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16 April 2018

When replying please quote
Our ref: C10310
Your ref:

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam,

**RE: CULLEN GROUP AUSTRALIA PTY LTD (RECEIVERS & MANAGERS APPOINTED) (IN LIQUIDATION)
ACN 131 442 843**

I refer to my appointment by way of resolution as replacement Liquidator of the above company on 24 January 2017.

The 12-month anniversary of my appointment as Liquidator has passed. In the interest of minimising cost and as there is an elected Committee of Inspection, I have chosen not to convene a meeting of the creditors under Section 508(1)(b)(i) of the Corporations Act 2001 ("the Act"). I have, however, prepared and lodged with the Australian Securities & Investments Commission ("ASIC") a Report pursuant to Section 508(1)(b)(ii) of the Act setting out the following:-

- (a) an account of my acts and dealings and the conduct of the winding up;
- (b) a description of the acts and dealings that remain to be carried out in order to complete the winding up; and
- (c) an estimate of when the winding up is likely to be completed.

If you wish to obtain a copy of this Report, please advise my office in writing by email and I will arrange for a copy to be forwarded to you.

Should you have any further queries in this matter, please contact James Currie from my office on (03) 8560 3533 or alternatively by email james@menziesadvisory.com.au.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Michael Caspany'.

MICHAEL CASPANEY
LIQUIDATOR

CULLEN GROUP AUSTRALIA PTY LTD
(RECEIVERS AND MANAGERS APPOINTED) (IN LIQUIDATION)
ACN 131 442 843

LIQUIDATOR'S REPORT TO CREDITORS
PURSUANT TO SECTION 508 OF THE CORPORATIONS ACT 2001

A. CURRENT POSITION

Attached as 'Annexure A' is a summary of the receipts and payments for the last 12 months, being 24 January 2017 to 23 January 2018.

The following tables summarise the company's assets and liabilities in the Liquidation:

Assets of the Company

Assets	Estimated by Director on Summary of Affairs	Identified by Liquidator	Variation	Realised to Date of this report
1. Cash on Hand / Cash at Bank	Nil	Nil	Nil	Nil
2 Accounts Receivable (Debtors)	\$2,000,000.00	\$8,675,048.00	\$6,675,048.00	\$324,100.00
3. Land	\$240,000.00	\$1,284,000.00	\$1,044,000.00	\$1,284,000.00
4. Stock	Nil	Nil	Nil	Nil
5. Plant and Equipment	Nil	\$33,337.00	\$33,337.00	\$33,337.00
6. Work in Progress	Nil	Nil	Nil	Nil
7. Other Assets	Nil	\$12,500.00	\$12,500.00	\$12,500.00
8. Assets with PPSR security claims	Nil	\$9,454.55	\$9,454.55	\$9,454.55
Total	\$2,240,000.00	\$10,014,339.55	\$7,774,339.55	\$1,663,391.55

Liabilities of the Company

Creditors	Value Estimated by Director on Summary of Affairs	Value Estimated by Liquidator	Variation
9. Employees (Wages, superannuation, leave, retrenchment & SGC)	\$224,889.00	\$775,692.76	\$550,793.76
10. Secured and Partially Secured Creditors	\$2,125,111.00	\$8,485,625.62	\$6,360,514.62
11. Unsecured creditors	\$19,696,804.00	\$36,610,986.70	\$16,914,182.70
Total	\$22,046,804.00	\$45,872,305.08	\$22,723,903.56

Notes:

1. Cash on Hand / Cash at Bank

The company operated a bank account with the Westpac Banking Corporation Limited ("WBC") and also banked with the National Australia Bank ("NAB"). The WBC account was in overdraft as at the date the previous Liquidators were appointed. The \$19,100 recorded on the receipts and payments schedule relates to debtor receipts prior to my appointment (refer to Accounts Receivable section below). Accordingly, there will be no recoveries from this source.

