



**Tataki 'Aho – Dawn Light Company Pty Ltd (In Liquidation)
Trading As Tyre Runner Express
A.C.N. 619 444 647
("the Company")**

hogan  **sprolles**

Statutory Report to creditors

22 December 2022

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ABBREVIATIONS

Accountant	Float Accounting & Advisory
Act	Corporations Act 2001
ALLPAP	All Present And After- Acquired Property – No Exceptions
ANZ	Australia and New Zealand Bank Limited
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Company	Tataki 'Aho – Dawn Light Company Pty Ltd (In Liquidation)
Director	Vaisima Liu
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
ERV	Estimated Realisable Value
FY	Financial Year ended
IPR	Insolvency Practice Rules
K	'000'
Liquidator	Brendan Copeland
Mil	Million
Petitioning Creditor	Bizcap AU Pty Ltd
PPSA	Personal Property Securities Act 2009
PPSR	Personal Property and Securities Register
RoCAP	Report on Company Activities and Property
Petitioning Creditor's Solicitor	Hilton Bradley Lawyers
TBA	To Be Advised
TBC	To be Concluded
YTD	Year To Date

1 Executive Summary

1.1 Liquidator's appointment

I was appointed Liquidator of the Company on 28 September 2022, pursuant to an order made by the Supreme Court of Victoria. The petitioning creditor is Bizcap AU Pty Ltd A.C.N. 633 927 090 (“**Petitioning Creditor**”).

This report should be read in conjunction with my initial report to creditors dated 21 October 2022. If a creditor requires a copy of the previous report, please contact Anny Ngo of this office at anny@hogansproawles.com.au.

1.2 Purpose of this report

The purpose of this report is to:

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

If creditor have not already done so, you 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” (attached as **Annexure B**). I do not propose to hold a meeting of creditors at this time.

I expect to have completed this liquidation within six (6) months.

1.3 Estimated return to creditors

There are insufficient assets available in the liquidation. A dividend to unsecured creditors is reliant on the recoveries from voidable transactions and insolvent trading claim. At this stage, it is unlikely that a dividend will be paid in the liquidation to priority and unsecured creditors.

If a dividend is going to be paid, creditors will be contacted before it happens and if they have not already done so, creditors will be asked to lodge a proof of debt. This formalises creditors’ claims in the liquidation and is used to determine all claims against the Company.

1.4 Summary of investigations

I am currently conducting investigating into the Company’s affairs and the possible offences committed by Vaisima Liu (“**the Director**”). A summary of the offences and recovery action is indicated below:

Offences / recovery action	Corporations Act	Parties	Claim (\$)
Insolvent Trading	S588G	Director	Uncertain
Voidable transactions	S.588FD, S.588FDA and S.588FE(4)	Director	Uncertain

My investigations to date revealed that the Company was insolvent since January 2019, being the date the Director took control of the Company.

With the above recovery actions established, I will need to assess the commercial viability and the cost benefit of pursuing these actions. Further details in section 4 of this report.

Any offences will be reported to the Australian Security and Investments Commission (“ASIC”) in a confidential report issued pursuant to section 533 of the Corporations Act 2001 (“the Act”).

1.5 Declaration of Independence, Relevant Relationships and Indemnities

My initial report to creditors included a Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) signed by me as Liquidator of the Company. There have been no changes to the position of the DIRRI.

2 Update on the Liquidation

2.1 Background

I provide a summary again of the information available from ASIC search conducted for the Company:

Company Details		
Registration Date	31 May 2017	
Current Registered Office	Unit 2, 59 Sunline Drive, Truganina VIC 3029	
Current Principal Place of Business	Unit 2, 59 Sunline Drive, Truganina VIC 3029	
Director	Appointed	Ceased
Vaisima Liu	1 January 2019	-
Nika Maree Liu	31 May 2017	1 January 2019
Secretary	Appointed	Ceased
Vaisima Liu	1 January 2019	-
Share Structure	Amount Paid	Amount Unpaid
1000 Ordinary Shares	\$5,000.00	\$0.00
Current Shareholders	Shares Held/Type	Fully Paid
Vaisima Liu	500 Ordinary Shares	Yes
Nika Liu	500 Ordinary Shares	Yes

2.2 Progress of the Liquidation

Please refer to my initial report to creditors dated 21 October 2022 in relation to tasks previously undertaken since my appointment.

