

Administrators' report

Section 439A of the
Corporations Act 2001

7 December 2016

Administrators:
Martin Ford and Michael Owen

World Rugby Specialists Pty Ltd	ACN 094 994 108
World Rugby Specialists Group Pty Ltd	ACN 160 649 874
(Both Receivers and Managers Appointed)	
(Both Administrators Appointed)	
(The Group)	

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- A. **Appointment of Proxy, Proof of Debt or Claim Form – Form 532**
- B. **Remuneration report dated 7 December 2016**
- C. **Declaration of Independence, Relevant Relationships and Indemnities**
- D. **Notice of meeting of creditors**
- E. **ASIC Publication: Insolvency information for directors, employees, creditors and shareholders**
- F. **ARITA Publication: Creditor information sheet: Offences, recoverable transactions and insolvent trading**

Glossary

Abbreviations	Definitions
Act	Corporations Act 2001 (Cth)
Administrators	Martin Francis Ford and Michael Andrew Owen of PPB Advisory as joint and several Administrators
AEST	Australian Eastern Standard Time (Brisbane local time)
APAAP	All present and after-acquired property, a term associated with security interests under the PPSA
ARITA	Australian Restructuring Insolvency and Turnaround Association. ARITA was formerly the Insolvency Practitioners Association of Australia.
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
COC	Committee of Creditors
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Convening period	Ends 19 December 2016 in accordance with Section 439A(1) of the Act
D&O Policy	Directors and Officers Insurance Policy
Deed or DOCA	Deed of Company Arrangement
DE	Department of Employment
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.
FEG	Fair Entitlements Guarantee, a scheme administered by the DE to provide assistance to employees owed outstanding employee entitlements following the insolvency/bankruptcy of an employer
Former Administrators	Richard Albarran, Mohammed Shahin Hussain and Brent Trevor-Alex Kijurina of Hall Chadwick
FY	Financial Year (e.g. the financial year 1 July 2012 to 30 June 2013 would be expressed as FY13)
Group	World Rugby Specialists Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 094 994 108; and World Rugby Specialists Group Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 160 649 874
HY	Half Year (e.g. the half financial year 1 July 2013 to 31 December 2013 would be expressed as HY13)
k	Thousand
M	Million
POD	Form 535 – Formal Proof of Debt or Claim
PMSI	Personal Money Security Interest as defined in the PPSA
PPSA	Personal Property Security Act 2009 (Cth)
PPSR	Personal Property Securities Register – a register set up under the PPSA for the registration of security interests
Proxy	Form 532 – Appointment of Proxy
RATA	Report As To Affairs

Abbreviations	Definitions
Receivers	William James Harris and Anthony Norman Connelly of McGrathNicol as Receivers and Managers
Report	This report, prepared pursuant to s439A of the Act about the business, property, affairs and financial circumstances of the Group
s	Section of the Act
Second Meeting	Meeting held pursuant to s439A of the Act where creditors determine the future of the Group scheduled for Thursday, 15 December 2016 at 10:00am AEST (Brisbane local time)
WBC	Westpac Banking Corporation Limited
WRS	World Rugby Specialists Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 094 994 108
WRSG	World Rugby Specialists Group Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 160 649 874
YTD	Year to date, a period starting from the beginning of the current financial year and continuing up to a defined date (e.g. monthly management accounts from 1 July 2013 to 31 January 2014 would be expressed as 'YTD January 2014')

1. Disclaimer

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The contents of this Report are based on information obtained from the Group's books and records, financial systems, representations from the director, key management, the Receivers and Managers (McGrathNicol), the Former Administrators (Hall Chadwick) and our own enquiries and investigations.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to us between the date of this Report and the date of the Second Meeting.
- In considering the options available to creditors and formulating our recommendation, the Administrators have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on the Administrators' best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.
- Neither the Administrators, PPB Advisory nor any member or employee of the firm is responsible in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.
- The Administrators do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.
- This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Group and must not be disclosed without the prior approval of the Administrators.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

2. Executive summary

2.1 Appointment background

Richard Albaran, Brent Kijurina and Shahin Hussain of Hall Chadwick were appointed Administrators of the Group on 14 November 2016. On 23 November 2016 Martin Ford and Michael Owen replaced Messrs Albaran, Kijurina and Hussain as Administrators of the Group at the first meetings of creditors of WRS and WRSG.

2.2 Report's purpose

The purpose of this report is to table the findings of our investigations into the Group's business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the Group.

2.3 Administrators' recommendation

We recommend that it is in the creditors' interests that the concurrent meetings of WRS and WRSG be adjourned for a period of up to 45 business days pursuant to s439B(2) of the Act. Following such an adjournment we expect to be better placed to comment on the outcome of the Receivers and Managers' sale campaign for the business and its assets and to consider any potential Deed(s) of Company Arrangement that may be put forward.

In the absence of an adjournment it is our recommendation that creditors vote for the Group to be wound up (i.e. placed into liquidation).

2.4 Second meeting of creditors

The Second meeting of creditors (**Second Meeting**) will be held on:

Date: Thursday, 15 December 2016
Registration: 9:30am AEST (Brisbane local time)
Meeting time: 10:00 am AEST (Brisbane local time)
Location
 Bowman Room
 Christie Centre
 Level 1, 320 Adelaide Street
 Brisbane QLD 4000

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

- Form 532 – Appointment of Proxy
- Proof of Debt form.

Forms must be submitted by no later than 10:00am AEST on Wednesday, 14 December 2016, to this office or by email to WorldRugby@ppbadvisory.com.

2.5 Deed of Company Arrangement

We have not received any Deed of Company Arrangement (**Deed**) proposals for the Group and therefore the option for creditors to vote in favour of a Deed proposal is currently unavailable.

2.6 Estimated return to creditors

Due to the commercially sensitive nature of the Receivers and Managers' sale campaign, we are unable to provide an estimate of the likely cents in the dollar returns to creditors. However we do not expect the property of the Group will be sufficient to fully satisfy the claims of secured creditors. As the Group's secured creditors are expected to suffer shortfalls, we do not anticipate that there will be a return to ordinary unsecured creditors.

Creditor type	Liquidation Low Cents in the dollar	Liquidation High Cents in the dollar
Secured creditors	TBC	TBC
Employees	TBC	TBC
Unsecured creditors		
Trade creditors	Nil	Nil
Related entities	Nil	Nil

2.7 Offences and liquidation recoveries

Our preliminary view is that the Group may have traded while insolvent from at least March 2016.

We have identified a number of potential offences and liquidation recoveries which require further investigation. As our investigations into the date of the Group's insolvency are ongoing we cannot definitively specify potential offences or estimated liquidation recoveries. It would appear however that the Group may have traded while insolvent from at least March 2016. Further investigations would be required by a liquidator (if appointed) in order to reach a conclusion on insolvent trading.

2.8 Administrators' overview

2.8.1 Conduct of administration

Since our appointment we have:

- reviewed books and records of the Group
- liaised with our insurer regarding ongoing insurance requirements
- addressed creditor and employee enquiries via telephone and email regarding the administration, entitlements and ongoing employment
- liaised with the appointed Receivers and Managers and Former Administrators to obtain relevant information on the Group's affairs
- conducted investigations of the Group required pursuant to section 438A of the Act, including investigating and ascertaining the financial position of the Group and considering possible courses of action
- complied with our statutory duties.

2.8.2 Group's financial background

- Since FY14 the Group's cash position has deteriorated. It was reliant on its overdraft facilities with WBC for working capital
- The business has operated at a loss since the start of FY16 and had recorded a net loss for the first 4 months of FY17 of over \$1.6M, which is roughly equal to the full year loss in FY16
- The Group recorded certain sponsorship rights as a current asset in its balance sheet, which may have overstated its working capital position.

2.8.3 Reasons for Group's difficulties

The Group's cash shortages and financial difficulties in recent years are primarily the result of:

- the business' significant accumulation of stock (from approximately \$8M in FY14 to \$18M in FY16)
- management's strategy to focus investment on sponsoring numerous professional sporting teams, which has failed to deliver profits for the Group since FY16
- production delays caused by Cyclone Winston in Fiji, resulting in an estimated \$8M in lost sales.

2.9 Remuneration

We are seeking approval for our remuneration at the Second Meeting as summarised below:

Period	WRS Amount (excluding GST) (\$)	WRSG Amount (excluding GST) (\$)
Voluntary Administration Resolution 1: 23 November 2016 to 4 December 2016	18,703.00	14,215.50
Resolution 2: 5 December 2016 to 15 December 2016	12,000.00	10,000.00
In the event the meeting is adjourned (if applicable) Resolution 3: 16 December 2016 to date of reconvened second meeting	20,000.00	10,000.00
Liquidation (if applicable) Resolution 4: Date of liquidation to completion	65,000.00	35,000.00

Please refer to our Remuneration Report at **Appendix B** for full details of key activities undertaken by us, our partners and staff and the remuneration approval sought.