2. Accounts Receivable (Debtors)

The company has a number of outstanding debtors identified in the company's records and from our investigations to date. A summary of my findings in relation to the debtors is as follows:

	Amount (\$)
Total debtors	8,675,048
Less: Debtors recovered by prior Liquidators	(19,100)
Less: Debtors recovered since my appointment	(305,000)
Remaining debtors	8,350,948

I am currently reviewing each debtor on a case by case basis due to their individual complexities. My investigations have been partially hindered by the deliberate concealment and manipulation of some company books and records. These actions included the permanent deletion of company emails between August 2016 and 22 December 2016 and the removal of project files from the company's office prior to my site inspection. I have sourced some of the required records by other means and third parties. As a result, several of these debtors have been issued with demands. If the claims have been disputed, then they have been referred to my solicitors who have issued proceedings (if warranted). To date the former Liquidators and myself have recovered total proceeds of \$324,100 (note that \$305,000.00 of this was received after the 24 January 2018 hence it is not disclosed on the receipts and payments schedule for this year). In order to not jeopardize current claims or breach confidentiality clauses in the settlement deeds, I have not specified which parties have been pursued or settled to date.

Creditors should note that I am continuing my investigations into the debtors and into any disputes raised. However, it will be necessary in some cases to engage construction experts to precede any legal proceedings which may be required for further action in recovering the company's trade debts. Creditors should be advised that this may further deteriorate the recoveries expected from this source. Creditors will be advised in writing in future reports if any further recoveries are made from this source.

3. Land

As at the date Liquidator's were appointed, the company was the registered proprietor of three properties known as and situated at:

- 1/65 Riverside Place, Morningside QLD 4170;
- 4/83 Akonna Street, Wynnum QLD 4178; and
- Suites 2 and 3, 133 Wharf Street, Tweed Heads NSW 2485 (collectively "the properties").

The properties were all encumbered by first ranking mortgages held with the WBC. The WBC has exercised its rights to appoint Receivers & Managers to realise the properties. The WBC had total secured facilities outstanding of approximately \$2,478,534. The properties have subsequently all been sold and settled for a combined value of \$1,284,000. The company's liabilities were reduced by the following amounts allocated from the settlement proceeds:

Creditor	Amount (\$)
Westpac Banking Corporation Ltd	1,148,306
Australian Taxation Office (GST)	74,000
Total	1,222,306

To date the Receivers & Managers have not ceased their appointment. However, I anticipate that there will be no further proceeds received from this source.

4. Stock

The company operated a construction business which involved building, designing and managing commercial and large scale residential property developments. Therefore, the company did not hold or wholesale stock. Accordingly, there will be no recoveries from this source.

5. Plant and Equipment

There were some limited unencumbered assets identified from various sites by the former Liquidators. These assets were namely miscellaneous tools, some site offices and a forklift. Their auctioneers collected the assets and realised them with total proceeds of \$33,337 excluding auctioneer's commissions, transport costs and

valuation fees. The remaining balance of \$27,649 (including costs of realisation) was forwarded to the previous Liquidators for their remuneration approved by the Committee of Inspection (refer to the receipts and payments schedule).

There will be no further recoveries from this source.

6. Work in Progress

As briefly outlined above, the company had aspects of its books and records concealed and manipulated. In particular, it is my opinion that there were a number of incomplete and future development project records that were removed from the company's premises before my site inspection. The removal of these records has made it difficult to properly assess the company's asset position as at the date of appointment of Liquidators given there are no records accurately disclosing the current work in progress amounts of the partially completed projects or the progress claims paid to date.

The director has advised me that all the projects had been completed as at the date of appointment of the former Liquidators, however it is my understanding, based on my findings to date, that this may not be the case. The transfer of these projects to other entities depending on the value of consideration paid, may be uncommercial in nature pursuant to the Act or otherwise be phoenix related activities.

Accordingly, I have made alternative steps to locate these records including issuing section 530A and 530B demands to both related and third parties. I have also sought a further formal interview request of the director, however he declined attendance and provided a formal response in writing as a substitute. My efforts to recover these records by other means are continuing. So as to not jeopardize my intended actions I will not be providing further details at this stage. Creditors will be advised of any updates in my future reports to creditors.

7. Other Assets

There was a pre-existing insurance claim underway dated on or about 7 November 2015 in relation to damaged plant and equipment. Following our appointment, the insurer's insurance company, CGU Insurance Limited agreed to release an amount of \$12,500 regarding the claim. These proceeds were received in full.

I am not aware of any other realisable assets. However, creditors are invited to inform my office if they are aware of any further assets not detailed in this report.

