

**Australian Securities &
Investments Commission**

Electronic Lodgement Document No. 7ECA68755 Lodgement date/time: 31-01-2023 17:25:59 Reference Id: 176490067
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Form 5601
Insolvency Practice Rules
(Corporations) 2016
s70-40

Statutory report by a liquidator to creditors

Liquidator details

Liquidator number

492243

Liquidator name

LIAM THOMAS BAILEY

Company details

ACN

057 284 509

Company name

**MCCORKELL & ASSOCIATES PTY.
LIMITED**

Simplified liquidation process

Are you lodging the report in relation to a simplified liquidation process?

No

Details of appointment

Date report provided to creditors

31-01-2023

Type of appointment:

liquidator of creditors' voluntary winding up

Have you received a report on company activities and property from the directors of the company?

No

Details of assets

Have you reported on the estimated amount of assets of the company?

Form 5601 - Statutory report by a liquidator to creditors
Liquidator: 492243 - LIAM THOMAS BAILEY

Yes

If you based your amount on realisable value, what is that value (excluding recovery actions)?

\$29,130

Details of liabilities

Have you reported on the estimated amount of liabilities of the company?

Yes

What is the estimated amount of liabilities of the company (excluding deferred creditors)?

Priority creditors - Wages & superannuation (inc superannuation guarantee charge)

Number	Value
3	\$14,193

Priority creditors - Leave of absence

Number	Value
13	\$180,825

Priority creditors - Retrenchment

Number	Value
14	\$250,255

Unsecured creditors

Number	Value
44	\$1,482,576

Secured creditors

Number	Value
0	\$0

Investigations

Have you reported on your inquiries undertaken to date?

Yes

Have you reported on what further inquiries relating to the winding up of the company may need to be undertaken?

Yes

Have you reported on what happened to the business of the company?

Yes

Have you reported on the likelihood of creditors receiving a dividend before the affairs of the company are fully wound up?

Yes

Have you reported on possible recovery actions?

Form 5601 - Statutory report by a liquidator to creditors
Liquidator: 492243 - LIAM THOMAS BAILEY

Yes

Company's business

Did the company cease to trade the business prior to the external administrator appointment?

Yes

Was the business sold/transferred prior to the appointment of the external administrator?

Yes

Is someone else carrying on the business?

Yes

If a different entity now trades the business, what is that entity's name and ABN/ACN *(if known)?

664059821

Is the entity now trading the business, related to the company or its officers?

Yes

Did the company receive, or is the company entitled to, any consideration for the transfer of its business?

Yes

Have you determined the adequacy of the consideration paid or payable?

Yes

If you have made a determination about the amount paid, did you determine it was adequate?

Yes

Details of remuneration

Have you provided an estimate of total remuneration for the external administration?

Yes

What is your estimate of total remuneration for the external administration (in Australian dollars)?

\$33,000

Details of dividend

Do you anticipate paying a dividend to any class of creditor?

No

Recovery actions

What possible recovery actions does your report identify?

unfair preference payments

Form 5601 - Statutory report by a liquidator to creditors
Liquidator: 492243 - LIAM THOMAS BAILEY

insolvent trading

Are any unfair preference recovery actions against statutory bodies?

Yes

Are any of the above possible recovery actions against the directors or related parties?

Yes

Completion

What is the estimated time by which you expect the winding up of the company is likely to end?

over 1 year

Authentication

This form has been authenticated by

Name LIAM THOMAS BAILEY

This form has been submitted by

Name Justin James DRAGICEVIC

Date 31-01-2023

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630



Our Ref: LB:SC:JD

31 January 2023

Dear Creditor,

RE: MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)
ACN 057 284 509 ("the Company")
T/AS AUSTRALIAN CORPORATE DATA

On 15 December 2022, the members of the Company resolved to wind up the Company and to appoint me, Liam Bailey, as Liquidator thereof.
I now enclose herewith the following:-

1. Notice of a meeting of creditors to be held **at 11:00am on Wednesday, 15 February 2023** at the offices of O'Brien Palmer at Level 9, 66 Clarence Street Sydney NSW 2000; and
2. Second report to creditors prepared pursuant to section 70-40 of the *Insolvency Practice Rules (Corporations) 2016*.

Attached to the second report to creditors are Proof of Debt and Appointment of Proxy forms. It would be appreciated if creditors could complete and return the forms as soon as possible. Early receipt of the Proof of Debt form will enable me to determine before the meeting the entitlement of each creditor to vote at the meeting. Kindly ensure that where applicable, documentary evidence is attached to the said form.

Should you wish to discuss any aspect of the report, then do not hesitate to contact Mr. Justin Dragicevic of my office.

Yours faithfully,

MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)

LIAM BAILEY
LIQUIDATOR

Encl.

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MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)
ACN 057 284 509 ("the Company")
T/AS AUSTRALIAN CORPORATE DATA

NOTICE OF MEETING OF CREDITORS

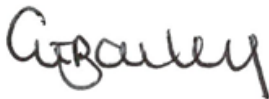
1. On 15 December 2022, I, Liam Bailey was appointed Liquidator of the Company by a resolution of the Company's members.
2. Notice is now given that a meeting of creditors of the Company will be held at the offices of O'Brien Palmer, Level 9, 66 Clarence Street, Sydney NSW 2000, on Wednesday, 15 February 2023, commencing at 11:00am.
3. The purpose of the meeting is:
 - (i) To receive and consider a report from the Liquidator.
 - (ii) To consider the removal of Mr. Liam Bailey as Liquidator of the Company, and that Mr. Michael Hogan of Hogan Sprowles be appointed as Liquidator in his place.
 - (iii) Any other business.

In the event that you wish to use the form of appointment of proxy that accompanies this circular, then we ask that it be lodged at the offices of O'Brien Palmer no later than 4:00pm on Tuesday, 14 February 2023.

In accordance with rule 75-15(1)(c) of the *Insolvency Practice Rules (Corporations) 2016* ("IPR"), please find attached an extract of rule 75-85 of the IPR. Rule 75-85 details a person's entitlement to vote at the meeting of creditors.

Creditors are advised that teleconferencing and Zoom facilities are available to facilitate attendance at the forthcoming meeting of creditors. If you wish to use that facility, then you are required to contact Mr. Justin Dragicevic of this office prior to 4:00pm on Tuesday, 14 February 2023, so that the necessary arrangements can be made.

DATED THIS 31st DAY OF JANUARY 2023



LIAM BAILEY
LIQUIDATOR

Encl.

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**EXTRACT OF SUBSECTION 75-85 OF THE INSOLVENCY PRACTICE RULES
(CORPORATIONS) 2016**

75-85 Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator;
or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.



INSOLVENCY & BUSINESS ADVISORY

Our Ref: LB:SC:JD

31 January 2023

MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)
ACN 057 284 509 ("the Company")
T/AS AUSTRALIAN CORPORATE DATA
REPORT TO CREDITORS

Dear Creditor,

1.0 APPOINTMENT

As you are likely aware, on 15 December 2022, the members of the Company resolved to wind up the Company and to appoint me, Liam Bailey, as Liquidator thereof.

A creditors' voluntary liquidation is a liquidation initiated by the Company where it is unable to pay all of its creditors in full. This means that the Company is insolvent.