The Former Administrators are also entitled to request approval of their remuneration for the period of their appointment, being 14 November 2016 to 23 November 2016. On 24 November 2016 we requested details of the Former Administrators' remuneration, however such details had not been provided to us at the time of issuing this Report.

Should we receive details of the Former Administrators' remuneration claim between the date of issuing this Report and the Second Meeting, these details will be tabled at the Second Meeting.

3. Introduction

3.1 Appointment information

Richard Albaran, Brent Kijurina and Shahin Hussain of Hall Chadwick were appointed Administrators of the Group on 14 November 2016. On 23 November 2016 Martin Ford and Michael Owen replaced Messrs Albaran, Kijurina and Hussain as Administrators of the Group at the first meetings of creditors of WRS and WRSG.

Westpac Banking Corporation Limited (**WBC**) appointed William James Harris and Anthony Norman Connelly of McGrathNicol as Receivers and Managers (**Receivers**) of the Group on 15 November 2016.

3.2 Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) is provided at **Appendix C**. The DIRRI discloses information regarding any prior personal or professional relationships the Administrators and PPB Advisory had with the Group or related parties, our independence and any indemnities received relating to this appointment.

3.3 Report's purpose

An administrator is required to investigate a company's business, property, affairs and financial circumstances and report to creditors on:

- investigations conducted
- the administrator's opinion on the options available to creditors, being that the:
 - company be wound up (liquidation)
 - company execute a Deed of Company Arrangement
 - administration should end (with control of the company reverting to the company's directors).

3.4 Purpose of second meeting

The Second Meeting will:

- address the contents of this Report
- respond to questions from creditors
- determine the Group's future by resolving one of the three available options
- seek approval of:
 - administrators' remuneration
 - future remuneration of the liquidators or deed administrators (as applicable)
 - should creditors desire, the formation of a Committee of Inspection (**COI**)

The current Administrators automatically become the Deed Administrators or Liquidators unless creditors resolve to replace them.

The options available to creditors and the Administrators' opinion on each option are set out in detail in **Section 11**.

We recommend that the meeting be adjourned. In the absence of an adjournment of the meeting (which is being sought) we recommend that the Group be wound up.

3.5 Second meeting convening period

The Act stipulates the timing of the Second Meeting. Generally, the Second Meeting must be convened between 15-25 business days (or 20-30 business days at Christmas and Easter) from the date the administration begins. The Court may extend the convening period if circumstances require.

3.6 Second meeting details

The Second Meeting will be held on Thursday, 15 December 2016 at 10:00am AEST (Brisbane local time). Formal notification in the Form 529 – Notice of Meeting of Creditors is attached at **Appendix D**.

3.7 Meeting registration

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Appendix A**:

Registration forms	Information
Form 532 – Appointment of Proxy	A new proxy form is required to be completed for each creditors' meeting (i.e. previous meeting proxy forms are invalid for the Second Meeting). If a corporate creditor wants to be represented at the Second Meeting, it must appoint an individual to act on its behalf by providing an executed proxy form. Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending in person a proxy form is not required.
Proof of Debt or Claim Form	This form is required to be completed to entitle a creditor to vote at the Second Meeting. Documents to support the amount claimed (e.g. unpaid invoices) must also be provided. There is no requirement to resubmit a proof of debt form if previously provided unless the amount claimed has changed. Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund.

Forms must be submitted no later than 10:00am on Wednesday, 14 December 2016, to this office or by email to WorldRugby@ppbadvisory.com.

Only creditors of each Group entity are entitled to vote at the Second Meeting.

Creditors are encouraged to arrive as early as possible after the registration time to enable the orderly registration of attendees so that the meeting can commence on time.

3.8 Committee of Inspection (COI)

Should the Group be placed in liquidation, creditors may wish to establish a COI at the Second Meeting to assist and guide the liquidator. A minimum of two members is required to form a COI.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (telephone facilities will be made available so members do not have to attend in person). Members of the COI must have regard for the creditor group's interest, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting
- appoint a general power of attorney to attend the Second Meeting on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

3.9 Further information

To assist creditors, employees, and shareholders to understand the voluntary administration process, the AISIC has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Appendix E** is ASIC's publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- www.asic.gov.au
- www.arita.com.au

4. Group background

The Group operates as BLK (Beyond Limits Known) and manufactures and sells sporting and recreational goods to its customers. It is the largest apparel supplier to the Australian Football League.

Its international headquarters are based on the Gold Coast, Australia, with distribution offices in the United Kingdom, Ireland, Japan, USA, South Africa, New Zealand, Fiji, Papua New Guinea, Solomon Islands, France, Belgium, Italy and the United Arab Emirates.

4.1 WRS overview

WRS was incorporated in Australia on 6 November 2000.

WRS is headquartered in Helensvale, Queensland, and operates in the wholesale trade and manufacturing industry, deriving its primary revenue from manufacturing and selling sporting and recreation goods to its customers. The majority of its products are manufactured by overseas suppliers.

McGrathNicol, as the appointed Receivers and Managers, are continuing to trade the company's business, whilst they undertake a sale campaign for the business and its assets.

Information regarding WRS's financial background is discussed in **Section 6** of this Report.

4.2 WRSG overview

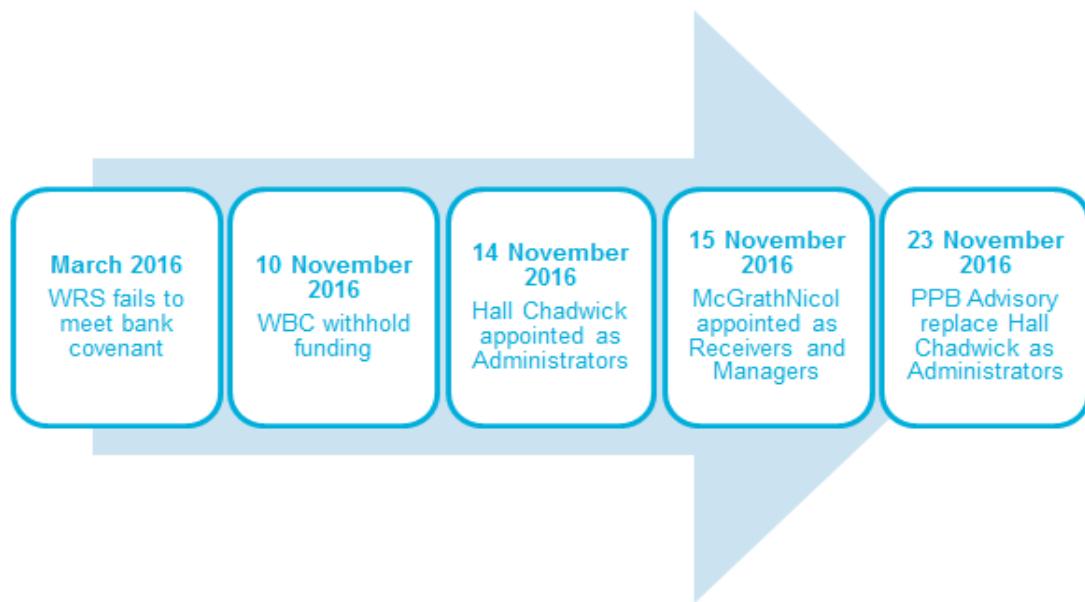
WRSG was incorporated in Australia on 5 October 2012.

WRSG is registered in Labrador Queensland. The company does not trade and was established as a holding entity with no operation in Australia.

We are informed that WRSG does not hold any Australian assets, however may have a financial interest in a manufacturing facility in Fiji. We understand that Receivers have also been appointed to the Group's Fijian operations and that it is unlikely that any proceeds from the sale of the Fijian assets will flow to the Australian entities.

4.3 Recent events

Outlined below is a brief timeline of key recent events in the Group's history.



4.4 Statutory information – WRS

A search of ASIC's database reveals the following details of WRS and its directors, officers and shareholders.

Company's details	
Date of incorporation	6 November 2000
Registered office	Level 9, 123 Albert Street, Brisbane, QLD, 4000
Principal place of business	16-18 Kingston Drive, Helensvale, QLD, 4212

Director's details	Appointment from/to
Tyron Howard Brant	3 September 2009 to present

Secretary's details	Appointment from/to
Tyron Howard Brant	5 October 2012 to present

Shareholders	Shareholding details
Kim Howard Brant	One fully paid ordinary share

We are not aware of any inaccuracy in ASIC's records.