8. Assets with PPSR security claims

The former Liquidators recovered a number of company motor vehicles on various sites. These motor vehicles were financed by WBC and the NAB. The financiers had registered security interests. Their auctioneer prepared a formal valuation and estimated the realisable value to be approximately \$196,000. However, it is my understanding that all of the encumbered motor vehicles were collected for realisation by the financiers. If the realisable value of the motor vehicles exceeds the amount(s) owed to the financier and the other costs of realisation (such as auctioneer and transport costs etc) then there may be some surplus available to the company. I have not yet received any confirmation from the financiers in relation to the availability of surplus funds.

My investigations identified that the NAB had a defective security interest in relation to a 2015 Mazda BT-50 (the "**Mazda**"). The defect was pursuant to section 164 of the Personal Properties Securities Act (PPSA). I demanded the full proceeds from the sale of the Mazda from the NAB. The NAB disputed that the defect was a serious mis-description pursuant to the Act. I settled the claim with the NAB on a commercial basis for \$9,454.55 (being 50 percent of the motor vehicles realisable value after accounting for the costs of realisation).

I do not anticipate any further recoveries from this source.

9. Employee Entitlements

For the purposes of this report I have conducted a preliminary assessment of outstanding employee entitlements which is summarised below. Some of these amounts are subject to verification:

Entitlement	Amount (\$)
Superannuation Gaurantee Charges (SGC)	94,153
Wages	124,916
Annual Leave	234,248
Payment in Lieu of Notice (PILN)	121,074
Redundancy	201,302
Long Service Leave	Nil
Total	775,693

Creditors are advised that employee claims rank as a priority for dividend purposes and will be paid prior to any payment to unsecured creditors.

The majority of these entitlements (excluding Superannuation Guarantee Charges (“**SGC**”) only) have been paid by the Department of Employment (“**DOE**”), who provided the Fair Entitlements Guarantee Scheme (“**FEG**”) which is a government assistance offered in relation to unpaid employee entitlements.

I note that we have completed a SGC reconciliation of what we believed to be owed and provided this to the Deputy Commissioner of Taxation (“**DCT**”) to assist them in the formulation of their claim. I have subsequently received a formal proof of debt from the DCT relating to SGC.

Creditors should note that the total outstanding employee entitlements may increase under the following circumstances:

- If there are employees who have not yet submitted their claims to the DOE and therefore have not been paid any entitlements by the FEG. These employees will be able to prove their entitlement claims during the normal course of the Liquidation;
- If there are additional employee applications or requests for review made to the DOE in relation to FEG’s outcome for each individual; and
- If there are additional interest or other charges imposed by the DCT in relation to the SGC calculated.

The final outstanding entitlements figure will not be known until there has been a formal written request calling employees to provide formal proofs of debt to my office for dividend purposes. Creditors will be advised in future reports to creditors if there have been any material changes in the calculation of outstanding employee entitlements.

10. Secured Creditors

The company had a number of security interests over its assets which were registered on the Personal Property Securities Register (“**PPSR**”). For the most part, these creditors did not have any remaining assets to realise in accordance with their securities. Therefore, they will be entitled to prove in the Liquidation as ordinary unsecured creditors in respect to their shortfalls on their debts. Accordingly, it may be that a large amount of the partially secured creditors figure disclosed above are actually ordinary unsecured creditors for dividend purposes.

As briefly outlined above, the WBC holds a registered security interest over all present and after acquired property of the Company (“**ALLPAAP**”). The WBC is entitled to receive in priority proceeds from the sale of the company’s plant and equipment (non-circulating assets). The WBC also receives a priority over ordinary unsecured creditors in relation to the company’s debtor recoveries and cash assets (circulating assets), however priority creditor employee entitlements (as outlined above in section 9) will participate in a distribution of surplus funds ahead of WBC’s security interest by operation of section 561 of the Act. I will also be entitled to my reasonable costs for the realisation of both non-circulating and circulating assets as a priority to all creditors.

Following the receipt of the proceeds from the sale of the real properties (disclosed above in section 3), I estimate that the total remaining amount owing to the WBC is in the vicinity of \$1,283,528. However, we will request a formal account from the WBC as to their debt remaining once and if all outstanding priority employee entitlements are discharged.

As at the date of my appointment another entity, Davgan Pty Ltd ("**Davgan**") also had a registered security interest ALLPAAP. Davgan was a third-party financier known as one of the 'David Pearse entities' (outlined further below under 'The Bay Terrace Development – 'The Palais)'). My investigations identified that the security registration appeared invalid pursuant to section 588FL of the Act as it was only registered on the PPSR shortly before the appointment of Liquidators, being 15 December 2016. Also pursuant to the Act, the security was not registered on the PPSR within 20 days after the date of the alleged security agreement between the entities dated 1 April 2016. Therefore, any dealings between Davgan and the company were treated on an ordinary unsecured basis.