The purpose of this report is to provide you with information about the liquidation of the Company. This report is issued in compliance with the provisions of the *Corporations Act 2001* ("the Act") and in particular, section 70-40 of the *Insolvency Practice Rules (Corporations) 2016* ("IPR").

Further, this report is issued in compliance with a request made by Ms Karen Powell in her capacity as a creditor of the Company to convene a meeting of creditors in order to consider my potential replacement as its Liquidator. Creditors are referred to section 12 for further information in this regard.

This report is intended to be read in conjunction with my initial report to creditors, which was issued on 23 December 2022 ("the Initial Report").

2.0 STATUS OF THE LIQUIDATION

Overview	Section Reference	Response
What happened to the business of the Company?	5.1	Sale of business executed on 14 December 2022.
Have all known assets been realised?	6.2	Yes
Are there any avenues of recovery arising from the investigation?	8.5, 8.6	Yes – Insolvent Trading, Unfair Preferences
Will a dividend be paid to creditors?	9.0	Dependent on Recoveries in potential insolvent trading and unfair preference claims
Do I intend to further communicate with creditors?	10.0	Yes
Estimated time of completion	N/A	31 January 2024

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3.0 DISCLOSURES BY THE LIQUIDATOR

3.1 Background

I am a Registered Liquidator, and a Partner in the firm of O'Brien Palmer, with over 16 years' experience in business recovery, reconstruction and insolvency.

3.2 Independence

Section 532 of the Act outlines the circumstances whereby a person's connection with a company disqualifies that person from acting as liquidator. I do not believe that I was prohibited from accepting the position of Liquidator of the Company on the basis of this section. A Declaration of Independence, Relevant Relationships & Indemnities ("**DIRRI**") accompanied the Initial Report.

Further, subsection 506A(4) the Act set out the circumstances in which a revised DIRRI is required to be issued. I advise that subsequent to my appointment, no circumstances have arisen that would compromise my independence or require the issuance of a new DIRRI.

4.0 DOCUMENTATION ACCOMPANYING THIS REPORT

- (i) A notice of the meeting of creditors, convened for 11:00AM on Wednesday, 15 February 2023.
- (ii) A list of the creditors of the Company which are known at this time that highlights any known related parties.
- (iii) A summary of my receipts and payments to date.
- (iv) Consent to Act and Declaration of Independence, Relevant Relationships and Indemnities, both dated 10 January 2023 and signed by Mr. Michael Hogan of Hogan Sprowles.
- (v) Formal proof of debt by which creditors can formalise their claim as creditors in the liquidation.
- (vi) Appointment of Proxy form.

5.0 COMPANY INFORMATION

5.1 Business of the Company

The Company operated a business which provided integrated advertising and marketing services from premises located at North Sydney NSW 2060. The Director has advised that the failure of the Company was attributable to a significant downturn in revenue following the state-sanctioned government lockdowns introduced as a response to the COVID-19 pandemic. As a result of the lockdowns, the Company was not able to generate revenue from its events department, which was one of the largest sources of revenue for the Company. The Director has also attributed the loss to being unable to sustain a significant growth in wages following the cessation of the lockdowns.

On 14 December 2022, the Company entered into a Sale and Purchase of Business Deed with McCorkell Group Pty Ltd ("**McCorkell Group**"), which included the assets of the Company and employee entitlements of staff who accepted an employment offer from McCorkell Group ("**the Sale of Business Agreement**"). Further commentary in respect to the sale of business is provided section 8.2 of this report.

I have been provided with a significant volume of books and records of the Company.

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5.2 Statutory Information

A summary of the statutory information for the Company as at the date of my appointment, as shown on the database of the Australian Securities & Investments Commission (“ASIC”), is presented in the table below: -

Date of Incorporation	27 August 1992
Registered Office & Principal Place of Business	Level 3, 146 Arthur Street, North Sydney NSW 2060
Director	Scott Keith McCorkell (“the Director”)
Shareholders	Scott Keith McCorkell – 1 ORD share (50%) Georgina McCorkell – 1 ORD share (50%)

6.0 ESTIMATED FINANCIAL POSITION

6.1 Report on Company Activities and Property (“ROCAP”)

The Director is required to provide me with a ROCAP within five (5) business days of my appointment which sets out information pertaining to the financial position of the Company. To date, the Director has failed to comply with this obligation. I intend to write to the ASIC in respect to the Director’s failure to comply, should I not receive a completed ROCAP in a timely manner.

The known financial position of the Company, is set out hereunder.

	Notes	Books and Records Value (\$)	Estimated Realisable Value (\$)
ASSETS:			
Cash at Bank	6.2.1	1,411	-
Trade Debtors	6.2.2	1,039,956	-
Motor Vehicles	6.2.3	-	-
Plant and Equipment	6.2.4	19,665	-
Office Equipment	6.2.5	-	-
Rental Bond	6.2.6	174,666	TBD
Other Assets	6.2.7	-	-
		\$1,235,698	\$0
LIABILITIES:			
Secured Creditors	6.3.1	-	-
Priority Employee Creditors	6.3.2	1,249,983	445,273
Unsecured Creditors	6.3.3	1,344,702	1,482,576
		\$2,594,685	\$1,927,849
ESTIMATED DEFICIENCY		(\$1,358,987)	(\$1,927,849)

6.2 Assets

6.2.1 Cash at Bank

Upon my appointment, I wrote to all major banks, requesting the details of any accounts held in the name of the Company.

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On 23 December 2022 I received correspondence from the Westpac Banking Corporation (“**Westpac**”) confirming that the Company maintained two (2) accounts with a combined credit balance of \$211,699.08.

Upon review of the transaction listing provided by Westpac, it appears that the credit balance in the Company’s main transaction account included receipts from trade debtors received after my appointment. I note that I subsequently verified these receipts to be payments received in respect of receivables assigned to McCorkell Group pursuant to the terms of the Sale of Business Agreement.. Accordingly, I have transferred these funds to McCorkell Group.

I note that as per the correspondence provided by Westpac, one (1) account with a credit balance of \$174,665.71 is held as a bank guarantee for a rental bond on the Company’s leased premises. Further discussion in respect to the rental bond is provided in section 6.2.6 of this report.

6.2.2 Trade Debtors

The Company’s aged receivables report as at 15 December 2022, extracted from the Company’s MYOB accounting software, discloses trade debtors in the amount of \$1,039,956.36. As stated above, these trade debtors were assigned to McCorkell Group pursuant to the terms of the Sale of Business Agreement. Accordingly, these amounts are not collectible by me as Liquidator of the Company.

6.2.3 Motor Vehicles

Upon my appointment, I wrote to the Transport for NSW (“**TFNSW**”) to ascertain if the Company is the registered owner of any vehicles or vessels.

On 9 January 2023, the TFNSW confirmed that there are no vehicles or vessels currently registered in the name of the Company, nor was the Company ever the registered owner of a vehicle or vessel.

6.2.4 Plant and Equipment

The Company’s books and records disclose plant and equipment with a books value of \$19,665.00 I note that the Company’s plant and equipment formed part of the Sale of Business Agreement. Accordingly, the plant and equipment is not realisable by me as Liquidator of the Company.

6.2.5 Office Equipment

The Company’s books and records disclose various items of office equipment with a book value of \$47,472.13.

Upon my appointment, my staff attended the Company’s premises and obtained a listing of the office equipment owned by the Company which did not form part of the Sale of Business Agreement.