4.5 Statutory information - WRS

A search of ASIC's database reveals the following details of WRS and its directors, officers and shareholders.

Company's details	
Date of incorporation	5 October 2012
Registered office	Level 9, 123 Albert Street, Brisbane, QLD, 4000
Principal place of business	Unit 23, 38 Kendor Street, Labrador, QLD, 4215

Director's details	Appointment from/to
Kim Howard Brant	5 October 2012 to present

Secretary's details	Appointment from/to
Kim Howard Brant	5 October 2012 to present

Shareholders	Shareholding details
Kim Howard Brant	Ten fully paid ordinary shares

We are not aware of any inaccuracy in ASIC's records.

4.6 Creditors' claims - WRS

At our appointment date, the claims of WRS creditors totalled \$34,965,862. The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
Secured creditors		
Circulating and non-circulating	1	13,977,809
Non-circulating only	6	64,193
Unknown	13	Unknown
Employee entitlements		
Priority creditors	174	1,082,246
Excluded employee entitlements (unsecured creditors)	5	189,041
Unsecured creditors		
Trade/External creditors	208	9,657,871
Related entities	4	9,994,702
Total creditor claims		34,965,862

These claims may be subject to change.

These amounts have been derived from the:

- The Group's books and records
- formal proof of debt or claim forms submitted by creditors.

4.7 Creditors' claims - WRS

At our appointment date, the claims of WRS creditors totalled \$14,845,817. The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
Secured creditors		
Circulating and non-circulating	1	13,977,809
Circulating only	-	-
Non-circulating only	-	-
Employee entitlements		
Priority creditors	-	-
Excluded employee entitlements (unsecured creditors)	-	-
Unsecured creditors		
Trade/External creditors	4	867,808
Related entities	2	200
Total creditor claims	7	14,845,817

These claims may be subject to change.

These amounts have been derived from the:

- the Group's books and records
- formal proof of debt or claim forms submitted by creditors.

4.7.1 Secured creditors

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the Personal Property Securities Register (**PPSR**) or, in the case of land and buildings, at the relevant Land Titles Office. Security interests can be over:

- circulating assets (formerly known as 'floating' assets) e.g. debtors, stock and cash
- non-circulating assets (formerly known as 'fixed' assets) e.g. property, plant and equipment, land, goodwill and rights to dividends.

A search of the PPSR and the Queensland Land Titles Office revealed the following security interests registered over the assets of WRS:

Creditor class	Number of creditors	No. of security interest(s)	Amount (\$)
Mortgage over land	0	0	Unknown
APAAP*	1	37	13,977,809
Intangible property	2	8	Unknown
Motor vehicle(s)	4	12	Unknown

Creditor class	Number of creditors	No. of security interest(s)	Amount (\$)
Other goods	13	22	Unknown
Total creditor claims	20	79	Unknown

* All present and after-acquired property – no exceptions (**APAAP**)

A search of the PPSR and the Queensland Land Titles Office revealed the following security interests registered against WRSR:

Creditor class	Number of creditors	No. of security interest(s)	Amount (\$)
APAAP*	1	1	13,977,809
Total creditor claims	1	1	13,977,809

4.7.2 Employees

Outstanding employee entitlements have a statutory priority for payment over other creditors (except from the proceeds of non-circulating asset realisations).

The table below details all known outstanding employee entitlements based on the Group's books and records. Employee entitlements have not been verified by us at this stage. Additional amounts for payment in lieu of notice and severance pay may also need to be factored in if employees are made redundant:

Entitlements	Total Amount (\$)
Wages	195,970
Annual leave	412,180
Long service leave	132,409
Superannuation	530,728
Total Priority Creditors excluding redundancy	1,271,287
Excluded Employee Entitlements	(189,041)
Total Priority Employee Entitlements excluding redundancy	1,082,246

4.7.3 Excluded employees

Excluded employees are defined in the Act as directors and their spouses or relatives (s556(2)).

Outstanding priority employee entitlements for excluded employees are limited to \$2,000 for wages (including superannuation) and \$1,500 for unpaid annual leave and long service leave. The balance of their entitlements rank as an unsecured claim (s556(1A) and (1B)) of the Act.

4.7.4 Fair Entitlements Guarantee (FEG)

It is too early to determine whether sufficient assets will be available to enable outstanding employee entitlements to be paid in full.

In the event that the Group is placed into liquidation, an employee may be eligible for payment of any shortfall in their employee entitlements (excluding superannuation) under FEG, which is administered by the Department of Employment (**DE**).

Former employees must meet eligibility requirements outlined in the *Fair Entitlements Guarantee Act 2012*.

FEG advances are repaid to the Government if and when funds become available, in the same priority as employees' claims.

Further information can be found on FEG's website at <http://employment.gov.au/fair-entitlements-guarantee-feg>.

4.8 Unsecured Creditors

At the date of our appointment, the claims of the Group's unsecured creditors totalled \$20,709,622 as follows:

Creditor class	WRS		WRSG	
	No of creditors	Group's records or RATA amount (\$)	No of creditors	Group's records or RATA amount (\$)
Trade/External creditors	208	9,657,871	4	867,808
Related entities	9	10,183,743*	2	200
Total creditor claims	212	19,841,614	6	868,008

*Figure incorporates excluded employee claims

These figures are derived from the Group's books and records/director's RATA.

WRS' top 10 unsecured creditors in value are:

No.	Creditor	Company records or RATA amount (\$)
1.	Kim Brant	5,422,330
2.	World Rugby Specialists Fiji	4,173,478
3.	Australian Taxation Office	2,573,121
4.	Playmore USD	1,624,904
5.	Lionstar Enterprises Limited	851,740
6.	Adelaide Football Club	841,429
7.	Brant, Tyron	422,522
8.	Australian Football League	265,000
9.	Geodis Wilson Australia Pty Ltd	249,979
10.	Gold Coast Suns	236,381
Total of top 10		16,660,884
Total unsecured creditors		19,841,614
% of total unsecured claims		84%

WRS only has 5 known unsecured creditors, as follows:

No. Creditor	Company records or RATA amount (\$)
1. Danam (Fiji) Limited	867,708
2. Kim Brant	100
3. Shannon Moore	100
4. Tyron Brant	100
5. Australian Taxation Office	Unknown
Total of Top 5	868,008
Total unsecured creditors	868,008
% of total unsecured claims	100%

4.9 Related entities

The Group's related entities and the quantum of their claims at the date of appointment are summarised below:

Related entity	Relationship	Creditor of WRS/WRS	Company records or RATA amount (\$)
Tyron Brant	Director	WRS	422,522
Kim Brant	Director's Relative	WRS	5,422,330
World Rugby Specialists Fiji	Related Company	WRS	4,173,478
Lauren Brant	Director's Relative	WRS	57,266
Greg Brant	Director's Relative	WRS	53,670
Melinda Brant	Director's Relative	WRS	Unknown
Sandra Brant	Director's Relative	WRS	37,447
Kim Brant	Director	WRS	100
Tyron Brant	Director's Relative	WRS	100
Total related entity claims			10,166,913

Related entity claims have not been verified or adjudicated upon. Based on our preliminary review of the Group's books and records, these claims appear to have arisen from:

- related entity loans
- employee entitlements.

5. Conduct of administration

5.1 First meeting of creditors

The first meetings of creditors of WRS and WRSG were held on 23 November 2016 (**First Meetings**), pursuant to s436E of the Act, by the Former Administrators. At the meetings, creditors voted that the Former Administrators be replaced by Martin Ford and Michael Owen of PPB Advisory.

Creditors at the first meeting of WRS resolved that a Committee of Creditors (**COC**) be formed for WRS comprising:

Representative names	Representing
Bill Tsiakos	Australian Football League
Darren Kennedy	Geodis Wilson Australia Pty Ltd
Hong Tran	Westpac Banking Corporation Limited
Saurabh Sharma	The Australian Taxation Office
Kristi Hudson	Mitchells Cap Company Pty Ltd
Matt Chin	Platinum Travel Corporation Pty Ltd

Copies of the minutes of the first meetings may be obtained from ASIC's website once they have been lodged by the Former Administrators.

5.2 General administrative tasks and statutory obligations progressed

- Identified the Group's books and records
- Liaised with the Receivers and Former Administrators
- Complied with ASIC statutory requirements.

5.3 Investigations into the affairs of the Group and reporting to creditors

- Reviewed the books and records of the Group
- Completed preliminary investigations of the affairs of the Group and its directors
- Prepared this Report to creditors.