11. Unsecured Creditors

To date I estimate the total ordinary unsecured creditor claims to be approximately \$36,610,986. As well as this, creditors with claims subject to subcontractor's charges amount to approximately \$5,713,648 (accounted for in the partially secured creditor figure in the table summary above). The combined value of these figures is in excess of \$42,324,634. These estimates are based on the director's completed Report as to Affairs (ASIC Form 507 RATA), information received from creditors (such as statements, invoices and Court documents etc) and proofs of debt submitted in the Liquidation to date. These claims have not yet been adjudicated on by my office and therefore are subject to change, especially if a dividend to ordinary unsecured creditors is called, in which case the balance of creditors who have not submitted a proof of debt to date will be invited to do so.

Creditors will be advised in future reports to creditors if there have been any material changes in the calculation of the ordinary unsecured creditors figure.

B. OTHER MATERIAL DEVELOPMENTS FOR THE LAST 12 MONTHS

There have been the following salient developments since my date of appointment:

The Bay Terrace Development - 'The Palais'

As you may be aware, a director of a company owes fiduciary duties to that given company pursuant to the Act. The director of the company, Mr Wayne Cullen was also director, secretary and member of 70-78 Bay Terrace Pty Ltd ("**BT**"). He subsequently ceased to be director of BT on 20 February 2017 and Mr David Pearse was appointed. The company performed a building contract for BT who was to act as the principal developer. The director of the company placed himself in a position whereby his interests with the associated entity, BT, may conflict with those interests of the company.

My investigations and the investigations of my engaged construction experts found that the company appeared to have performed preliminary development and project management works which were outside of the scope of the original building contract. My findings also found that the director failed to ensure:

- i. The company was reimbursed for its work relating to procurement of the development;
- ii. The contract sum between BT and the company was both commercial and sufficient to cover the company's costs;
- iii. That BT paid all monies owing to the company and/or that the company did not offer any debt forgiveness to BT with no consideration;
- iv. That BT issued written directions in terms of additional or variation works performed by the company;
- v. That BT paid for all additional or variation works performed by the company;
- vi. That BT paid additional amounts for the company's development approval, design, engineering and other consultant works;
- vii. That BT paid for the company's design, project management, estimating and programming services; and
- viii. That BT agreed to reimburse the company for payments to third party contractors for work determined to be outside the contract.

Based on the above series of transactions or occurrences, the company effectively transferred resources to BT without adequate consideration and to the company's detriment. This specific project was not dealt with on an arms-length basis. The costs were often "not correctly on charged" and therefore the company was not receiving adequate consideration from the project profits to discharge its subcontractors. Also, the costing of the projects often did not include costs absorbed by the company. These costs were not passed on to the developer, BT as they should have been on a normal

bona fide arm's length basis. Examples of these costs include development approval, significant feasibility design, project management, head works, engineering, consulting works etc.

During my investigations, I identified that BT was holding a total of 9 units and/or commercial premises with an approximate unencumbered value of \$4,556,816.

I issued proceedings in the Federal Court of Australia against BT and other associated entities controlled by Mr David Pearse. The claims brought against the companies were under several grounds pursuant to the Act namely sections 588FDA, 588FE, 588FF and others. It was my belief that the director's conduct and breach of fiduciary duties enabled BT to gain these unencumbered units at the expense of the company's creditors. I attended an initial mediation which was adjourned due to the parties' inability to settle the claims for reasonable and fair amounts. Following the adjournment, I engaged a Quantity Surveyor to produce a report on the BT project. The report estimated the project's reasonable cost. This report assisted in solidifying a claim against BT that the company at a minimum entered into a contract with BT for approximately \$647,607 (inclusive of GST) less than what a normal market arms-length builder and developer would have charged within the industry. At the date of the second mediation, I was able to settle this claim and several other claims against BT and associated entities. The settlement agreement itself is confidential and therefore I am unable to provide any further particulars. However, as at the date of the receipts and payments annexed to this report I had not yet received all of the settlement proceeds.