On 20 January 2023, I obtained a sight unseen valuation from an independent valuer, of the office equipment. The valuation advised of an estimated auction value of \$1,900.00. Accordingly, I have deemed that this equipment is uncommercial to collect and realise.

6.2.6 Rental Bond

The Company’s balance sheet as at 15 December 2022 discloses a rental bond in the amount of \$174,665.71, in respect to the Company’s leased premises.

I have issued a letter to the agent for the Company’s premises demanding repayment of the rental bond in full into an account under my control. To date, I am yet to receive a response to my correspondence.

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6.2.7 Other Assets

(i) Intellectual Properties

Searches of government databases pertaining to patents, trademarks, designs and plant breeders' rights identified no registered intellectual properties in the name of the Company.

(ii) Trading/Business Names

A search of the Australian Business Register discloses the business name of "Australian Corporate Data" as being owned by the Company. I note that this business name was transferred to McCorkell Group as it formed part of the Sale of Business Agreement.

(iii) Websites/Web Domains

A web search identified the domain mccorkell.com.au, which based on a recent domain search appears to be owned by the Company. I note that the website formed part of the Sale of Business Agreement, and as such, is not available to be realised in the Liquidation.

6.3 Liabilities

A listing of the known creditors of the Company accompanies this report. I make further comment about the Creditors of the Company below.

6.3.1 Priority Employee Entitlements

As advised in the Initial Report, upon my appointment I terminated the employment of a number of staff, as there was no business of the Company to continue to trade following my appointment.

I wrote to all terminated employees on 17 January 2023, advising of the estimated entitlements owed as per the Company's books and records, and calculating the eligible termination payments owed to employees by reference to each employee's contract. A summary of the entitlements owed to terminated employees based on the books and records, and documentation provided by employees, is provided in the table below:

Type of Entitlement	Amount Owing (\$)
Annual Leave	180,824.97
Superannuation	10,715.05
Wages	3,478.08
Payment In Lieu of Notice	92,676.24
Redundancy	157,578.48
TOTAL	445,272.82

Under Section 556 of the Act, employee entitlements are afforded various priorities over unsecured claims in any distribution of the Companies assets. Should there be insufficient assets to meet employee entitlement claims, employees may be able to lodge a claim under the Fair Entitlements Guarantee for their outstanding entitlements (excluding superannuation). Further information regarding the Fair Entitlements Guarantee can be obtained at the following web address <https://employment.gov.au/fair-entitlements-guarantee-feg>.

At this stage, it is my understanding that a number of employees have submitted claims with the FEG, which are currently being reviewed and verified by FEG and our office. Creditors will be advised on any updates in respect to the quantum of priority claims by employees in any future reporting.

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6.3.2 Secured Creditors

A search of the Personal Property Securities Register (“PPSR”) which discloses two (2) security interests registered against the property of the Company, the particulars of which are summarised hereunder:

Secured Party	Collateral	PMSI	PPSR Number
Esanda Finance Corporation Limited	Commercial - All-Present and After-Acquired Property	No	201112150442220
JB Hi-Fi Group Pty Ltd	Commercial - Other Goods	Yes	202009040069672
Clive Anthonys Pty Ltd			

Upon my appointment, I wrote to the abovementioned parties to ascertain information in respect to the registered security, including any amounts which may be owing.

I have received confirmation from JB Hi-Fi Group Pty Ltd that no amount is owing on its security, and have been provided with a discharge verification certificate.

To date, I am yet to receive a response to my correspondence from Esanda Finance Corporation Limited.

6.3.3 Ordinary Unsecured Creditors

To date, I am aware of unsecured creditor claims totalling \$1,482,576.

I have received 14 proofs of debt from creditors. As such, the quantum of unsecured creditors may change upon receipt of documentation from creditors.

7.0 HISTORICAL FINANCIAL INFORMATION

I have been provided with copies of financial statements for the financial years ending 30 June 2019 to 30 June 2021, as well as management accounts extracted from the Company’s MYOB file for the 2022 and partial-2023 financial years.

7.1 Comparative Profit and Loss Statements

	15 December 2022 (\$)	30 June 2022 (\$)	30 June 2021 (\$)	30 June 2020 (\$)	30 June 2019 (\$)
Total Income	2,655,761	10,093,700	10,437,829	12,966,835	14,429,333
Total COGS	1,326,309	2,458,607	3,368,273	3,931,822	6,115,911
Gross Profit	1,329,452	7,635,093	7,069,556	9,035,013	8,313,422
Total Expenses	3,494,096	7,966,235	8,496,415	9,228,519	9,925,942
Operating Profit/(Loss)	(2,164,644)	(331,142)	(1,426,859)	(193,506)	(1,612,520)
Total Other Income	37	0	2,107,233	128,692	31,424
Total Other Expenses	0	57,367	0	0	0
Net Profit / (Loss)	(2,164,607)	(388,509)	680,374	(64,814)	(1,581,096)

I make no comment in relation to the content of the above table.

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7.2 Comparative Balance Sheets

	15 December 2022 (\$)	30 June 2022 (\$)	30 June 2021 (\$)	30 June 2020 (\$)	30 June 2019 (\$)
Assets					
Current Assets	1,216,229	2,049,697	1,897,364	2,223,824	2,857,196
Non-Current Assets	77,258	478,944	407,543	200,160	310,262
Total Assets	1,293,487	2,528,641	2,304,907	2,423,984	3,167,458
Liabilities					
Current Liabilities	5,039,803	4,110,350	3,449,313	4,238,889	4,930,224
Non-Current Liabilities	0	0	48,794	58,668	45,993
Total Liabilities	5,039,803	4,110,350	3,498,107	4,297,557	4,976,217
Net Assets	(3,746,316)	(1,581,709)	(1,193,200)	(1,873,573)	(1,808,759)

I make no comment in relation to the contents of the above table.

7.3 Liquidity Ratios of the Company

The Company has operated with a deficiency in working capital since at least 30 June 2019. The working capital deficiency as at the relevant dates are shown in the table below:

	15 December 2022 (\$)	30 June 2022 (\$)	30 June 2021 (\$)	30 June 2020 (\$)	30 June 2019 (\$)
Current Assets	1,216,229	2,049,697	1,897,364	2,223,824	2,857,196
Current Liabilities	5,039,803	4,110,350	3,449,313	4,238,889	4,930,224
Deficiency	(3,823,574)	(2,060,653)	(1,551,949)	(2,015,065)	(2,073,028)
Current Ratio	0.24	0.50	0.55	0.52	0.58

8.0 INVESTIGATION

I have undertaken an investigation into the affairs of the Company. The primary purpose of the investigation is to identify whether there is any scope for the recovery of money, property or other benefits pursuant to Part 5.7B of the Act should the Company be wound up. This section is included in the report in order to advise creditors as to the potential recoveries in a winding up.

The results of my investigations completed to date are set out below.