Below is a summary of the tasks undertaken since my previous report to creditors:

- Disclaimed the plant and equipment of the Company;
- Disclaimed the lease at Unit 2, 59 Sunline Drive, Truganina VIC 3029;
- Realisation of one vehicle of the Company;

- Correspondence issued to Float Accounting & Advisory (“**the Accountant**”) requesting the delivery of the Company’s books and records;
- Reviewed Company’s books and records received;
- Conducted investigation into the Company’s affairs; and
- Corresponded with the Director regarding the affairs of the business.

Further investigations are currently being conducted in respect of the affairs of the Company. Details of the RoCAP submitted by the Director and Company books and records received are disclosed in the sections below.

2.3 Books & Records

To date, I have received the following books and records from the Director and third parties:

- Completed Report of Company Activities and Property (“**RoCAP**”);
- XERO Management Accounts for FY19 to FY22;
- Documentation received from the petitioning creditor’s lawyers; and
- Limited Payroll records.

In my opinion the following records including but not limited to, should have also been maintained:

- Financial statements and tax return for FY18, FY19, FY20, FY21 and FY22;
- Financial records for the period from 1 July 2017 onwards;
- ATO Documentation;
- Bank reconciliation reports;
- Contracts/Agreements;
- Invoices and receipts;
- Correspondence with stakeholders;
- Customer schedule with works completed or pending;
- Business Activity Statements;
- Correspondence from creditors;
- Chattel Mortgage agreements; and
- Loan agreements.

Given the above, it is in my opinion that the Company has not properly maintained its books and records as per Section 286 of the Act. 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. The result of my investigations will be reported in my confidential report to ASIC.

2.4 Report on Company Activities and Property (“RoCAP”)

The Act requires the Director to provide to me with a completed RoCAP, detailing the financial position of the Company at the date of my appointment.

Below is a summary of the information provided in the Director’s RoCAP and the estimated realisable value (“**ERV**”) as per my investigations:

	Notes	RoCAP (\$)	Liquidator's ERV (\$)
Assets			
Cash at Bank	1	Nil	18,161
Motor Vehicles	2	Nil	3,788
Plant and Equipment	3	Nil	Nil
Total Assets		Nil	21,949
Liabilities			
Less: Secured Creditors	4	Nil	TBC
Priority Creditors - Employees	5	28,000	3,500
Unsecured Creditors	6	341,400	366,088
Total Liabilities		369,400	369,588
Estimated Surplus/Deficiency		(369,400)	(347,639)

2.4.1 Assets

1. Cash at bank

As advised in my previous report to creditors, since my appointment, I notified all banks and received correspondence from ANZ. I have assumed control of the Company's bank account with ANZ and realised funds in the sum of \$18,161 in relation to pre-appointment cash and outstanding debtors.

2. Motor Vehicles

Since my previous report to creditors, I have sold a 2007 Prime Mover owned by the Company for \$10,000 less \$6,212 to Progressive Rentals who hold a lien on the vehicle for outstanding repair costs to the vehicle. The proceeds of \$3,788 were paid to the liquidator's bank account.

The remaining vehicles have been disclaimed as they held no equity and would not provide a return to any class of creditors.

3. Plant and Equipment

On appointment I engaged Liquid Asset Management ("the Valuer") to value all the Company's plant and equipment. I have been advised by the Valuer that there is no equity in the Company's plant and equipment and uncommercial to realise. The plant and equipment consisted of aged forklifts which have been disclaimed. The Company office equipment had no commercial value.