There were also amounts due to the company according to the books of records of \$73,341 (inclusive of GST) relating to variations performed on the director's spouse's unit within the 'Palais'. I confirm that we also initiated proceedings against the director's spouse and we have subsequently settled this claim. I considered the settlement was in the best interests of creditors for the following reasons:

- A review of Mrs Cullen's personal asset and liability position did not indicate she had capacity to pay the amount in full. The amount the claim was settled for appeared to be a 'best case' scenario;
- In order to progress the matter, I would be required to take this matter before the Courts which would have increased the legal costs and Liquidator's costs considerably and resulted in a lower return to creditors; and
- There was no certainty that the claim would be successful if the claim was taken before the Courts. There was a risk that pursuing the claim further would result in a lower return or no return at all.

The terms of this settlement are also confidential, however I can confirm that the proceeds had not yet been received as at the date of the receipts and payments annexed to this report.

Voidable unfair preference claims

A preferential payment is a transaction with an unsecured creditor which results in that creditor receiving more than the creditor would receive if the transaction was set aside and the creditor claimed that same amount in the liquidation. Such claims are only available if the company is placed into liquidation.

For a preferential payment to exist, the following circumstances must have existed at the time the company entered into the transaction (usually a cash payment) that is being impugned:

- The payment was made to an unrelated creditor within six months prior to the commencement of the voluntary administration or within four years if made to a related creditor;
- At the time of making the payment, the company was insolvent or became insolvent as a result of the payment;
- As a result of the payment, the creditor received a greater benefit than it would have received had the transaction been set aside and the creditor proved in the liquidation; and
- The creditor suspected, or had reasonable grounds to suspect, that the company was insolvent at the time of the transaction or would become insolvent as a consequence.

There have been a substantial number of what we consider constitute voidable unfair preference claims identified pursuant to section 588FA of the Act. I have now issued demands on the majority of the parties who were identified as defendants to the claims. Defendants that were unresponsive or not

satisfactory in their responses, have been referred to our solicitors who have also issued formal demands or initiated proceedings in either the Magistrates, District or Federal Courts depending on the relevant jurisdiction and particulars of the case for each individual matter.

To the date of this annual report, a number of these claims have now been settled in full, with funds of approximately \$210,000 receipted. So as to not jeopardize current claims we are the applicant of or breach confidentiality clauses in the settlement deeds, I have not specified which parties have been pursued or settled to date.

I note that there are approximately forty-five unfair preference claims identified against parties that are currently being administered by my solicitors. I further note that it is anticipated that the proceedings are going to be initiated as a 'mothership proceeding'. This type of proceeding would save a considerable amount of court filing fee costs as only a single filing fee would be paid rather than a filing fee for each individual claim. The savings could be in the vicinity of \$80,000. I am currently in the process of seeking a funding application from the DOE who provided FEG in relation to unpaid employee entitlements. If the funding is eligible, it may be able to pay the costs of the solicitors and the Liquidator's costs. The DOE may be interested in funding the proceeding as they are owed \$681,539.94 in unpaid company employee entitlements which they have funded to date. Given the DOE are a priority creditor, they would be seeking to recover this amount as a result of recoveries which would be facilitated by funding the proceedings.

Creditors will be provided with an update in my future report to creditors.

Public Examinations

A public examination is one of the most powerful investigatory tools available to a Liquidator as it requires the examinee to attend Court where he or she can be cross-examined on a range of issues regarding the affairs of the company. The examinee's evidence is given on oath and may be used in a subsequent legal proceeding.

I confirm that there is likely to be public examinations conducted on officers of the company and related parties and many other stakeholders associated with activities of the company in its last 18 months of operation. The Queensland government has promised funding for the public examinations. However I have not yet received official notification that this grant will proceed. I have provided details to government representatives who are currently assessing terms of reference provided to them.

The examinations will assist in the settlement of existing claims and also in the identification of further claims both civil and pursuant to other grounds under the Act. The examinations should lead to a significant increase in the recoveries for creditors, however they may also identify some criminal actions which would be brought to the attention of ASIC, the Police and the Queensland Building and Construction Commission (QBCC). These external parties would be responsible for any disciplinary actions brought against any identified parties breaching specific legislation.

The quantum of the anticipated funding and the timing of its receipt is currently still in the process of being finalised. I note that it will take at least 4 to 6 weeks from the receipt of the funding for the examinations to be initiated. The reason for the estimated delay would be due to the requirement to draft an affidavit and a list of parties to whom summons' would be issued. The examinations timing will also depend on Court availability given that it could take 10 days or more to conduct the examinations.

