specifically section 588GAAA was introduced into the Corporations Act 2001 temporary relief for financially distressed businesses. This amendment provides relief for directors from potential personal liability for insolvent trading.
- On 7 September 2020, the Australian Government announced that the temporary relief would be extended until 31 December 2020. Accordingly, the liquidator will not have any ability to pursue the director for insolvent trading for this period.
- Pursuant to section 588GAAA(i) the director would be protected from any insolvent trading claim for any debt incurred in the ordinary course of business during the relief period.
- Accordingly, are granted relief from personal liability for insolvent trading pursuant to the Coronavirus Economic Response Package Omnibus Bill 2020 and section 588GAAA of the Act

As the Company was trading solvently prior to the sale of the business in July 2020 and the relief granted to director pursuant to section 588GAAA of the Act, as such there is no insolvent trading claim against the Directors.

5.4.2 Insolvent Trading Defences

There are several defences available to a director 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 the payment was made.
- 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.

When making my assessment of the Company's insolvency I would also consider the 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, 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/her assets, to meet his/her debts as they fall due which indicates insolvency.

Director's personal financial position

The following shows the Directors directorship held according to ASIC searches.

Nicholas Blair

Company	Position	Commenced	Ceased
The Preview (NSW) Pty Ltd	Director & Secretary	7 August 2016	-

Vincenzo Capozzi

Company	Position	Commenced	Ceased
The Preview (NSW) Pty Ltd	Director	7 August 2016	-
V Caapozzi Family Holdings Pty Ltd	Director & Secretary	11 July 2013	-

Shareholdings	Shares	Fully Paid	Status
V Caapozzi Family Holdings Pty Ltd	100 Ord Shares	Yes	Current

Based on my review of the records disclosed that the Directors and property ownership searches, Mr Capozzi is the joint owner of a property in NSW subject to a mortgage with CBA and Mr Blair currently owns two properties, with one being jointly owned and subject to a mortgage with Westpac and the other being solely owned and subject to a mortgage with ANZ.

5.5 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 Director's 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

Section 180 – Care and Diligence

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.

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. My investigations and enquiries as at the date of this report does not identify any breaches of this section of the Act.

Section 181 – Good Faith

Pursuant to Section 181 of the Act, a director or other officer of a corporation must exercise their powers and discharge their duties:

- a) in good faith in the best interest of the corporation; and
- b) for a proper purpose

My investigations and enquiries as at the date of this report does not identify any breaches of this section of the Act.

Section 182 – Use of Position

Pursuant to Section 182 of the Act, a director or other officer or employee of a corporation must not improperly use their position to:

- a) Gain advantage for themselves or someone else; or
- b) Cause detriment to the corporation.

Further to the points outlined in this report, my investigations into the nature and history of Company are ongoing to identify any personal advantages and detriments to the Company.

If creditors have any information which may assist my investigations, please email Christine Xiao of my office at cxiao@hogansprowles.com.au or by phone on 02 8020 5858.

6. Receipts and Payments

Following are the receipts and payments in the liquidation to date:

Receipts and Payments For the period 19 July 2022 to 19 October 2022	
Receipts	\$ incl GST
Pre-appointment cash at bank	10,000
Funds advanced by director	<u>13.41</u>
Total Receipts	10,013
Payments	
Liquidator's remuneration	9,866.68
Liquidator's disbursements	<u>146.73</u>
Total Payments	10,013
Cash at Bank	NIL

7. Costs of the Liquidation

Following my previous report to creditors 2 August 2022, the remuneration of \$10,000 (excl GST) and internal disbursements of \$1,000 (excl GST) were approved by creditors on 24 August 2022.

At this stage I do not propose to seek any further remuneration approval.

8. What happens next?

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

- Proceed with recovery actions as identified in the report;
- Finalising my investigations;
- Completing my reporting to the corporate insolvency regulator, ASIC; and
- Any other matters relevant to the liquidation.

If I 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**, I will hold a meeting of creditors.

As I am currently unfunded in the liquidation, it is likely that funding would be required to pursue any potential recoveries. Should any creditors wish to provide funding, please contact my office.

If creditors have any further information that would assist in my investigation or wish to fund the liquidation, please contact Christine Xiao of this office on (02) 8020 5858 or by email on cxiao@hogansprowles.com.au.