5.4 Stakeholder liaison

- Provided notice of the appointment to creditors and employees as well as addressing stakeholders queries

5.5 Sale of business

5.5.1 Asset Realisation/Sale of business

The Receivers commenced a marketing campaign shortly after their appointment to sell the business and its assets as a going concern.

Even if the Receivers are successful in selling the business as a going concern, the proceeds generated are unlikely to be sufficient to enable a return to ordinary unsecured creditors, after contributing to the claims of employees and secured creditors. However, a going concern sale of the business may provide future benefits to employees, suppliers and other stakeholders from ongoing operations.

The Receivers' campaign is ongoing at the time of writing this Report. We will continue to seek updates from the Receivers on their progress.

5.5.2 *Continued trading*

The Receivers have continued to trade the business in an effort to:

- maximise recoveries from stock and debtors
- achieve a sale of the business and its assets as a going concern
- preserve the employment of staff.

Any queries in relation to the ongoing trading of the business should be directed to McGrathNicol in the first instance.

6. Group's financial background

The Group maintains an Exact accounting system and prepares forecasts monthly to assist management decisions.

The Group prepares annual financial statements and monthly management accounts. The Group's annual financial statements are not audited. The last annual financial statements provided are for the year ended 30 June 2015 (in draft form). We have also been provided with management accounts for FY16 and year to date (YTD) to 31 October 2016.

We have completed a preliminary financial analysis on the following historical results:

- FY14 unaudited financial statements
- FY15 draft unaudited financial statements
- FY16 unaudited management accounts
- YTD unaudited management accounts to 31 October 2016.

6.1 Group's financial performance / Profit and Loss

Key Comments
<ul style="list-style-type: none">• Management's strategy to focus investment on sponsoring numerous professional sporting teams has failed to deliver profits for the Group since FY16• Despite management's efforts to improve the Group's profitability, revenues have failed to keep pace with rising costs• In FY16, the Group suffered an estimated \$8M in lost sales due to production delays caused by Cyclone Winston in Fiji

The Group's consolidated financial performance (Profit and Loss) for the three fiscal years ended 30 June 2016 and the 4 months to 31 October 2016 is summarised below:

	Notes	FY14 \$'000s	FY15 \$'000s	FY16 \$'000s	YTD to 31 Oct 2016 \$'000s
Revenue	1	28,063	35,908	34,771	8,861
Cost of goods sold	2	(10,132)	(13,825)	(14,463)	(3,840)
Gross Profit		17,931	22,083	20,308	5,021
Margin (%)		64%	61%	58%	57%
Other income	3	(1,010)	(625)	1,143	270
Employee benefits expenses	4	(5,313)	(6,558)	(8,029)	(2,279)
Other expenses	5	(10,126)	(12,553)	(13,840)	(4,043)
EBITDA		1,482	2,347	(418)	(1,031)
Depreciation and amortisation		(405)	(521)	(474)	(138)
Interest		(853)	(765)	(756)	(465)
EBIT		224	1,061	(1,648)	(1,634)
Income tax (expense) / benefit		(107)	(480)	-	-
Net Profit/(Loss) After Tax	6	117	581	(1,648)	(1,634)

Notes

1. The director has indicated that the business is seasonal, with peak sales typically recorded in February. During FY16 the business suffered an estimated \$8M in lost sales as a result of

production delays in Fiji caused by Cyclone Winston, which contributed to its overall loss that fiscal year.

2. The cost of goods sold for the business has been steadily increasing, despite the decline in sales beginning in FY16. This appears to be at least partially attributable to the focus management has placed on pursuing professional sponsorships, which require the business to provide sportswear to major sporting teams free of charge.
3. The negative 'other income' figures for FY14 and FY15 represent foreign exchange losses and freight charges that appear to have been misclassified as income rather than expenses.
4. Based on the increased net profit recorded in FY15, management approved an uplift in capital spending on staff in FY16 with the aim of growing the business. However, when it became clear that forecast revenues would not be achieved, executive remuneration was cut and a number of staff were made redundant.
5. Other expenses include sales, marketing, property, travel and administration costs. These costs (particularly freight) continued to rise in FY16, despite the decline in sales. It is likely the Group's terms with suppliers deteriorated along with its financial position.
6. Even during its most profitable year (FY15) the business generated a net profit after tax of \$581k, based on gross sales of over \$35M. The business has failed to make a profit since FY15 and recorded a net loss for the first 4 months of FY17 of over \$1.6M, which is roughly equal to the full year loss in FY16.

6.2 Group's financial position / Balance Sheet

Key Comments
<ul style="list-style-type: none"> • The Group has suffered cash shortages in recent years, primarily due to trading losses and the accumulation of stock • The Group recorded certain sponsorship rights as a current asset in its balance sheet, which may have overstated its working capital (i.e. the Group's current assets available to meet its current liabilities) • Removing these sponsorship assets from a working capital assessment shows deficiencies would have existed since at least FY14 (with the exception of FY15, where a surplus of \$165k would still have been available)

The Group's financial position (Balance Sheet) for the three fiscal years ended FY16 and the four months to 31 October 2016 is summarised below:

	Notes	FY14 \$'000s	FY15 \$'000s	FY16 \$'000s	YTD to 31 Oct 2016 \$'000s
Current assets					
Cash and cash equivalents	1	1,256	147	(858)	(674)
Receivables	2	1,463	7,355	5,196	2,978
Inventories	3	7,990	13,166	18,074	17,940
Intercompany loans	4	2,289	546	-	-
Sponsorship rights	5	8,544	11,175	9,253	9,061
Other	6	281	307	198	410
Total current assets		21,823	32,696	31,863	29,715
Non-current assets					
Loans	7	-	-	3,559	3,466
Property, plant and equipment	8	3,571	1,905	1,388	1,339
Intangible assets	9	658	658	658	658
Total non-current assets		4,229	2,563	5,605	5,463
Total assets		26,052	35,259	37,468	35,178
Current liabilities					
Payables	10	(7,188)	(11,095)	(7,306)	(6,585)
Director loans	11	(3,078)	(2,957)	(5,833)	(5,773)
Interest bearing liabilities	12	(7,747)	(3,994)	(10,032)	(9,189)

Provisions	13	(2,441)	(1,574)	(1,708)	(1,958)
Tax Liability	14	(629)	(1,736)	(2,130)	(2,371)
Total current liabilities		(21,083)	(21,356)	(27,009)	(25,876)
Non-current liabilities					
Sponsorships		(774)	(7,583)	(5,677)	(4,987)
Intercompany loans		-	(70)	(2,717)	(3,749)
Interest bearing liabilities	15	(4,225)	(5,699)	(3,131)	(3,266)
Total non-current liabilities		(4,999)	(13,352)	(11,525)	(12,002)
Total liabilities		(26,082)	(34,708)	(38,534)	(37,878)
Net assets		(30)	551	(1,066)	(2,700)
Equity		(30)	551	(1,066)	(2,700)

Notes

1. Since FY14 the Group's cash position has deteriorated and it has relied on its overdraft facilities with WBC. This appears to be primarily the result of the accumulation of stock.
2. Between FY14 and FY15 (during the peak of its revenue growth) the Group allowed its trade debtor balance to expand by over 400%, demonstrating a focus on sales rather than cash collections. This placed increased strain on the cash position.
3. Between FY14 and FY16 the Group's inventory holdings grew rapidly (by 65% in FY15 and a further 37% in FY16). This accumulation of stock proved costly to the business, tying up cash and increasing the risk of stock obsolescence. The Receivers have indicated that a portion of the stock on hand at the date of their appointment related to the 2014 and 2015 seasons.
4. Little detail has been provided to us on the nature of the intercompany loans disclosed between FY14 and FY16. We intend to undertake further investigations into the recoverability of these loans if appointed liquidators.
5. The Group has capitalised its expenditure on some professional team sponsorships as a current asset. Current assets are defined as assets that are expected to be realised (i.e. converted into cash) within 12 months. In the case of the Group's sponsorship rights, these were not directly convertible into cash within 12 months. Accordingly it is arguable whether they should have been recorded as current assets or included in any working capital assessment.
6. Other assets consist of prepayments and deposits.
7. We have not been provided with sufficient information on the nature of the Group's non-current loan assets. Further enquiries will be made regarding these loans if we are appointed liquidators.
8. Property, plant and equipment consists of land, buildings, office furniture and equipment, motor vehicles and marketing equipment. There is a significant decrease from FY14 to FY15, which is primarily attributable to the sale of the land, building and fixtures located at 23/38 Kendor Street, Labrador, Queensland.
9. This intangible asset consists of the 'KooGa' trademark, a former brand used by the Group.
10. The Group experienced a significant increase in payables in FY15 (from approximately \$7M to \$11M). This may be attributed to the financial difficulty the Group experienced after increasing its inventories and accounts receivable, forcing management to defer payments to manage working capital.
11. We are informed that these loans represent amounts advanced personally by the directors to support the Group's operations. Further enquiries will be made into these loans if we are appointed liquidators of the Group.