Insolvent Trading

Pursuant to section 588G of the Corporations Act, directors have a positive duty to prevent a company from incurring debts when there are reasonable grounds for suspecting that the company will be unable to pay its debts as and when they fall due (i.e. the company is insolvent). Section 588M of the Act provides that a Liquidator is entitled to recover compensation from a director equal to the loss or damage suffered by the Company as a result of a breach of section 588G. The quantum of the claim would be the value of debts incurred after the date the company became insolvent and which remain unpaid.

I have completed substantial work based on the company's books and records to determine the precise date of the company's insolvency. This involved but was not limited to preparing a full detailed solvency report. From my investigations, it is my opinion that the company was insolvent from at least

1 January 2016. Therefore, it is apparent that the director may have allowed the company to trade whilst insolvent.

The director of the company, Mr Wayne Cullen, filed a voluntary debtor's petition for bankruptcy on the 6 April 2017. Accordingly, I have submitted a formal proof of debt claim in his estate relating to an estimated insolvent trading claim and outstanding director loan account of \$20,000,000. I am monitoring the likelihood of a dividend in the bankrupt estate and if a dividend is payable then I will further quantify the debts incurred since the 1 January 2016 which remain unpaid.

Creditors will be advised in future reports to creditors if there is any updates or anticipated recoveries from this source.

Other company projects and developments

I note that there are at least another 10 developer's projects other than the Bay Terrace development outlined above which the company may potentially have claims against. The grounds of these claims may be pursuant to sections 588FB, 588FE or 588FDA of the Act. My investigations into the company's past affairs with developers are continuing on a case-by-case basis due to their significant scale, complexities, deficiencies in the company's books and records and also the need to engage external legal and construction opinions.

As advised above, for the most part, the Bay Terrace development has been investigated and settled. There is currently another project which we are in the process of investigating and our findings have been referred to solicitors to issue proceedings if deemed warranted. As to not compromise these findings and the potential proceedings, I will not provide further details at this stage.

Creditors will be updated in my future reports to creditors.

C. COMPLETION OF THE WINDING UP

There are still substantial remaining investigations to be completed before the company's affairs are completely wound up. At the minimum, it would be necessary to do the following to finalise the Liquidation:

1. Completing investigations into potential voidable unfair transactions pursuant to the Act and issuing proceedings or settling those matters;
2. Completing investigations into the company's recent projects and initiating proceedings if any of the company's dealings appeared to be uncommercial pursuant to sections 588FB, 588FE, 588FDA of the Act or on other relevant grounds;
3. Completing investigations into the company's outstanding debtors and pursuing those debtors (if deemed recoverable);
4. Completing public examinations on the officers and other related parties and stakeholders of the company;
5. Completing a supplementary report to the Australia Securities and Investments Commission ("ASIC") pursuant to section 533(2) of the Act;
6. Adjudication of priority creditors' claims;
7. Payment of a dividend to priority creditors relating to outstanding employee entitlements (if any);
8. Payment of a dividend to the WBC in accordance with their security interest (if any);
9. Adjudication of unsecured creditor claims (if warranted);
10. Payment of a dividend to unsecured creditors (if any); and
11. Finalisation of the file including holding a final meeting.

I note that a number of these matters outlined above will require attendance at Court and/or mediations. The timing of these events will be dependant on the availability of the Courts, therefore, I estimate that the winding up will be completed within the next 3 to 5 years.

D. DIVIDEND TO CREDITORS

Creditors are advised that we expect to declare a dividend to priority creditors in the future. There are currently sufficient funds to enable a first dividend to priority creditors on account of certain employee entitlements, namely superannuation and wages outstanding. The dividend will be on a pro-rata basis

in relation to those specific entitlements only as they are paid in priority to other employee entitlements. It is noted that the majority of this dividend will be paid to the DOE who has paid out the wages entitlements via the Fair Entitlements Guarantee Scheme.

I confirm that we have now received and admitted a formal proof of debt form from the Deputy Commissioner of Taxation on account of outstanding superannuation guarantee charges ("SGC").

At this stage, as indicated earlier in the report I anticipate outstanding wages to be in the vicinity of \$124,916 and SGC to be approximately \$94,152.