I anticipate completing this liquidation within the next three (3) to six (6) months.

9. 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”).

If you have any queries, you can contact my office and speak with Christine Xiao of this office on (02) 8020 5858 or by email on cxiao@hogansprowles.com.au.

Yours faithfully

The Preview (NSW) Pty Ltd (In Liquidation)



Michael Hogan
Liquidator

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

The Preview NSW Pty Ltd (In Liquidation)
Formerly trading as Dose Espresso Café & The Preview Cafe
A.C.N. 613 549 965 ("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:

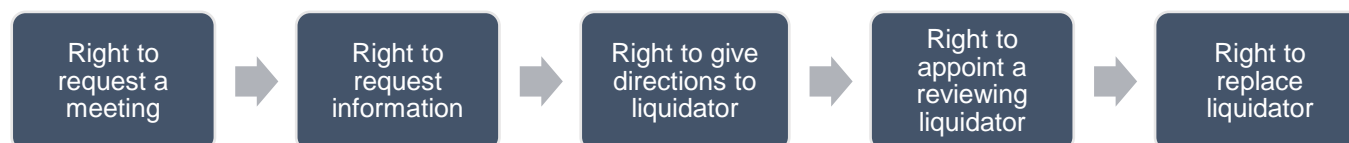
- a. his or her claim has been admitted, wholly or in part, by the Liquidator; or
b. he or she has lodged with the Liquidator particulars of the debt or claim, or if required, a formal proof of debt.

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.

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.

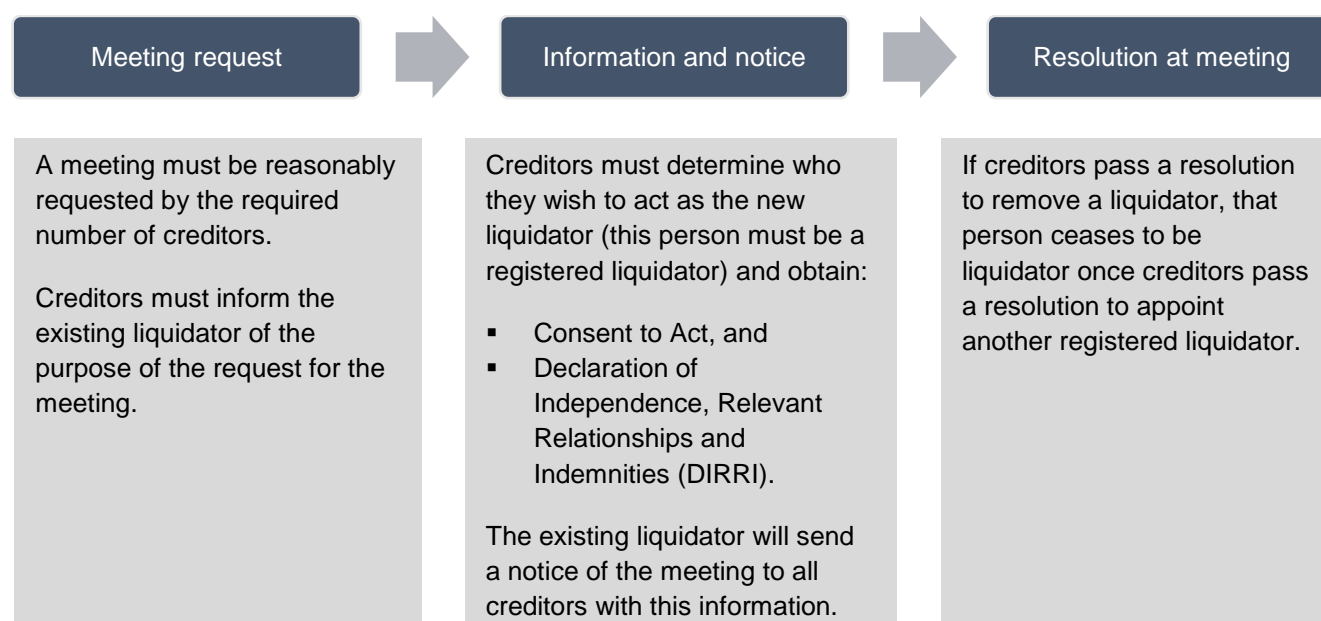
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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