12. Interest bearing liabilities consist of the WBC bank overdraft, WBC trade finance, WBC loan, credit card liability and commercial loans. There is a significant increase from FY15 to FY16 due to an increase in the WBC trade finance facilities needed to fund the Group's increased purchases.
13. Provisions consist of royalties, commissions, payroll accruals, general accruals and some sponsorships.
14. There are significant increases in the Group's tax liabilities between FY14 and FY16, reflecting the Group's inability to meet its tax commitments as they fell due.
15. Non-current interest bearing liabilities consist of a WBC Business Development Loan and commercial equipment loans.

6.3 Director's Report as to Affairs (RATA)

A company's director must provide an administrator with a RATA outlining the company's business, property, affairs and financial circumstances at the appointment date (s438B). The RATA should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

The director of WRS has provided us with a draft, unsigned RATA. As this was received just prior to the issuing of this Report and is still in draft form, we have not provided a summary of its contents in this Report.

Once signed, the director's RATA will be tabled at the Second Meeting of creditors.

7. Investigations

Key Comments

While our investigations are ongoing, we summarise our initial findings below:

- The Group's failure would appear to be the result of:
 - management's overinvestment in professional team sponsorships, which ultimately proved unprofitable
 - the accumulation of stock
- Our preliminary view is that the Group may have been insolvent from at least March 2016 when it had insufficient funds to meet its debts as and when they fell due

We have conducted investigations into the reasons for the Group's failure to the extent possible in the time available. Further investigations will be conducted should creditors vote to wind up the Group at the Second Meeting. A liquidator has greater powers to undertake investigations and pursue recoveries than an administrator or deed administrator.

Our investigations to date have been limited as a consequence of the relatively constrained timeframe in which to undertake the investigations and report to creditors, particularly given our replacement of the Former Administrators at the first meetings of creditors.

We have based our investigations and opinions on information obtained from:

- books and records, including management reports
- accounting and database information systems used within the business
- externally-prepared professional reports, including tax returns.

7.1 Directors' explanation for the Group's difficulties

The directors attribute the Group's current financial position to:

- overinvestment on staff, stock and premises
- poor performance of key executive staff
- competition from a former executive staff member
- a natural disaster (Cyclone Winston) disrupting production in Fiji, leading to an estimated \$8M in lost sales during the business' peak season.

7.2 Administrators' opinion of the reasons for the Group's difficulties

In addition to the directors' stated reasons for the Group's current financial position, we believe the following factors are also relevant:

- Management undertook a strategy focussed on sponsoring numerous professional sporting teams, in order to secure the rights to sell licenced merchandise to the public. It was also hoped that this strategy would boost brand awareness, leading to an increase in general teamwear sales. This strategy has failed to deliver profits for the Group since FY16.
- Between FY14 and FY16 the Group's inventory levels rose significantly. This accumulation of stock proved costly to the business, tying up cash and increasing the risk of stock obsolescence.

7.3 Insolvency

Our preliminary view is that the Group was insolvent from at least March 2016.

The methods of testing solvency include but are not limited to the Cash Flow Test and the Balance Sheet Test, which are examined below.

A company is insolvent if it is unable to pay its debts as and when they become due and payable. Liquidators are required to demonstrate that a company is insolvent in order to pursue certain recovery proceedings (**Section 8**).

Creditors should note that insolvent trading claims are difficult and costly to pursue, and even if successful they may not generate an additional return for creditors.

7.3.1 **Cash Flow Test**

The Cash Flow Test is a measure of a company's ability to pay its liabilities from available resources as and when they fall due.

The available books and records indicate that the Group:

- was not generally able to pay its debts as and when they fell due during the period under review
- was not forecasting to have sufficient cash available up to and beyond the date of administration.

Working capital and net current assets

Working capital is an indicator of liquid assets available to pay debts due within 12 months. If a company has negative working capital (i.e. its current liabilities exceed its current assets) then it may not be able to pay its debts as and when they fall due.

Our preliminary analysis of the Group's records relating to working capital and net current assets did not indicate any immediate liquidity issues between FY14 and FY16 (as depicted in the table below).

Original	FY14 \$'000s	FY15 \$'000s	FY16 \$'000s	YTD – Oct '16 \$'000s
Current Assets	21,822	32,696	31,863	29,715
Current Liabilities	(21,083)	(21,356)	(27,009)	(25,876)
Working Capital (Current Assets less Current Liabilities)	739	11,340	4,854	3,839
Adequate Working Capital	Yes	Yes	Yes	Yes

However, we are of the opinion that the Group's reported working capital figures are overstated as a result of certain sponsorship rights being recognised as current assets. These rights represent capitalised expenditure that cannot be readily converted into cash in the next 12 months.

Removing the sponsorship rights from current assets reveals that, with the exception of FY15, the Group was actually suffering from insufficient working capital from at least FY14.

Revised	FY14 \$'000s	FY15 \$'000s	FY16 \$'000s	YTD – Oct '16 \$'000s
Current Assets	13,279	21,521	22,610	20,654
Current Liabilities	(21,083)	(21,356)	(27,009)	(25,876)
Working Capital (Current Assets less Current Liabilities)	(7,804)	165	(4,399)	(5,222)
Adequate Working Capital	No	Yes	No	No

Short term cash flow forecast

Our review of the Group's short-term cash flow forecast indicates that:

- the forecast was reliant on additional trade finance, which WBC confirmed would not be forthcoming
- the forecast was based on optimistic expectations concerning debtor collections that were unlikely to be achievable, including an increase in debtor collections of almost 140% in April 2017

- the Group's net cash position was expected to worsen until March 2017 and even then was only forecast to improve as a result of the optimistic debtor collections in April 2017.

7.3.2 *Balance Sheet test*

The Balance Sheet Test assesses the solvency of a company with reference to the company's net asset position (i.e. the level of total assets relative to total liabilities).

Our review of the financial records has found that the Group's reported net asset position was negative for FY14, FY16 and YTD October '16 (as depicted in the table below).

	FY14 \$'000s	FY15 \$'000s	FY16 \$'000s	YTD – Oct '16 \$'000s
Total Assets	26,052	35,259	37,468	35,178
Total Liabilities	(26,082)	(34,708)	(38,534)	(37,878)
Net Assets (Total Assets less Total Liabilities)	(30)	551	(1,066)	(2,700)

In FY15, the Group recorded an increase in the value of its sponsorship rights. These intangible rights represent capitalised expenditure and cannot be readily converted into cash. If these were to be excluded from the Group's balance sheet, the Group would also have reported a negative net asset position in FY15.

In our view the Group's sponsorship assets may have been overstated as commented upon in this Report.

A liquidator will investigate these matters further, should the creditors vote to wind up the Group at the Second Meeting.

7.3.3 *Other Indicators of Insolvency*

Determining whether a company is insolvent (and the date at which insolvency occurred) is often difficult and is ultimately a matter for the courts to decide. The courts have identified fourteen general indicators of insolvency that are considered further in ASIC Regulatory Guide 217.

Our investigations to date have identified that at least ten of these indicators apply, or may apply, to the Group, as summarised in the following table:

Indicator	Present	Comment
Continuing trading losses	Yes	Trading losses were made from FY16 onwards
Liquidity ratio below one	Yes*	After removing sponsorship rights as a current asset of the Group, working capital ratios were below one from at least FY14 (with the exception of FY15).
Overdue Commonwealth and state taxes	Yes	Our investigations indicate the Group could not meet its tax obligations as and when they fell due, as evidenced by the growing tax liability in its balance sheet (refer Section 6.2 of this report).
Poor relationship with borrower/financier including inability to borrow additional funds	Yes	The director has informed us that the Group's primary financier, WBC, placed the Group into its credit restructuring division in March 2016. Around this time McGrathNicol was engaged as advisors to WBC.
No access to alternative finance	N/A	We have not located evidence that the Group sought alternative finance.
Inability to raise further equity	Yes	The Group sought proposals for the recapitalisation or sale of the business. The Group's efforts to raise further capital were unsuccessful.
Supplier placing debtor on COD terms, otherwise demanding special payments before resuming supply	Yes	We understand that at least one freight provider had placed the Group on COD terms.
Creditors outside trading terms	Yes	Aged creditors report indicates most creditors are aged past 90 days.
Issuing of post-dated cheques	No	Not evidenced.
Dishonoured cheques	No	Not evidenced.
Special arrangements with selected creditors	Yes	Evidence has been located indicating that the Group wrote to some creditors in March 2016 requesting payment arrangements be entered into.
Legal action threatened or commenced, or judgements entered against the Group	Yes	We are aware that at least one supplier had issued the Group with a statutory demand for payment in November 2016 and threatened further legal action.
Payments to creditors of rounded figures, which are irreconcilable to specific invoices	Yes	We have identified round number payments to creditors in the Group's bank statements. Further investigation into the nature of these payments is required and would be carried out by a liquidator (if appointed).
Inability to produce timely and accurate financial information to display the Group's trading performance and financial position, and make reliable forecasts	No	Not evidenced.