2.4.2 Liabilities

4. 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	Status
3 parties	201908300037647	Other Goods	30 Aug 2019	
Fork Force Australia Pty Ltd	201909200052800	Motor Vehicle	20 Sept 2019	Disclaimed
Fork Force Australia Pty Ltd	201909230005745	Other Goods	23 Sept 2019	Disclaimed
Lindon Smith	202010020039501	Motor Vehicle	2 Oct 2020	Disclaimed
Bizcap Au Pty Ltd	202010090014657	ALLPAP	9 Oct 2020	
Bizcap Au Pty Ltd	202010090014661	Account	9 Oct 2020	
Lindon Smith	202103250040837	Motor Vehicle	25 Mar 2021	Disclaimed
Lindon Smith	202103250041108	Motor Vehicle	25 Mar 2021	Disclaimed
Lindon Smith	202105260049483	Motor Vehicle	26 May 2021	Disclaimed
Lindon Smith	202105260049579	Motor Vehicle	26 May 2021	Disclaimed
Bizfund Pty Limited	202109170046973	ALLPAP	17 Sept 2021	
Bizfund Pty Limited	202109170047266	Motor Vehicle	17 Sept 2021	
Lindon Smith	202206210061173	Motor Vehicle	21 June 2022	Disclaimed
Lindon Smith	202206210061346	Motor Vehicle	21 June 2022	Disclaimed
Lindon Smith	202206210061978	Motor Vehicle	21 June 2022	Disclaimed

5. Employees

The Director has disclosed in his RoCAP that the following entitlements were owed to one related employee as at the date of my appointment for unpaid wages and superannuation totalling \$28,000.

Pursuant to section 556 of the Act, the priority awarded to related party employee entitlements are capped at \$2,000 for wages and superannuation and \$1,500 for annual leave and retrenchment entitlements. The employee entitlements in each scenario excludes related parties' ordinary unsecured component.

The abovementioned amount is subject to change pending further review of the Company books and records and the Proof of Debts received from the former employee.

6. Unsecured Creditors

The completed RoCAP and claims received to date disclose the following creditors of the Company:

Creditors	Amount (\$)
Air Liquide	Unknown
Allianz Australia Workers' Compensation (Victoria) Limited	105,580
ATO	Unknown
Bizcap AU Pty Ltd	120,770
Cleanaway Waste Management Ltd	285
Essential Solutions Australia Pty Ltd	283
Fork Force	Unknown
Geoffrey Buttigieg	16,500
Lindon James Smith	122,670
Total	366,088

I advise the above creditors list and amount may increase pending on receipt of proof of debts from creditors and further investigations.

I note I have yet to receive a proof of debt form from the ATO and the ATO has yet to provide me with access to the business portal to confirm the debt owing.

My investigations in respect of the assets and liabilities position are continuing. Creditors will be notified should there be any material updates.

Should you be aware of any other creditors, please contact my office for further information.

3 Financial Records

As at the date of this report, I have not received any financial statements for the Company. I have been provided access to the Company's accounting system XERO and have been able to extract limited financial information to form the basis of my analysis. It appears the management accounts do not reflect the true financial position of the Company. Accordingly, my comments and analysis is limited.

The financial reports I have extracted is for the periods FY18 to FY22.

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3.1 Profit and Loss Statement