8.1 Books and Records

Pursuant to section 286 of the Act, a company is required to maintain adequate books and records that correctly record and explain its transactions and which would enable true and fair financial statements to be prepared and audited. I have been provided with the following records:

- (i) Access to the Company's MYOB accounting software;
- (ii) Financial reports for the financial years ending 30 June 2019 to 2021;
- (iii) Company Tax Returns for the years ending 30 June 2020 and 2021;
- (iv) ATO Running Balance Account ledgers for the financial years ending 30 June 2020 to appointment;
- (v) Business Activity Statements for the quarters ending 31 December 2019 to 31 December 2022;
- (vi) Westpac bank statements for the period 15 July 2016 to appointment;
- (vii) Sale of Business Agreement dated 14 December 2022; and

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(viii) Creditor invoices.

In light of the above, I am of the view that the Company has maintained adequate books and records.

8.2 Pre-Appointment Sale of Business

As previously discussed, on 14 December 2022, the Company entered into a sale of business agreement with McCorkell Group. On 21 December 2022, I received funds totalling \$29,129.61, representing the balance of the sale price, into my liquidation account. A breakdown of the calculation of the sale price is provided in the table below:

Item	Amount
Assets Assigned	
Unencumbered Plant & Equipment	\$19,665.00
Intellectual Property and Business Name	0.00
Licences, Contracts, Agreements and Work in Progression Current as at the Commencement Date	\$1,177,808.80
Debtors	\$1,039,956.36
TOTAL ASSETS	\$2,237,430.16
Consideration Paid	
Transferring Employee Entitlements	\$1,648,300.54
Assumption of Secured Debt	\$560,000.00
Cash Contribution	\$29,129.61
TOTAL CONSIDERATION PAID	\$2,237,430.15

Prior to executing the sale agreement, the Company engaged an independent valuer to prepare a valuation of the business, which included a valuation of the Company's unencumbered plant and equipment, and work in progress. I have received a copy of the business valuation report. Based on my preliminary review of that valuation report and contents of the Sale of Business Agreement, it is my preliminary determination that the sale of business is a *bona fide* transaction and was conducted on commercial terms.

8.3 Solvency

8.3.1 Overview

Pursuant to section 95A of the Act, a company is solvent if it is able to pay all its debts as and when they become due and payable. A company is insolvent if it is unable to pay all its debts as and when they become due and payable out of its cash resources where there is no realistic prospect of generating monies from further financial accommodation or from the sale of company assets. The phrase "to pay all its debts as and when they become due and payable" is a cash flow test and not a balance sheet test. This means that a company can have an excess of assets over liabilities and still be insolvent.

In *ASIC v Plymin* (2003) 46 ACSR 126, the Court adopted a number of practical indicia of a company's insolvency. These indicia of insolvency were: -

- (i) Continuing losses
- (ii) Liquidity ratio below 1
- (iii) Overdue Commonwealth & State taxes
- (iv) Poor relationship with present bank including inability to borrow additional funds
- (iv) No access to alternate finance
- (vi) Inability to raise further equity capital

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- (vii) Suppliers placing the debtor on COD terms, or otherwise demanding special payments before resuming supply
- (viii) Creditors unpaid outside trading terms
- (ix) Issuing of post-dated cheques
- (x) Dishonoured cheques
- (xi) Special arrangements with selected creditors
- (xii) Solicitors' letters, summonses, judgments or warrants issued against the company
- (xiii) Payments to creditors of rounded figures, which are irreconcilable to specific invoices
- (xiv) Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts.

Although not conclusive, these indicia should be considered as practical guidance when considering the solvency of a company, and are useful in forming a conclusion as to whether a company can pay its debts as and when they fall due.

8.3.2 Application to the Company

As a result of my investigation, I have identified the following indicators of insolvency relevant to the Company;

- (i) Continuing Losses – I refer creditors to my summary of the Company's profit and loss statements in section 7.1, which indicates the Company traded at a loss during the 2019, 2020, 2022, and partial 2023 financial years. Whilst the Company generated a net profit in the 2021 financial year, over the period from 1 July 2018 to the date of my appointment, the Company accumulated net losses of \$3,518,652.
- (ii) Liquidity Ratio Below 1 – I refer creditors to my analysis of the Company's liquidity ratio in section 7.3, which indicates the Company had a liquidity ratio below 1 from at least 30 June 2019 onwards.
- (iii) Overdue Commonwealth & State Taxes – The ATO has submitted a proof of debt in the amount of \$552,932.38 in respect to unpaid GST and PAYG. A review of the Company's Running Balance Account with the ATO indicates it began to incur interest charges on its unpaid debts from 1 December 2021 onwards. I also note that the ATO's records indicate the Company has not yet lodged its Company Tax Return for the year ended 30 June 2022, however based on the Company's books and records, it does not appear that the lodgement of this return would result in an increase in the Company's debt to the ATO.
- (iv) Creditors Unpaid Outside Trading Terms – A review of the Company's aged payables ledger as at the date of my appointment indicates that approximately 78.7% of the Company's total liabilities were overdue, with approximately 53.3% of the Company's liabilities being more than 60 days overdue.

It could be said that the Company was insolvent from at least 30 June 2019. However, in saying that I am relying on a limited number of indicia and further investigations will be required to finalise any conclusions drawn in this regard.

8.4 **Trading Whilst Insolvent**

8.4.1 Overview

Pursuant to section 588G of the Act, a director of a company has a duty to prevent the company from trading whilst insolvent. If a director is found guilty of such an offence then pursuant to section 588M of the Act, the director may be held liable for the damage suffered by creditors as a result of the debts incurred by the company during the period the company traded whilst insolvent.

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The insolvent trading provisions of the Act apply where debts are incurred at a time when the director(s) knew or should reasonably have suspected that the company was insolvent. An action may only be brought by a liquidator, or a creditor with the permission of the liquidator or the Court.

Pursuant to section 588H of the Act, the civil defences available to directors, who are the subject of claims for insolvent trading are listed below;

- (i) that there were reasonable grounds to expect that the company was solvent.
- (ii) that there were reasonable grounds to rely upon information provided by others that the company was solvent.
- (iii) that because of illness or some other good reason, he or she did not take part in the management of the Company.
- (iv) if all reasonable steps were taken to prevent the company incurring the debt(s).

A failure by a director to involve him/herself with the management of the company is not a defence and non-executive directors are just as liable to an action as executive directors unless they can prove that because of illness or other good reasons, they could not take part in the management of the company.

8.4.2 Application to the Company

In subsection 8.4.2 hereof, I concluded that the Company was likely to have been experiencing solvency issues from at least 30 June 2019.

In order to properly assess the quantum of any insolvent trading claim, one would need to review the cash flow position of the Company during the relevant period, in conjunction with creditor claims in order to determine the timing and circumstances giving rise to the creation of the debt. It would also be necessary to consider:-

- (i) the significant costs that will be incurred in establishing and prosecuting a claim;
- (ii) the defences available to the Director under the Act to insolvent trading claims, if any;
- (iii) the extent to which the Director and related persons financially supported the Company;
- (iv) the capacity of the Director to meet any judgment debt that may be obtained.

If my conclusion is correct, then the Director may be liable for the entirety of the Company's debt accrued since 30 June 2019, totalling \$1,133,817.47. I intend to issue a demand on the Director in relation to this claim.

A land property information search conducted in the name of the Director discloses that he is the registered proprietor of real property, with a 50% share in a property located in Mosman NSW, which does not appear to have any encumbrances. A desktop valuation of the Director's property conducted via onthehouse.com.au indicates the property may be worth approximately \$5M - \$6M. At this stage, it appears that the Director may have the capacity to satisfy a claim for insolvent trading, should one be established.