The prospect of a dividend to unsecured creditors is uncertain at this stage and largely dependent on the outcome of the remaining investigative matters in the Liquidation, which are disclosed above. It is noted that whilst there are currently funds in the Liquidation, those funds may be used by the Liquidator to pursue the currently outstanding investigative matters if it is determined that those matters may offer an additional return to creditors.

E. INSPECTION OF LIQUIDATOR'S ACCOUNT

Creditors are advised pursuant to Section 539(5) of the Corporations Act 2001 that the Liquidator's account of receipts and payments can be inspected at the offices of Menzies Advisory - Liquidators & Receivers.

F. REPORTS UNDER THE CORPORATIONS ACT

I confirm that I have submitted a report to the ASIC under section 533 of the Act. The contents of that report are confidential. ASIC have subsequently requested a supplementary report pursuant to section 533(2) of the Act. This supplementary report will be finalised after the conclusion of the public examinations as it is anticipated that there may be further offences or supporting evidence identified during these proceedings. I will assist ASIC should it decide to undertake further investigations or actions in response to my report.

Should you require any further information concerning the contents of this report or the Liquidation in general, please contact James Currie of this office on (03) 8560 3533 or alternatively on email james@menziesadvisory.com.au.

DATED this 16th day of April 2018

A handwritten signature in blue ink, appearing to read 'Michael Caspary', is written over a light blue circular stamp.

MICHAEL CASPANEY
LIQUIDATOR

ANNEXURE “A”

Summarised Receipts & Payments

CULLEN GROUP AUSTRALIA PTY LTD

(In Liquidation)

Transactions From 24 January 2017 To 24 January 2018

A/C	Account	Net	GST	Gross
26	Valuers Fees	\$475.00	\$47.50	\$522.50
74	Cash at Bank	\$19,100.00	\$0.00	\$19,100.00
79	Other Assets (GST Free)	\$9,454.55	\$0.00	\$9,454.55
83	Bank Interest	\$52.97	\$0.00	\$52.97
84	Settlement of Voidable Transactions	\$210,000.00	\$0.00	\$210,000.00
85	Settlement of Preferences	\$435,549.39	\$0.00	\$435,549.39
88	Insurance Claim proceeds	\$12,500.00	\$0.00	\$12,500.00
114 - 4	Asset - AG1N -	\$30,306.36	\$3,030.64	\$33,337.00
225	Refunds - Pre Appt - No GST	\$945.00	\$0.00	\$945.00
232	BAS/IAS truncation	\$1.80	\$0.00	\$1.80
233	GST Clearing Account	\$53,116.00	\$0.00	\$53,116.00
Total Receipts (inc GST)		\$771,501.07	\$3,078.14	\$774,579.21
24	Quantity Surveying Fees	\$8,260.00	\$826.00	\$9,086.00
25	Consultants Expenses	\$111,760.00	\$11,176.00	\$122,936.00
26	Valuers Fees	\$4,454.00	\$445.40	\$4,899.40
27	Computer Expenses	\$2,859.46	\$285.97	\$3,145.43
29	Bank Charges	\$189.18	\$0.00	\$189.18
30	Commissions paid	\$1,666.85	\$166.68	\$1,833.53
40	Postage	\$159.62	\$15.96	\$175.58
132	Bank Charges	\$5.80	\$0.00	\$5.80
139	Legal Fees (1)	\$250,604.57	\$25,060.45	\$275,665.02
140	Legal Fees GST Free	\$1,328.68	\$0.00	\$1,328.68
152	Liquidators Remuneration	\$208,118.93	\$20,811.90	\$228,930.83
153	Liquidators Expenses	\$46,122.13	\$4,612.20	\$50,734.33
154	Liquidators Expenses GST Free	\$209.00	\$0.00	\$209.00
165	Computer & Technology	\$426.36	\$42.64	\$469.00
166	P & H Remuneration	\$52,072.80	\$5,207.28	\$57,280.08
167	P & H Remuneration - No GST Portion	\$902.45	\$0.00	\$902.45
233	GST Clearing Account	\$457.49	\$0.00	\$457.49
Total Payments (inc GST)		\$689,597.32	\$68,650.48	\$758,247.80
Balance in Hand - By Bank Account				
212	Cheque Account			0.00
213	NAB Transaction Account			0.00
214	NAB Interest Account			0.00
215	Pearce & Heers Bank Account (Prior Liqui			89.87
217	Hymans Trust Account			16,241.54
				\$16,331.41