Profit and Loss	FY19	FY20	FY21	FY22
	(\$)	(\$)	(\$)	(\$)
Operating Income				
Service Income	1,747,906	2,694,182	3,222,124	2,795,008
Less: Cost of sales				
Contractors	183,529	1,026,829	1,334,887	704,767
Superannuation	49,278	24,446	16,701	9,969
Wages and Salaries	672,855	339,733	206,327	107,056
Other COGS	58,708	3,439	1,665	846
Total COGS	964,369	1,394,447	1,559,579	822,637
Less: Transport Costs				
Hire - Trucks and vehicles	109,403	157,356	106,792	100,562
Operating leases	81,100	186,639	246,274	367,306
Truck & vehicle expenses & maintenance	732,498	809,625	891,071	835,291
Total Transport Costs	923,000	1,153,620	1,244,137	1,303,158
Gross Profit	-139,464	146,114	418,408	669,212
Gross Margin	-7.98%	5.42%	12.99%	23.94%
Other Income				
Government Grants	4,275	53,853	160,364	(17,404)
Fuel Tax credits	127,861	122,770	145,236	157,626
Total Other Income	132,136	176,623	305,600	140,222
Operating Expense				
Accounting & Bookkeeping	3,891 2%	41,655 17%	0 0%	0 0%
Bank fees	595 0%	526 0%	1,464 0%	14,110 2%
Hire - Forklift & fencing	6,458 4%	11,912 5%	1,926 0%	5,850 1%
Insurance	23,666 14%	8,016 3%	16,178 3%	625 0%
Legal & Consulting costs	6,927 4%	13,229 6%	20,564 4%	11,018 2%
Office expenses	214 0%	775 0%	2,532 0%	11,628 2%
Rent & Outgoings	61,407 37%	60,852 26%	60,641 12%	65,606 11%
Staff amenities	11,208 7%	3,181 1%	1,794 0%	3,782 1%
Sundry Expenses	0 0%	18,091 8%	331,033 64%	297,044 48%
Superannuation - ATO	0 0%	0 0%	0 0%	187,052 30%
Telephone & Internet	8,713 5%	16,717 7%	5,468 1%	3,813 1%
Tools and equipment	12,541 8%	1,063 0%	3,998 1%	5,176 1%
Wages & Salaries - Directors & Associates	0 0%	38,555 16%	61,090 12%	0 0%
Other Expenses	29,169 18%	23,927 10%	11,743 2%	8,357 1%
	164,790	238,498	518,431	614,060
EBITDA	(172,118)	84,240	205,577	195,373
Adjustments				
Less: Government Grants	53,853	160,364	(17,404)	0
Net Profit/(Loss)	(225,972)	(76,124)	222,981	195,373

My comments for the above are as follows:

- The Company provided mobile tyre replacement services. The Company ceased trading as at the date of my appointment.
- The Company was loss making in FY19 and FY20 totalling \$302K without the government grants.
- There was a significant reduction in wages and salaries (COGS) between FY19 and FY22 from \$672K to \$107K.
- The Company's gross margin increased from 5.4% in FY20 to 23.94% in FY22.
- Further investigations into the allocation of "sundry expenses" is required which made up of payments/withdrawals by the director and related employee totalling \$628K in FY21 and FY22.

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3.2 Balance Sheet

Balance Sheet	FY19	FY20	FY21	FY22
	(\$)	(\$)	(\$)	(\$)
Current Assets				
Cash at bank	22,279	(89)	19,176	73,979
Accounts Receivable	75,233	132,958	109,241	59,353
Cash on hand	1,000	1,000	1,000	1,000
	98,512	133,869	129,417	134,332
Fixed Assets				
Motor Vehicles	13,818	13,818	54,273	58,818
Less Accumulated Depreciation	(28,363)	(28,363)	(28,363)	(28,363)
Plant & Equipment > \$300	20,909	20,909	40,131	82,127
	6,364	6,364	66,040	112,582
Non Current Assets				
Bonds	14,167	18,135	18,135	18,135
Formation Costs	700	700	700	700
Less Accumulated Amortisation	(700)	(700)	(700)	(700)
	14,167	18,135	18,135	18,135
Total Assets	119,042	158,368	213,592	265,049
Current Liabilities				
Accounts Payable	166,255	111,179	78,405	52,510
GST Payable	33,056	70,673	29,237	48,605
Other Creditors - Jobkeeper	0	0	0	17,404
PAYG Withholdings Payable	0	9,210	6,338	8,540
Superannuation Payable	27,221	51,667	68,368	198,163
Wages Payable - Payroll	4,867	(7,498)	11,610	46,091
	231,398	235,231	193,958	371,314
Non Current Liabilities				
Loan - ANZ Start-up	(1,965)	(6,420)	(10,320)	(14,677)
Loan - Bizcap	0	36,444	(81,512)	(325,977)
Loan - Trucap	0	0	12,776	(59,675)
Directors Loan - Vasima	80,736	0	0	0
	78,771	30,024	(79,056)	(400,328)
Total Liabilities	310,169	265,255	114,902	(29,015)
Net Assets	(191,127)	(106,887)	98,690	294,063

My comments for the above are as follows:

- The Company was asset deficient in FY19 and FY20.
- The Company net asset position in FY22 was \$294K.
- The trade creditors significantly decreased between FY20 to FY21 from \$111K to \$78K.