8.4.3 Shadow Director

As part of my investigations into the Company's affairs, I am required to investigate any individuals which may have performed roles or duties in the Company which may constitute them being deemed a shadow or de facto director under section 9 of the Act.

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Prior to my appointment, it is alleged that Ms Powell was a shadow director of the Company. Although not recorded as a director of the Company on the registers maintained by ASIC, Ms Powell's job title was Managing Director of the Company and thus a *prima facie* case exists for further enquiries into her role. A summary of the information provided by the Director pertaining to Ms. Powell's role in the Company is provided below:

- (i) The organisational chart of the Company indicates Ms. Powell had all staff reporting to her, and she would subsequently report to the Director;
- (ii) Ms. Powell made all day-to-day decisions and would seek the Director's counsel on major decision. However, the Director alleges that many decisions were made without the Director's input;
- (iii) Ms. Powell created all monthly reporting with the Finance Controller and Senior Accounting staff with actual, budget, and forecast reporting in respect to the Company's performance; and
- (iv) Ms. Powell signed over 120 contracts with clients, partners, and contractors, in her capacity as Managing Director, and a number of employment contracts identify Ms. Powell as the sole signatory for execution.

At this stage, I have received a copy of the Company's organisation chart which confirms the reporting structure. I also note that a review of a number of employment contracts provided disclose Ms. Powell as the sole signatory for execution.

Unsurprisingly, Ms Powell denies that her role extended to exercising sufficient control over the Company for her to be considered a shadow director. Ms Powell has advised that;

- (a) her employment contract specifies the extent of her duties and responsibilities. All her assigned activities reported to the Director who had full control over and final say on her conduct in the role.
- (b) her duties did not include any involvement in how the business was funded, how and when creditors were paid nor any input on or authority over what personal expenses, personal drawings and dividends to shareholders the Director may have been paid by the Company.
- (c) the Director had exclusive final decision making power and authority. He frequently ignored or over-rode recommendations made by his direct reports received from Finance, HR and Operations, including Ms Powell's recommendations.
- (d) Ms Powell was not privy to the weekly financial reporting to the director undertaken by the finance team. This reporting was undertaken under the supervision of a CFO who reported directly to the Director.
- (e) Ms Powell had no visibility over, access to or authority to operate the Company bank account(s).
- (f) Ms Powell had no access to the MYOB accounting system.
- (g) Ms Powell never signed off on any statutory filing (tax return, BAS statement etc), nor was she provided or given access to any statutory filing (prior to or post-filing).

There are obviously inconsistencies between the information provided by the Director and Ms Powell that require further investigation by a liquidator. However, due to the limited timeframe of the Liquidation to date, my investigation in respect to the validity of the Director's allegations are ongoing. I have requested Ms. Powell attend my office to provide information in respect to her role in the

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Company, which will assist in my determination if she is to be deemed a de facto director. If the allegations of the Director are substantiated, then Ms Powell may well also be similarly liable to the Company in respect of insolvent trading. Based on statements made by the Director, I would anticipate that any liabilities commenced against the Director would result in an application seeking to join Ms Powell to the proceedings.

8.5 Voidable Transactions

Pursuant to section 588FE of the Act, there are a number of different types of transactions that may be voidable against a liquidator. The types of transactions and the time periods involved are set out in the table below:

Relation Back Date	6 months	2 years	4 years	10 years	Indefinite
Unfair Preference - 6 months; Section 588FE(2)					
Uncommercial Transaction - 2 years; Section 588FE(3)					
Unreasonable director-related transaction - 4 years; Section 588FE(6A)					
Insolvent Transaction with a related entity - 4 years; Section 588FE(4)					
Transactions Defeat Creditors - 10 years; Section 588FE(5)					
Unfair Loan - Indefinite; Section 588FE(6) (on or before the day the winding up began)					

In regard to each relevant category of voidable transaction, I make the following comments:

8.5.1 Unfair Preferences

A transaction is an unfair preference given by a company if it was made at a time when the company was insolvent and it results in the recipient receiving a greater return than they would if the transaction was set aside and the creditor was to prove for the debt in a winding up of the company.

To date, I have identified transactions totalling \$550,999.04 made to the ATO during the relation-back period which may be deemed preferential in nature. At this stage, I am awaiting a response from the ATO to my Freedom of Information request, from which I will be provided with correspondence between the ATO and the Company, which will assist in determining the viability of commencing a claim against the ATO for the preferential payments.

My investigation in respect to any payments to trade creditors during the relation-back period which may be deemed preferential in nature are ongoing.

8.5.2 Uncommercial Transactions

A transaction of a company is an uncommercial transaction if 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 or detriment to the company of it entering into the transaction and the respective benefits to other parties entering into the transaction.

Due to the limited timeframe in the Liquidation to date, my investigation in respect to any payments which may be deemed uncommercial transactions in nature are ongoing. However, despite numerous allegations made by former employees of the Company, there is currently no evidence to

support a determination that the sale of the business and assets of the Company to McCorkell Group could be considered uncommercial.

8.5.3 Unfair Loans

A loan to a company is an unfair loan if the interest and charges on the loan were extortionate when the loan was made or have since become extortionate because of loan variations. In considering whether or not interest and charges are extortionate, regard must be given to the following factors:

- (i) The risk to which the lender was exposed; and
- (ii) The term of the loan; and
- (iii) The schedule for payments of interest and charges and for repayment of principal; and
- (iv) The amount of the loan; and
- (v) Any other relevant matter.

To date, I have not identified any transactions of this nature.

8.5.4 Unreasonable Director Related Transactions

A transaction of a company is an unreasonable director-related transaction if a disposition of the company's property is made to a director of the company or a close associate of the director and a reasonable person in the company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the company or other parties involved in the transaction.

However, despite numerous allegations made by former employees of the Company, there is currently no evidence to support a determination that the sale of the business and assets of the Company to McCorkell Group could be considered unreasonable.

8.5.5 Transactions to Defeat Creditors

A transaction is voidable if the company became a party to the transaction for the purpose of defeating, delaying, or interfering with the rights of creditors on a winding up of the company.

However, despite numerous allegations made by former employees of the Company, there is currently no evidence to support a determination that the sale of the business and assets of the Company to McCorkell Group could be considered a transaction to defeat creditors.

8.5.6 Comments Pertaining to the Sale of Business Agreement

The sale of business transaction as described in section 8.2 above has caused significant consternation amongst former employees of the Company. However, the transaction is one based on an independent valuation and for which McCorkell Group has paid due consideration. Had the transaction not occurred, then;

- (i) the creditor pool would have been increased by \$1,648,300.54 of priority liabilities owed to employees of the Company who did not accept employment with McCorkell Group.
- (ii) it is likely that the business of the company would have ceased to trade, causing a significant reduction in the value of company's assets.
- (iii) a further 41 employees of the Company would have been made redundant upon my appointment. Instead, only 15 employees were made redundant on my appointment, 2 of whom had already resigned.
- (iv) the costs of the liquidation process would have increased significantly.

The sale of Business Agreement was not the cause of the Company's inability to pay out owed employee entitlements upon my appointment. Rather, this was a function of the poor financial position in which the company found itself.