*Refer to Section 7.3.1 of this report

7.3.4 *Proving Insolvency*

Further investigations into the Group's insolvency will be conducted by a liquidator should the Group be wound up.

Determining when a company became insolvent can be a costly and complex exercise, involving a detailed review of the company's financial position, cash flow, and other relevant information.

7.4 Legal/class actions

We are unaware of any legal proceedings against the Group.

We have however been made aware that WRS has initiated proceedings against Office National Gold Coast Pty Ltd in the District Court of Queensland.

Should a liquidator be appointed, further investigations will be undertaken into any potential recoveries from these proceedings.

7.5 Outstanding or previous winding up applications

We are not aware of any outstanding or previous winding up applications against the Group.

7.6 Books and records

Our preliminary view is that the Group has maintained adequate books and records.

A company must keep written financial records that:

- correctly record and explain its transactions, financial position and performance
- would enable true and fair financial statements to be prepared and audited
- must be kept for seven years after the transactions covered by the records are completed (s286).

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order. This includes shadow and de facto directors.

Failure to maintain books and records may give rise to a presumption of insolvency (pursuant to s588E of the Act) (discussed above at **Section 7.3**)

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286)
- failure to take all reasonable steps to comply with financial records reporting requirements (s344)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180).

8. Offences and liquidation recoveries

Key Comments

While our investigations are ongoing, we summarise our preliminary findings below:

- we have identified potential voidable transaction recoveries, including unfair preferences. We estimate potential claims are likely to exceed \$50k, subject to further investigations by a liquidator
- the Group may have traded while insolvent from at least March 2016

A liquidator has the ability to pursue certain claims that may result in recoveries for creditors. Importantly, these claims are not available to a deed administrator should creditors vote to execute a Deed proposal.

To compare the likely return to creditors under each scenario, administrators identify claims that a liquidator could pursue, including:

- voidable transactions and other potential recoveries
- recoveries against past or present directors, secretaries, other officers and company advisors.

Enclosed at **Appendix F** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by ARITA, which provides general information for creditors on the types of claims that a liquidator can pursue.

8.1 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under the Act.

Our preliminary investigations have identified potential voidable transaction recoveries, summarised below.

Voidable transactions	Note	No of transactions	Amount identified	Recovery probability
Unfair Preferences	1	TBC	Min \$50,000	Medium
Uncommercial Transactions	-	-	-	-
Unfair Loan*	-	-	-	-
Arrangements to avoid employee entitlements	-	-	-	-
Unreasonable director related transactions*	-	-	-	-
Voidable Security(ies)	2	TBC	TBC	TBC
Total potential recoveries		TBC	TBC	TBC

* Note insolvency is not required to be proved to set these transactions aside.

Notes

1. Potential unfair preferences have been identified against a number of creditors. We estimate potential claims are likely to exceed \$50k, subject to further investigations by a liquidator.
2. We are yet to receive copies of WBC's security documents and have therefore been unable to carry out a review of their validity. We note however that the APAAP registered by WBC against WRSG was granted within 6 months of the administration and may therefore be void pursuant to s588FJ of the Act. As there

are no substantial assets in WRS and WBC represents over 94% of the total creditors of WRS on an unsecured basis, the practical outcome of this is not likely to be material.

Further investigations into voidable transactions will be investigated if we are appointed liquidators of the Group.

8.2 Insolvent trading

Based on our investigations as detailed in **Section 7.3**, we have concluded that the Group is likely to have traded while insolvent from March 2016.

A liquidator (if appointed) will conduct more thorough investigations in this regard.

Insolvent trading is when a company incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt
- there were reasonable grounds to suspect the company was insolvent or would become so as a result of incurring the debt.

The Group's directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the Group is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator can not pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (s588M).

8.2.1 Director defences

We are yet to form a view on whether any defences would be available to the directors.

Defences available to directors under the Act in regard to allegations of insolvent trading are:

- the directors had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt.
- the directors had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred.
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company.
- the director took all reasonable steps to prevent the company from incurring the debt.

In the case of WRS, the director took the following steps which may provide some defence to allegations of insolvent trading:

- sought legal advice

- attempted to sell or recapitalise the business
- entered into a Deed of Forbearance with WBC
- negotiated extended payment terms with creditors.

8.3 Offences

Directors and others have duties, obligations and responsibilities in relation to common law and statute.

8.3.1 *Corporations Act 2001*

Our preliminary investigations have not identified any offences committed by the directors or others. If a liquidator is appointed we consider, however, that further investigations are warranted.

A liquidator can conduct more thorough investigations and identify potential offences and recoveries (if any).

If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including:

- compensation to the company for damages resulting from the contravention
- fines (up to \$200,000)
- imprisonment (up to 5 years)
- disqualification from managing corporations.

8.3.2 *Other Legislation*

In addition to offences under the Act, directors and others may commit offences in respect of the company under other legislation, for example:

- Taxation laws
- Trade Practices Act
- Fair Trading Act.

Our preliminary investigations have not identified any other breaches.

8.4 Directors and officers insurance policy

A Directors and Officers insurance policy (**D&O Policy**) offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

We have not identified any D&O Policy that would be available in the event that a liquidator successfully claimed against the Group's management for any breach of their duties.

8.5 Directors' personal financial positions

When a liquidator assesses the commercial merit of pursuing a claim, a key consideration is the capacity of the defending party to satisfy the claim.

The directors have not provided us with statements and we are unable to compel them to provide such information. However, we understand the directors' personal assets have been provided as security to WBC through mortgages and guarantees. We do not expect that there will be any equity in these assets that could be realised in the event that a liquidator successfully establishes claims against the directors.

Should creditors resolve to place the Group into liquidation at the Second Meeting, a liquidator would continue investigating the directors' personal financial positions.

8.6 Public examinations

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a Company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the Company
- other affairs of the Company
- the business affairs of a connected Company of the Company insofar as they appear to be relevant to the Company or its affairs.

If the Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

We do not believe there would be any material benefit to creditors in examining the directors or other possible persons of interest at this stage.

8.7 Reporting of offences to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to s438D of the Act where it appears that:

- a past or present officer of a company may have committed an offence
- money or property has been misappropriated or retained
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of his findings with ASIC, pursuant to s533 of the Act.

Creditors should also be aware that any report lodged pursuant to s438D (or an investigative report lodged by a liquidator pursuant to s533 of the Act) is not available to the public.

We have not identified any offences at this stage which would require us to report to ASIC.

8.8 Costs of investigations and pursuing recovery actions

Creditors should note that recovery actions:

- may be expensive, lengthy and with uncertain outcomes
- should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish)
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation.

8.9 Funding investigations and recoveries

Should creditors resolve that the Group be wound up and a liquidator appointed, it is likely the liquidator will be substantially without funds to meet the costs of any recovery actions that may be available to pursue.

In these circumstances, the liquidator may invite creditors to consider providing funding to conduct further investigations of voidable transactions.

Alternatively a liquidator may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.

9. Deed of Company Arrangement (Deed)

A Deed is a binding agreement between a company and its creditors setting out how a company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business, continuing to exist, or providing a better return to creditors than would be achieved by winding up the company.

Creditors can vote that the Group execute a Deed at the Second Meeting if one is proposed.

We have not received any Deed proposals for the Group and therefore the option for creditors to vote in favour of a Deed proposal is currently unavailable.

We will table any Deed proposals received after this Report at the Second Meeting. Creditors may decide to adjourn the Second Meeting to further consider any Deed proposals received. Any adjournment of the Second Meeting must reconvene within 45 business days.

10. Estimated return to creditors

Due to the commercially sensitive nature of the Receivers and Managers' sale campaign, we are unable to provide an estimate of the likely cents in the dollar returns to creditors. However we do not expect the property of the Group will be sufficient to fully satisfy the claims of secured creditors.

As the Group's secured creditors are expected to suffer shortfalls, we do not anticipate that there will be a return to ordinary unsecured creditors in a liquidation scenario (as reflected in the table below).