- The tax liabilities continued to accumulate between FY19 to FY22 from \$33K to \$75K. The records indicate the ATO is owed \$74K in GST and PAYG Withholding however I have yet to receive a proof of debt form from the ATO and the ATO has yet to provide me with access to the business portal to confirm the debt owing.
- It appears the Company did not report or pay superannuation in FY19 to FY21 which increased significantly in FY22 which indicates the superannuation was not reported until FY22.

4 Investigations

4.1 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.

I refer to Section 2.3 of this report, to date, I have not been provided with sufficient Company's books and records. As such, I am of the view that the Company's books and records have not been kept in a manner that complies with Section 286 of the Act.

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

Please refer to my comments in section 2.3 of this report.

Any offences identified will be reported to the Australian Security and Investments Commission ("ASIC") in a confidential report issued pursuant to section 533 of the Corporations Act 2001 ("the Act").

4.2 Reasons for Failure

The Director's completed RoCAP does not indicate the reasons for the business failure.

In my opinion, the Company's failure appears to be due to the following:

- Inadequate cash flow to meet the liabilities of the Company;
- Potential misappropriation of Company funds by the Director; and
- Mismanagement of the business.

The above opinion is subject to change pending the receipt of further information and documentation from the Director.

4.3 Recoveries, offences and voidable transactions

The Liquidator is required to complete and lodge a report with ASIC pursuant to Section 533 of the Act where it appears that a past or present officer of the Company may have been guilty of an

offence in relation to the Company and in other circumstances. 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 reviewed the Company books and records for the period approximately six months prior to my appointment and determined whether any creditors have been preferred over the general body of creditors as a result of any transaction.

The relation back date period is 25 January 2022 (six months prior 25 July 2022, the day the winding up petition was filed).

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 months prior to the relation back day.

My investigation against the Director is ongoing and I will provide an update to creditors in my next report.

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.

My investigation against the Director is ongoing and I will provide an update to creditors in my next report.

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 investigations and the Company's books and records available to me, 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 investigations and the Company's books and records available to me, 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.

My investigation against the Director is ongoing and I will provide an update to creditors in my next report.

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

Section 588FJ of the Act provides that a circulating security interest created within six months before relation back date may be rendered void.

There were three (3) circulating security interests that were created within six (6) months before the relation back date. Please refer to section 2.4.2 for further details.

4.4 Insolvent Trading (Section 588G)

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

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

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

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

"A person which is not Solvent is Insolvent"

There are defences available to directors pursuant to section 588FGB of the Act which include:

- If it is provided that, at the payment time, the person had reasonable grounds to expect, and did expect, that the company was solvent at that time and would remain solvent if it made the payment;
- Had reasonable grounds to believe and did believe:
 - That a competent and reliable person (the other person) was responsible for providing to the first-mentioned person adequate information about whether the company was solvent; and
 - That the other person was fulfilling that responsibility.

- Expected, on the basis of information provided to the first mentioned person by the other person, that the company was solvent at that time and would remain solvent even if it made the payment.
- Because of illness or for some other good reason, the person did not take part in the management of the company at the payment time.
- The person took all reasonable steps to prevent the company from making the payment; or there were no such steps the person could have taken.