8.6 Directors' and Officers' Duties

Under the Act, directors, officers and others have certain duties and responsibilities and in the event that these duties and responsibilities are breached, then the Act provides for criminal and civil sanctions in certain circumstances. Recovery action may be available to a liquidator to the extent of any loss or damage suffered by the company or benefit gained by the relevant person or others. A liquidator would consider the commerciality of any proceedings, the extent and nature of any proof required, likely defences (statutory or otherwise) and the financial resources of any party from whom compensation might be sought.

Potential breaches of duty by directors and officers include, but are not limited to, the following:

- (i) Failing to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise (section 180).
- (ii) Failing to exercise their powers and discharge their duties in good faith and in the best interest of the corporation and for proper use (section 181).
- (iii) Improper use of position to gain advantage for themselves or someone else or cause detriment to the corporation (section 182).
- (iv) Improper use of information to gain advantage for themselves or someone else or cause detriment to the corporation (section 183).
- (v) Duty to prevent insolvent trading (section 588G).

I note that a shadow director, if proven to have acted as such, may also be found to have breached these duties.

8.7 Reporting to ASIC

Pursuant to section 533 of the Act, I am required to lodge a report with ASIC, if it comes to my attention that a past or present officer, including a shadow or de facto director, employee or member of a company may have been guilty of an offence in relation to the company; or a person who has taken part in the formation, promotion, administration, management or winding up of the company may have misapplied or retained company property or been guilty of negligence, default, breach of duty or trust. I will provide my report to ASIC in accordance with the Act. My report is confidential between ASIC and myself.

9.0 APPOINTMENT OF NEW LIQUIDATOR

On 28 December 2022, Ms Powell wrote to me requesting access to the books and records of the Company. However, section 286 of the Act states;

“The Court may make such order for inspection of the books of the company by creditors and contributories as the Court thinks just, and any books in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.”

Ms Powell again advanced a request for access to the books and records of the Company without a court order, and made the request through her solicitor pursuant to the provisions of the Insolvency

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Practice Schedule (“IPS”) and the IPR. However, section 75-40(2)(b) of the IPS states that an external administrator must comply with a request from a creditor unless the external administrator would breach his or her duties in relation to the external administration of the Company if they complied with the request. Accordingly, as compliance with the request would put me in breach of section 486 of the Act, I again denied the request until such time as Ms Powell obtained an order of the Court granting her access.

Ms Powell considers my refusal a breach of my legal obligations as liquidator of the Company and grounds for my replacement as liquidator of the Company. As such, I have received a request to convene a meeting of creditors to consider this proposal that complies with the requirements of section 75-15(1)(e) of the IPS. In support of that request, I have been provided with a consent to act as Liquidator, together with a DIRRI, issued by Mr Michael Hogan of Hogan Sprowles, a copy of which accompanies this report. Creditors are referred to section 14.0 below for the details of the meeting to be held.

10.0 FURTHER ACTION TO BE UNDERTAKEN

- (i) Hold meeting of creditors to consider my replacement as Liquidator of the Company;
- (ii) Investigate any offences that may have been committed by the Director and/or other stakeholders that must be report to ASIC pursuant to section 533 of the Act.
- (iii) Continue my investigation into the identification of any transactions which may be voidable in nature, including a review of records provided by the ATO to determine the ATO's knowledge of the Company's insolvency, assisting in making a determination of the viability of the potential unfair preference claim.
- (iv) Continue my investigation in respect to insolvent trading and commence proceedings against the Director and/or any deemed de facto director, if applicable.

11.0 DIVIDEND ADVICE

At this stage, a dividend will payable to creditors is dependent on whether there are significant recoveries made in respect to voidable transactions and insolvent trading. Should circumstances enable me to declare a dividend, then creditors will be notified accordingly.

12.0 FURTHER REPORTS TO CREDITORS

Whilst this report complies with the requirements of section 70-40 of the IPR, I intend to provide further reporting to creditors subject to there being further developments in the winding up.

13.0 MEETING OF CREDITORS

The Meeting of creditors will be held at the offices of **O'Brien Palmer, Level 9, 66 Clarence Street, Sydney NSW 2000, on Wednesday, 15 February 2023, commencing at 11:00am**. A formal notice of meeting accompanies this report whilst proof of debt and proxy forms are attached hereto.

The meeting will be held simultaneously in person at my office and via Zoom teleconferencing. Please contact Justin Dragicevic of this office to register your interest in attending the meeting of creditors remotely and teleconferencing dial-in details will be circulated to you prior to the date of the meeting.

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For the purpose of voting at the meeting, creditors are required to submit a proof of debt form. Those creditors who have already lodged a proof of debt form are not required to lodge a further proof (unless they wish to amend their claim).

Creditors who are unable to attend the meeting and wish to be represented should ensure that a proxy form, power of attorney or evidence of the appointment of a company's representative is completed. Proxy forms lodged for the first meeting cannot be used at the forthcoming meeting. All corporate creditors are required to submit a proxy should they wish to be represented at the meeting.

Creditors are requested to return the completed proxy form and proof of debt form (if necessary) by **4.00pm on Tuesday, 14 February 2023** by:

Fax: (02) 9232 3388

Email: jdragicevic@obp.com.au

Post: O'Brien Palmer
GPO Box 3385
SYDNEY NSW 2001

14.0 CONCLUSION

Creditors are advised that day to day carriage of this matter is handled by Justin Dragicevic, under my supervision. Please direct all enquiries to Justin Dragicevic in the first instance.

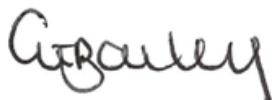
Phone: (02) 9232 3322, or

Email: jdragicevic@obp.com.au, or

Post: O'Brien Palmer
GPO Box 3385
SYDNEY NSW 2000

Yours faithfully,

MCCORKELL & ASSOCIATES PTY LIMITED (IN LIQUIDATION)



LIAM BAILEY
LIQUIDATOR



ANNEXURE “1”

Creditor Listing

Creditor Listing**McCorkell & Associates Pty.Limited (In Liquidation)**All Creditors**PRIORITY CREDITORS (EMPLOYEES AND SGC)**

Creditor Name	Related Party	Address	ROC/AP	Advised	Claimed	
Azam, Ahsan (Mr)		Withheld	0.00	14,013.00	1,293.00	
Benitz, Victoria (Ms)		Withheld	0.00	10,513.81	0.00	
Daniel-Devison, Reynard (Mr)		Withheld	0.00	14,451.50	0.00	
Doragulu, Mohan Vamsi (Mr)		Withheld	0.00	11,525.13	11,525.13	
Escobar, Monica Villate (Ms)		Withheld	0.00	43,660.06	0.00	
Harrison, Claire (Ms)		Withheld	0.00	6,817.23	0.00	
Livirinski, Marko (Mr)		Withheld	0.00	7,200.94	0.00	
Nilsson, Ann (Ms)		Withheld	0.00	7,998.04	0.00	
Otaki, Masako (Mr)		Withheld	0.00	13,480.55	1,375.00	
Powell, Karen (Ms)		Withheld	0.00	250,836.90	0.00	
Sravan, All (Mr)		Withheld	0.00	14,491.24	0.00	
Tateo, Kureha (Ms)		Withheld	0.00	3,708.12	0.00	
Tsiavis, Theo (Mr)		Withheld	0.00	22,682.18	0.00	
Verity, Matthew (Mr)		Withheld	0.00	24,728.02	0.00	
Zhang, Sherry (Ms)		Withheld	0.00	17,946.56	0.00	
Totals for Priority Creditors (Employees and SGC)			15	0.00	464,053.34	14,193.13