		Report section and notes	Liquidation	
			Low	High
	Total non-circulating assets	1	Withheld	Withheld
Less	Secured creditor claims	2	TBC	TBC
	Surplus/(Shortfall) to secured creditors		TBC	TBC
	Return to secured creditors from non-circulating assets (cents in the dollar)		TBC	TBC
	Other assets			
	Voidable transaction claims	Section 8.1	TBC	TBC
	Insolvent trading claims	Section 8.2	TBC	TBC
	Total other assets		TBC	TBC
	Total circulating assets	1	Withheld	Withheld
Less	Priority employee claims	Section 4.7.2	1,082,246	1,082,246
	Return to employees from circulating assets (cents in the dollar)		TBC	TBC
	Surplus / (Shortfall) to secured creditors		TBC	TBC
	Return to secured creditors from circulating assets (cents in the dollar)		TBC	TBC
	Unsecured creditor claims:	Section 4.8		
	Trade creditors	3	10,525,679	10,525,679
	Excluded employees	Section 4.7.3	189,041	189,041
	Related entities	Section 4.9	9,994,902	9,994,902
	Shortfall from secured creditors		TBC	TBC
	Return to other creditors from circulating assets (cents in the dollar)		Nil	Nil
	Distribution Timing		n/a	n/a

Notes

1. This information is commercially sensitive and may prejudice the Receivers' sale campaign if disclosed.
2. We are unable to confirm total secured creditor claims at this stage, as we are still awaiting details of claims from PPSR holders.
3. Trade creditors have been taken from the Group's books and records and proof of debts submitted by creditors. This amount is subject to change.

11. Administrators' recommendation

We are of the opinion that it is in the creditors' best interests that the Second Meeting in the first instance be adjourned for a period of up to 45 business days. In the absence of an adjournment we are of the opinion that the Group should be wound up (i.e. placed into liquidation)

Our opinion of each option available to creditors is discussed below.

11.1 Adjournment of the meeting

We recommend that it is in the creditors' interests that the concurrent meetings of WRS and WRSG be adjourned for a period of up to 45 business days pursuant to s439B(2) of the Act. An adjournment would allow greater flexibility for parties interested in participating in the Receivers and Managers' sale campaign for the business and its assets, as it preserves the option for one or more of those parties to propose a Deed of Company Arrangement.

Following such an adjournment we expect to be better placed to comment on the outcome of the Receivers' sale campaign and to consider any potential Deed(s) of Company Arrangement that may be put forward.

11.2 Liquidation

In the absence of an adjournment we are of the opinion that it is in the best interest of creditors that the Group be wound up.

Our preliminary view is that the Group may have traded while insolvent from at least March 2016, but significant further investigation would be required by a liquidator in order to reach a conclusion on this issue. Creditors should note that insolvent trading claims are difficult and costly to pursue, and even if successful they may not generate an additional return for creditors.

A liquidator (if appointed) would be in a position to conduct detailed investigations into the circumstances leading up to the appointment of the Administrators.

A liquidator will be empowered to:

- assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by the Group (**Section 4.7.4**)
- pursue various potential recoveries under the Act, such as voidable transactions (**Section 8**)
- distribute recoveries made in accordance with the priority provisions of the Act
- complete thorough investigations into:
 - the Group's dealings and affairs
 - actions of the directors
- report findings to ASIC pursuant to the Act.

We do not expect that there will be a return to ordinary unsecured creditors of the Group, after payment of secured creditor and employee claims. This is subject to any potential recoveries from voidable transactions.

11.3 Deed

This option is unavailable to creditors as we have not received any Deed proposals for the Group.

We will table any Deed proposals received after this Report at the Second Meeting. Creditors may decide to adjourn the Second Meeting to further consider any Deed proposals received. Any adjournment of the Second Meeting must reconvene within 45 business days.

11.4 Administration to end

We are of the opinion that it is not in the best interest of creditors to end the administration.

While our investigations are continuing, it is evident that the Group is insolvent and unable to pay its debts as and when they fall due (**Section 7.3**). Accordingly, returning control of the Group to its directors would be inappropriate in the present circumstances.

12. Enquiries

Should you have any enquiries please contact Shanna Wood of this office on +61 7 3222 6833 or by email at WorldRugby@ppbadvisory.com.

DATED this 7th day of December 2016

A handwritten signature in black ink, appearing to read "M. Ford & M. Owen".

Martin Ford and Michael Owen
Administrators

**A. Appointment of Proxy, Proof of Debt or Claim
Form – Form 532**

FORM 532
Corporations Act 2001
APPOINTMENT OF PROXY
World Rugby Specialists Pty Ltd (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 094 994 108

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint.....
 as my/our proxy, or in his/her absence....., to vote at the meeting of creditors
 to be held on 15 December 2016 at Bowman Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, QLD,
 4000 at 10:00am AEST or at any adjournment of that meeting.

B. Voting directions

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	To approve the Administrators' remuneration for the period 23 November 2016 to 4 December 2016 of \$18,703.00 plus GST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the Administrators' remuneration for the period 5 December 2016 to 15 December 2016 of \$12,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The second meeting of creditors be adjourned for a period of up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	If the meeting is adjourned, to approve the Administrators' remuneration for the period 16 December 2016 to the date of the reconvened second meeting of \$20,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	If the Company is wound up, to approve the Liquidators' remuneration from the date of liquidation to completion in the amount of \$65,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the creditor is an individual

If the creditor is a Company

.....
Director/Company Secretary

.....
Print name

Dated this _____ day of _____ 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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: _____

FORM 532
Corporations Act 2001
APPOINTMENT OF PROXY
World Rugby Specialists Group Pty Ltd (Receivers and Managers Appointed)
(Administrators Appointed) (the Company)
ACN 160 649 874

A. Appointment of a proxy

I/We,
(If a company, strike out "I" and set out full name of the company)

of
(address)

a creditor of the Company appoint.....
 as my/our proxy, or in his/her absence....., to vote at the meeting of creditors
 to be held on 15 December 2016 at Bowman Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, QLD,
 4000 at 10:00am AEST or at any adjournment of that meeting.

B. Voting directions

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf
(Please proceed to section C ie do not complete the table below)

and/or

Option 2: If appointed as a special proxy in the manner set out below:
(Please complete the table below before proceeding to section C)

No	Resolution	For	Against	Abstain
1	To approve the Administrators' remuneration for the period 23 November 2016 to 4 December 2016 of \$14,215.50 plus GST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the Administrators' remuneration for the period 5 December 2016 to 15 December 2016 of \$10,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The second meeting of creditors be adjourned for a period of up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	If the meeting is adjourned, to approve the Administrators' remuneration for the period 16 December 2016 to the date of the reconvened second meeting of \$10,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	If the Company is wound up, to approve the Liquidators' remuneration from the date of liquidation to completion in the amount of \$35,000.00 plus GST.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Signature (in accordance with Sections 127 or 250D of the Corporations Act 2001)

If the creditor is an individual

If the creditor is a Company

.....
Director/Company Secretary

.....
Print name

Dated this _____ day of _____ 20....

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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: _____

FORM 535
Corporations Act 2001

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Administrators of:

No.	Company Name	ACN	Creditor of Company *
1	World Rugby Specialists Pty Ltd	094 994 108	
2	World Rugby Specialists Group Pty Ltd	160 649 874	

*Tick relevant company. A separate form will be required for each company that is indebted to you.

1. This is to state that the Company was on 14 November 2016, and still is, justly and truly indebted

to (Creditor)
(name of creditor)

of
(address of creditor)

for \$.....

Particulars of the debt are:

Date (date when the debt arose)	Consideration (state how debt arose and attach supporting documentation)	Amount (\$)	Remarks (include details of voucher substantiating payment)

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 or any part of it except for the following

(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).

Date	Drawer	Acceptor	Amount (\$c)	Due Date

*3A. 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.

*3B. I am the Creditor's agent authorised in writing to make this statement 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.

* Items 3A & 3B - delete both if the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

I have attached the following documents (tick as many as appropriate):

<input type="checkbox"/> Invoices	<input type="checkbox"/> Judgement from Court	<input type="checkbox"/> Letters of demand	<input type="checkbox"/> Orders from Company
<input type="checkbox"/> Monthly statements	<input type="checkbox"/> Statutory demand	<input type="checkbox"/> Credit application	<input type="checkbox"/> Guarantee from Company
<input type="checkbox"/> Creditors authority letter	<input type="checkbox"/> Other documents		

Dated/...../..... Name Signatory.....

Phone Email address.....