Based on the current information available, I am of the opinion, that the Company was trading whilst insolvent from January 2019. The reason for this view is provided below:

a) Presumption of insolvency

The Company did not properly maintain books and records from January 2019 that complied with Section 286 of the Act. Accordingly, it can be presumed that the Company traded insolvently from January 2019.

b) Profit and Loss

- The Company generated net loss of (\$225.9K) in FY19; and
- The Company generated net loss of (\$76K) in FY20.

c) Balance Sheet

- The Company generated net deficiency of (\$191K) in FY19; and
- The Company generated net deficiency of (\$106K) in FY20.

d) Cash, Working Capital and Current Ratio

- The Company carried negative working capital during FY19 to FY22; and
- The current ratio of the Company is below 1 in FY19 to FY22.

e) Creditor demands

With the limited books and records received, I am unable to comment if the Company had received letter of demands/notices from creditors. Notwithstanding, I have received statements from several creditors disclosing that there are amounts outstanding since 2019.

Insolvent Trading Claim

The quantum of claim from January 2019 is currently estimated at \$366,088 based on the debts outstanding at the date of my appointment.

This amount is subject to change, pending the receipt of further claims or information in relation to the Company. Further investigations would be required to establish the recoverability of the claim.

Director's personal financial position

The Director has not provided his personal assets and liabilities position.

A search conducted on the VIC Land Registry disclosed that there is no property currently registered under the name of the Company or the Director.

In addition, I am currently unfunded to pursue any recoveries against the Director.

Should a creditor intend to fund for any of the recovery actions, please contact Anny Ngo of this office on 02 8020 5853 or via email at anny@hogansprowles.com.au by **23 January 2023**.

4.5 Breach of Directors Duties

Section 180 to 184 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 184 – Good faith, use of position and 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.

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

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.

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

My investigations are ongoing into whether the Director have contravened any of the above sections in relation to his duty as director.

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.

I will be preparing my report to ASIC pursuant to Section 533 of the Act with regards to any breaches.

If creditors have any information which may assist my investigations, please email Anny Ngo of my office at anny@hogansproawles.com.au or by phone on 02 8020 5853.

5 Likelihood of a dividend

A dividend to unsecured creditors is reliant on the recoveries from voidable transactions and insolvent trading claim.

At this stage, there are insufficient funds to meet the cost of the liquidation and accordingly it is unlikely that a dividend will be paid in the liquidation to any class of creditors.

If a dividend is going to be paid, creditors will be contacted before it happens and if they have not already done so, creditors will be asked to lodge a proof of debt. This formalises creditors' claims in the liquidation and is used to determine all claims against the Company.

6 Receipts and Payments

Below is a summary of the receipts and payments in the liquidation to date:

Receipts and Payments	
For the period of 28 September 2022 to 22 December 2022	
Receipts	\$ incl GST
Cash at bank	18,161.90
Sale of vehicle	3,787.88
Total Receipts	\$21,949.78
Payments	\$ incl GST
Legal Fees	6,610.58
Liquidator's Remuneration	14,761.23
Liquidator's Disbursements	191.18
Total Payments	\$21,562.99
Net Receipts	\$386.79

7 Costs of the Liquidation

Following my previous report to creditors of 21 October 2022, remuneration of \$50,000 (excl GST) and internal disbursements of \$2,000 (excl GST) were approved by creditors on 4 November 2022.

At this stage, I will not be seeking further approval of fees from creditors.

8 What happens next?

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

- Finalise my investigations into the affairs of the Company;
- Reporting to the corporate insolvency regulator ASIC;
- Voidable transaction recovery (if any);
- Any other matters relevant to the liquidation; and
- Finalisation.

I expect to have completed this liquidation within six (6) months subject to pursuit of any recoveries.

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.

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 Anny Ngo on 02 8020 5853 or by email on anny@hogansproles.com.au.

Yours faithfully,

Tataki 'Aho Dawn Light Company Pty Ltd (In Liquidation)



Brendan Copeland
Liquidator

FORM 535
CORPORATIONS ACT 2001

ACN 619 444 647

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Tatakī 'Aho – Dawn Light Company Pty Ltd (In Liquidation)

1. This is to state that the company was, on 28 September 2022⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for dollars and cents.