UNSECURED CREDITORS

Creditor Name	Related Party	Address	ROC/AP	Advised	Claimed	
American Express Australia Ltd		Locked Bag 1016 Gordon NSW 2072	0.00	116,639.27	116,639.27	
Aqualand Group		C/- Colliers, Level 30, Grosvenor Place 225 George Street SYDNEY NSW 2000	0.00	79,331.40	0.00	
Australian Taxation Office		Locked Bag 9903 PENRITH NSW 2740	644,026.95	644,026.95	552,932.38	
BDJ Partners		Level 8, 124 Walker Street North Sydney NSW 2060	220.00	220.00	0.00	
Bigbeat inc		New Otani Garden Court 22F, 4-1 Kioi - Cho, Chiyoda - ku Tokyo 102-0094 Japan	6,775.68	6,775.68	0.00	
Boyong Kim		N/A	219.65	219.65	0.00	
BUS HIRE COMPARISON PTY LTD		52 OConnell Street Parramatta NSW 2150	1,089.00	1,089.00	0.00	
Champions Group Pte ltd SPAN		N/A	4,089.91	4,089.91	0.00	
CHANNEL UC PTY LTD		4/79 Orion Road LANE COVE WEST NSW 2066	1,288.87	1,288.87	0.00	
DELTEK AUSTRALIA PTY LTD		Suite 1, Level 30, 100 Miller Street North Sydney NSW 2060	7,429.90	7,429.90	7,492.90	
Demand Science US		222 Rosewood Drive, 8th floor Danvers MA 01923 United States	3,825.00	3,825.00	0.00	
Dimension-All Vetyard Inc.		09-124 9F Uptown Bonifacio Towers, Three 36th Avenue 11th Cor.Ave BGC Taguig Philippines	0.00	4,438.85	4,438.85	
DPR & CO PTY LTD		21-23 Stewart Street Richmond VIC 3121	2,082.30	2,082.30	0.00	
Energy Australia		Locked Bag W100 Sydney NSW 1291	3,355.99	3,355.99	0.00	
Ethnolink		Level 1, 501 Church Street RICHMOND VIC 3121	0.00	7,234.70	7,234.70	
EVOLV DESIGN PTY LTD		N/A	0.00	0.00	0.00	
EXPERT AUDIO VISUAL PTY LTD		34 Hercules Street Dulwich Hill NSW 2203	0.00	0.00	0.00	
flash couriers sydney pty limited		Unit 49, 6-8 Herbert Street St Leonards NSW 2065	712.23	712.23	0.00	
iCare		Level 15, 321 Kent Street Sydney NSW 2000	18,641.17	18,641.17	18,641.17	
Icon		N/A	275.00	275.00	0.00	
JDECAUX AUSTRALIA TRADING PTY		Level 6, 1 York Street Sydney NSW 2000	32,000.11	32,000.11	0.00	
Jennifer Arnold Consulting		2 Dakara Close Pymble NSW 2073 Australia	5,535.20	14,115.20	10,375.20	
JP-Accounting		3/F Sanno Park Tower, 2-11-1 Nagata-cho Chiyoda-Ku Tokyo	0.00	180.03	180.03	
Kennosuke Saito		237-2 Kawarazuka #106, Matsudo, Chiba Japan	0.00	21,959.58	21,959.58	
Kirsty Dagnall		N/A	2,125.00	2,125.00	0.00	
LINKEDIN SINGAPORE PTE. LTD.		N/A NSW 2000	17,277.15	17,277.15	0.00	
Logo Pogo		N/A	88.00	88.00	0.00	
M FURMIE & B RAMADAN		26 John Street Northbridge WA 6003	605.00	605.00	0.00	
Market Resources Partners Ltd		Suite 201, 22 Pitt Street Sydney NSW 2000	28,764.09	28,764.09	0.00	
McCorkell & Associates Pte Ltd		1 Magazine Road, #04-02 Central Mall 059567 SINGAPORE	0.00	338,669.25	338,669.25	
Miro San Francisco		201 Spear Street, Suite 1100 San Francisco 94105 United States	6,589.54	6,589.54	0.00	
Officeworks		GPO Box 1816 Melbourne VIC 3001	156.29	156.29	0.00	
Pack & Send North Sydney		Shop 1, 161 Walker Street North Sydney NSW 2060	295.00	295.00	0.00	
PCC Lawyers Pty Ltd		Suite 6, 9 Railway Street Chatswood NSW 2067	0.00	2,191.20	0.00	
Peak 1 Co., Ltd.		4F MetLife Kanda-Nishikicho Bldg., 3-23 Kanda-Nishikicho Chiyoda-ku, Tokyo 101-0054 Japan	54,911.16	54,911.16	54,300.19	
Quality Imaging Products Pty Ltd		606 Parramatta Road, Croydon NSW 2132	2,802.80	2,802.80	0.00	
Rakuten Insight		Rakuten Crimson House, 1-14-1 Tamagawa, Setagaya-ku Tokyo 158-0094 Japan	1,293.54	1,293.54	1,134.00	
Rouan Lucas Van Ryn t/a Freestyle		Unit 5C, 28 Wellesley St East Auckland 1010 New Zealand	1,048.37	1,048.37	0.00	
Seek		GPO Box 2335 Sydney NSW 2001	1,017.50	1,017.50	0.00	
SEISMIC SOFTWARE PTY. LTD.		5 Martin pLace, Level 14 Sydney NSW 2000	1,917.30	1,917.30	0.00	
SNAP North Sydney		Ground Floor, 118 Walker Street NORTH SYDNEY NSW 2060	3,261.21	3,261.21	0.00	
THE EXECUTIVE CENTRE (BRISBANE)		Level 54, 111 Eagle Street Brisbane City QLD 4000	0.00	219.37	0.00	
The Ritz Carlton Tokyo		Tokyo Midtown 9-7-1, Akasaka Minato City, Tokyo 107-6245 Japan	1,245.99	1,245.99	0.00	
TRADE INDY PTY. LTD.		Level 2, Barkly House,, 30 Inkerman Street, St. Kilda VIC 3182	143,709.43	143,709.43	0.00	
Totals for Unsecured Creditors			44	998,674.33	1,578,117.98	1,133,997.52
Totals for All Creditors:			59	998,674.33	2,042,171.50	1,148,190.65

ANNEXURE “2”

Summary of Receipts and Payments

Receipts and Payments Summary By Account: McCorkell & Associates - McCorkell & Associates

Bank, Cash and Cash Investment Accounts: All Dates (Gross Method)

Type	Account	GST	Total
TRADING PAYMENTS			
	PAYG Control (Trading): PAYG Withheld		3,582.00
	Super Control (Trading): Super Withheld		1,756.74
	Superannuation		(1,756.74)
	Wages & Salaries		(16,730.76)
		0.00	(13,148.76)
	Net Trading Receipts and Payments	0.00	(13,148.76)
NON-TRADING RECEIPTS			
	Funds Owing to McCorkell Group		216,879.75
	Funds Received From McCorkell Group For Wages		21,568.75
	Sale of Business Proceeds	2,648.15	29,129.61
		2,648.15	267,578.11
NON-TRADING PAYMENTS			
	Fees: Appointee Fees	(2,648.15)	(29,129.61)
	Funds Owing to McCorkell Group		(217,543.12)
		(2,648.15)	(246,672.73)
	Net Non-Trading Receipts and Payments	0.00	20,905.38
	Net Receipts (Payments)	0.00	7,756.62

ANNEXURE “3”

Consent to Act – Michael Hogan



*Corporations Act 2001
Subsection 60 (2)*

Consent to Act as Liquidator

**McCorkell & Associates Pty Limited (In Liquidation)
ACN 057 284 509
("the Company")**

I, Michael Hogan, of Level 9, 60 Pitt Street, Sydney NSW 2000, Liquidator, consent to be appointed to act as the Liquidator of McCorkell & Associates Pty Limited (In Liquidation) (ACN 057 284 509).

I am not aware of any conflict of interest or duty that would make it improper for me to act as Liquidator of the Company.

I am not aware of any relevant relationship mentioned in subsection 60 (2) of the Corporations Act 2001 of the Commonwealth.

The hourly rates currently charged in respect of work done as Liquidator by me, and by my partners and employees who may perform work in this liquidation, are set out below or in the Schedule which is attached to this consent.

Dated this 10 January 2023.

A handwritten signature in black ink, appearing to be 'Michael Hogan', is written over a horizontal line.

**Michael Hogan
Registered Liquidator**



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

ANNEXURE “4”

Declaration of Independence, Relevant Relationships, and Indemnities – Michael Hogan

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

McCorkell & Associates Pty Limited (In Liquidation)

A.C.N. 057 284 509 (“the Company”)

The purpose of this document is to assist creditors with understanding any relevant relationships that I have with parties who are closely connected to the Company any indemnities or upfront payments that have been provided to the liquidator. None of the relationships disclosed in this document are such that my independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

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

I am Professional Members of the Australian Restructuring Insolvency Turnaround Association (ARITA). I acknowledge that I am bound by the ARITA Code of Professional Practice (CoPP).

A. Independence

I have assessed my independence and I am not aware of any reasons that would prevent me from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those I have disclosed in this document.

B. Circumstances of appointment

How I was referred this appointment

This appointment was referred to me by Adesh Goel from Dilanchian Lawyers & Consultants, who represents a creditor of the Company.

I believe that this referral does not result in a conflict of interest or duty because:

- Referral from lawyers are common place and do not impact on my/our independence in carrying out my/our duties as external administrators;
- The referral was unconditional and there is no expectation, agreement or understanding regarding the conduct of the liquidation. I am free to act independently and in accordance with the law and applicable professional standards; and
- This is the first referral from this source.

Did I meet with the company, the director or their advisors before I was appointed?

I have not had any interactions with the director of the Company.

On 9 January 2023, I met with Mr Goel who advised that he represented a creditor of the Company, which was currently in creditors voluntary liquidation. He advised that the creditor was potentially seeking to replace the current liquidator.

Following the discussion, I provided my Consent to Act as liquidator of the Company.

I have not provided any advice to the Company or the creditor in relation to the liquidation of the Company.

I have provided no other information or advice to the Company prior to my appointment beyond that outlined in this DIRRI.

C. Declaration of Relationships

Within the previous two years, have I or my firm, had a relationship with:	
McCorkell & Associates Pty Limited (In Liquidation)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The director?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any Associates of McCorkell & Associates Pty Limited (In Liquidation)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A formal insolvency practitioner appointed to McCorkell & Associates Pty Limited (In Liquidation)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole of McCorkell & Associates Pty Limited (In Liquidation)'s property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Do I have any other relationships that I consider are relevant to creditors assessing my independence?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D. 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: 10 January 2023



Michael Hogan
Liquidator

Notes:

1. The assessment of independence has been made based on an evaluation of the significance of any threat to independence and in accordance with the requirements of the relevant legislation and professional Standards

2. *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. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*



ANNEXURE “5”

Proof of Debt

FORM 535
Corporations Act 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of **MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)**
ACN 057 284 509 ("the Company")
ALSO KNOWN AS AUSTRALIAN CORPORATE DATA

1. This is to state that the Company was on 15 December 2022⁽¹⁾, and still is, justly and truly indebted to ⁽²⁾

(name) _____

of (address) _____

the sum of _____ dollars and _____ cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount (incl. GST) \$	GST in Total \$	Remarks ⁽⁴⁾
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2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum of or any part of it except for the following:⁽⁵⁾

Date	Drawer	Acceptor	Amount \$	Due Date
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3.* 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, remains unpaid and unsatisfied.

3.* I am the creditor's agent authorised in writing to make this settlement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: _____

Occupation: _____

Print Name: _____

Date: _____

* Do not complete if this proof is made by the creditor personally

¹ Date of the Liquidator's appointment.

² Full name and address 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 State how the debt arose.

⁴ Include details of voucher substantiating payment.

⁵ Insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form.

FOR OFFICE USE ONLY

Creditor No.	Proof No.	Date Entered.	Admitted/Rejected	Verified	Date.
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Comments: _____

ANNEXURE “6”

Appointment of Proxy

**APPOINTMENT OF PROXY
RULE 75-25
INSOLVENCY PRACTICE RULES (CORPORATIONS) 2016**

**MCCORKELL & ASSOCIATES PTY. LIMITED (IN LIQUIDATION)
ACN 057 284 509 ("the Company")
T/AS AUSTRALIAN CORPORATE DATA**

A. Creditor Name and Contact Details

Name:

Company Name: Telephone Number:

Address: Facsimile Number:

B. Appointment of Proxy

I/We, a Creditor of the above named company hereby appoint or in his/her absence as my/our proxy to vote at the meeting of creditors to be held in the above matter on **Wednesday, 15 February 2023 at 11:00am** or at any adjournment thereof.

C. Voting By Proxy (please tick)

- This proxy is to be used as a general proxy to vote on all matters arising at the meeting,
- OR**
- This proxy is to be used as a special proxy to vote on the following matters as specifically indicated below.

	Resolution	For	Against	Abstain
(1)	<i>"The Mr. Liam Bailey be removed as the Liquidator of McCorkell & Associates Pty. Limited (In Liquidation) and that Mr. Michael Hogan of Hogan Sprowles be appointed as Liquidator in his place."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Execution by Corporate Creditor (in accordance with section 127 of the Corporations Act 2001)

- 127(1) - A company may execute a document without using a common seal if the document is signed by:
- (a) 2 directors of the company; or
 - (b) a director and a company secretary of the company; or
 - (c) for a proprietary company that has a sole director who is also the sole company secretary – that director.
- 127(2) - A company with a common seal may execute a document if the seal is fixed to the document and the fixing of the seal is witnessed by:
- (a) 2 directors of the company; or
 - (b) a director and a company secretary of the company; or
 - (c) for a proprietary company that has a sole director who is also the sole company secretary – that director.

- 2 -

Signature of individual or person authorised
by corporate resolution to represent
corporation

Print Name:

The common Seal was affixed hereto in the
presence of:

Director

Director/Company Secretary

Dated this day of 2023

Certificate of Witness

(This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature is not to be attested to by the person nominated as proxy.)

I _____, of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of Witness: _____ Dated: _____

Place of Residence: _____