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

I am **not** a related creditor of the Company ⁽⁵⁾

I am a related creditor of the Company ⁽⁵⁾
relationship: _____

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

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

DATED this day of 2022

Signature of Signatory

.....

NAME IN BLOCK LETTERS

.....

Occupation

.....

Address

.....

Email

.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

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

Proof of Debt Form Directions

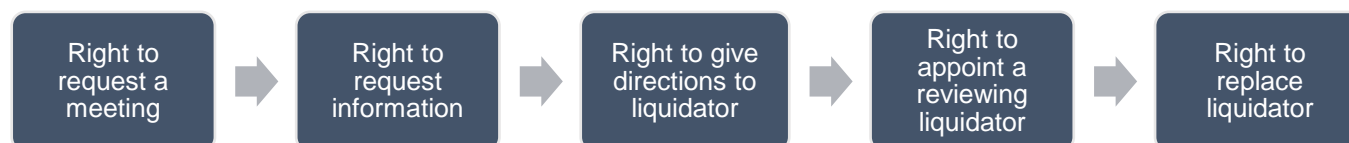
- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
 - (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee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

Annexures

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

Creditor Rights in Liquidations

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



Right to request a meeting

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

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

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

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

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

Right to request information

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

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

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.

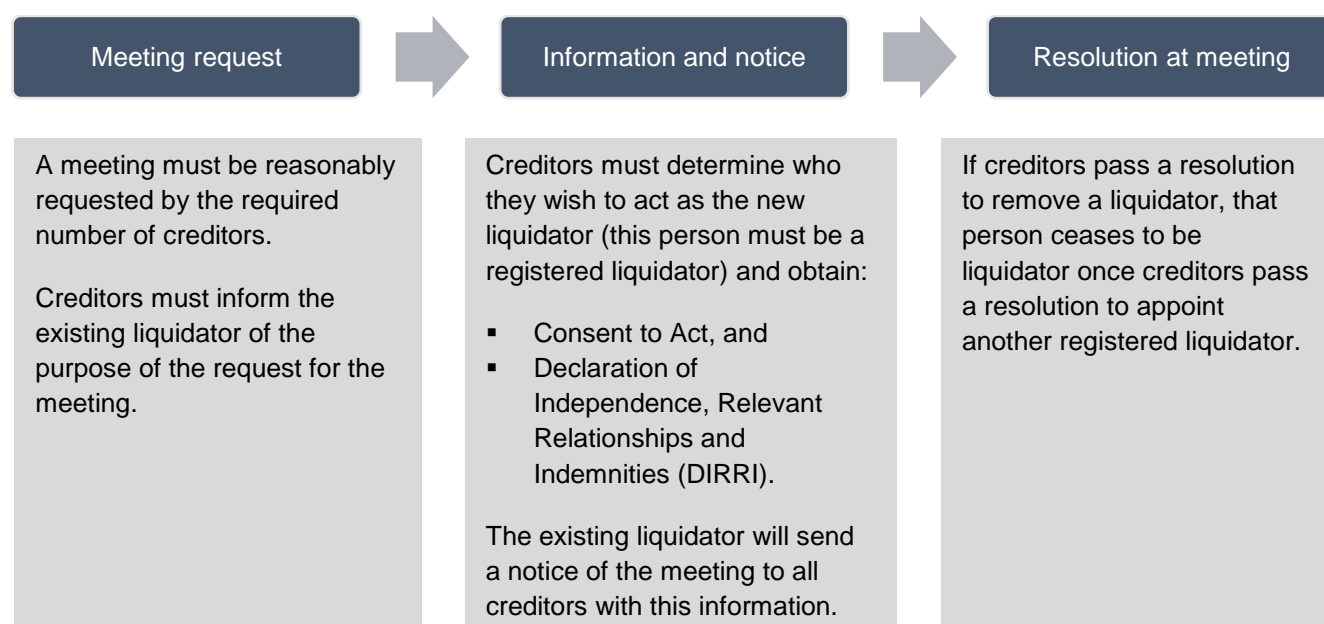
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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.**