B. Remuneration report dated 7 December 2016

Remuneration report

1. Remuneration declaration
2. Executive summary
3. Description of work completed / to be completed
4. Calculation of remuneration
5. Statement of remuneration claim
6. Remuneration recoverable from external sources
7. Disbursements
8. Summary of receipts and payments
9. Queries
10. Information sheets

World Rugby Specialists Pty Ltd
World Rugby Specialists Group Pty Ltd
(Both Receivers and
(Both Ad

1. Remuneration declaration

We, Martin Ford and Michael Owen of PPB Advisory, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several Administrators of the Group in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administrations.

Dated this 7th day of December 2016



Martin Ford and Michael Owen
Administrators

2. Executive summary

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (excluding GST) (\$)	
Current remuneration approval sought:		World Rugby Specialists	World Rugby Specialists Group
Voluntary Administration			
Resolution 1: 23 November 2016 to 4 December 2016	Section 4	18,703.00	14,215.50
Resolution 2: 5 December 2016 to 15 December 2016	Section 4	12,000.00	10,000.00
In the event the meeting is adjourned (if applicable)			
Resolution 3: 16 December 2016 to date of reconvened meeting	Section 4	20,000.00	10,000.00
Liquidation (if applicable)			
Resolution 4: Date of liquidation to completion	Section 4	65,000.00	35,000.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration / liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.			

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

3. Description of work completed / to be completed

World Rugby Specialists Pty Ltd - Resolution 1

Summary of work undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 23 November 2016 to 4 December 2016

Task Area	General Description	Includes
Assets [\$1,043.00] [3.5 hours]	Leasing	Reviewing leasing documents Liaising with owners/lessors
Creditors [\$10,582.50] [33.0 hours]	Creditor Enquiries	Deal with creditor enquiries via telephone and email Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Retention of Title Claims	Search the PPSA register Notify PMSI creditors identified from PPSA register
	Secured creditor reporting	Notifying PPSA registered creditors of appointment Preparing reports to creditors Regular verbal updates to creditors Responding to creditor's queries
	Creditor reports	Preparing section 439A report, investigation and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
Employees [\$242.00] [0.8 hours]	Employees enquiries	Receive and follow up employee enquiries via telephone & email Maintain employee enquiry files Review and prepare correspondence to employees and their representatives via email and post
Investigation [\$2,411.50] [6.8 hours]	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of financial statements Review of specific transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
Administration [\$4,424.00] [15.7 hours]	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Review and confirmation of adequacy of cover Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
	Bank account administration	Requesting bank statements

Task Area	General Description	Includes
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration
Total	\$18,703.00 (excluding GST)	

World Rugby Specialists Group Pty Ltd - Resolution 1

Summary of work undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 23 November 2016 to 4 December 2016

Task Area	General Description	Includes
Assets [\$56.00] [0.2 hours]	Leasing	Reviewing leasing documents Liaising with owners/lessors
Creditors [\$8,349.00] [26.4 hours]	Creditor Enquiries	Deal with creditor enquiries via telephone and email Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Retention of Title Claims	Search the PPSA register Notify PMSI creditors identified from PPSA register
	Secured creditor reporting	Notifying PPSA registered creditors of appointment Preparing reports to creditors Regular verbal updates to creditors Responding to creditor's queries
	Creditor reports	Preparing section 439A report, investigation and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
Investigation [\$1,728.00] [5.2 hours]	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of financial statements Review of specific transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
Administration [\$4,082.50] [13.7 hours]	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists

Task Area	General Description	Includes
	Insurance	Review and confirmation of adequacy of cover Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
	Bank account administration	Requesting bank statements
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration
Total	\$14,215.50 (excluding GST)	

World Rugby Specialists Pty Ltd - Resolution 2

Summary of work to be undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 5 December 2016 to 15 December 2016

Task Area	General Description	Includes
Assets [3.7 hours] [\$1,108.00]	Leasing	Reviewing leasing documents Liaising with owners/lessors
Creditors [22.0hours] [\$6,072.50]	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	Receive initial notification of creditors' intention to claim Maintain retention of title file
	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Employees enquiries	Receive and follow up employee enquiries via telephone and email

Task Area	General Description	Includes
Employees [4.7 hours] [\$1,466.00]		Maintain employee enquiry files Review and prepare correspondence to employees and their representatives via email and post
Administration [13.6 hours] [\$3,353.50]	Bank account administration	Preparing correspondence opening and closing accounts
	ASIC Lodgements	Preparing and lodging ASIC forms for potential liquidation Correspondence with ASIC regarding statutory forms
	Planning / Review	Discussions regarding status of administration
Total	\$12,000.00 (excluding GST)	

World Rugby Specialists Group Pty Ltd - Resolution 2

Summary of work to be undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 5 December 2016 to 15 December 2016

Task Area	General Description	Includes
Assets [4.0 hours] [\$1,267.00]	Leasing	Reviewing leasing documents Liaising with owners/lessors
Creditors [19.0 hours] [\$5,327.50]	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	Receive initial notification of creditors' intention to claim Maintain retention of title file
	Creditor reports	Preparing section 439A report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Start conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Bank account administration	Preparing correspondence opening and closing accounts

Task Area	General Description	Includes
Administration [13.1 hours] [\$3,405.50]	ASIC Lodgements	Preparing and lodging ASIC forms for potential liquidation Correspondence with ASIC regarding statutory forms
	Planning / Review	Discussions regarding status of administration
Total	\$10,000.00 (excluding GST)	

World Rugby Specialists Pty Ltd - Resolution 3

Summary of work to be undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 16 December 2016 to the date of the reconvened second meeting (if applicable)

Task Area	General Description	Includes
Assets [9.4 hours] [\$2,690.50]	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
Creditors [32.90 hours] [\$9,363.50]	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Creditor reports	Preparing supplementary reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Employees [7.0 hours] [\$2,072.50]	Employees enquiries	Receive and follow up employee enquiries via telephone Maintain employee enquiry files Review and prepare correspondence to employees and their representatives via facsimile, email and post Preparation of letters to employees advising of their entitlements Receive and prepare correspondence in response to employees objections to leave entitlements
	FEG/GEERS	Correspondence with FEG/GEERS
	Calculation of entitlements	Calculating employee entitlements

Task Area	General Description	Includes
		<p>Reviewing employee files and company's books and records</p> <p>Reconciling superannuation accounts</p> <p>Reviewing awards</p> <p>Liaising with solicitors regarding entitlements</p>
Investigation [15.4 hours] [\$4,082.00]	Conducting investigation	<p>Collection of company books and records</p> <p>Reviewing company's books and records</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with directors regarding certain transactions</p> <p>Investigations to identify indicators of insolvency and possible claims for insolvent trading</p> <p>Preparation of investigation file</p>
	ASIC reporting	<p>Preparing statutory investigation reports</p> <p>Preparing affidavits seeking non lodgements assistance</p> <p>Liaising with ASIC</p>
Administration [8.1 hours] [\$1,791.50]	Document maintenance/file review/checklist	<p>First month, then six monthly administration review</p> <p>Filing of documents</p> <p>File reviews</p> <p>Updating checklists</p>
	Insurance	<p>Review and confirmation of adequacy of cover</p> <p>Identification of potential issues requiring attention of insurance specialists</p> <p>Correspondence with insurer regarding initial and ongoing insurance requirements</p> <p>Reviewing insurance policies</p> <p>Correspondence with previous brokers</p>
	ASIC statutory forms	<p>Preparing and lodging ASIC forms including 505, 524, etc.</p> <p>Correspondence with ASIC regarding statutory forms</p>
	ATO and other statutory reporting	<p>Notification of appointment</p> <p>Preparing BAS</p>
	Finalisation	<p>Notifying ATO of finalisation of administration</p> <p>Cancelling ABN / GST / PAYG registration</p> <p>Completing checklists</p> <p>Finalising WIP</p>
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	<p>Dealing with records in storage</p> <p>Sending job files to storage</p>
Total	\$20,000.00 (excluding GST)	

World Rugby Specialists Group Pty Ltd - Resolution 3

Summary of work to be undertaken by Martin Ford and Michael Owen, Administrators of the Company, and their staff for the period 16 December 2016 to the date of the reconvened second meeting (if applicable)

Task Area	General Description	Includes
Assets [8.7 hours] [\$2,636.00]	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
Creditors [14.3 hours] [\$4,003.00]	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Creditor reports	Preparing supplementary reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation [7.4 hours] [\$1,903.00]	Conducting investigation	Collection of company books and records Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC
	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists

Task Area	General Description	Includes
Administration [6.4 hours] [\$1,458.00]	Insurance	Review and confirmation of adequacy of cover Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	ASIC statutory forms	Preparing and lodging ASIC forms including 505, 524, etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation of administration Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total	\$10,000.00 (excluding GST)	

World Rugby Specialists Pty Ltd - Resolution 4

Summary of work to be undertaken by Martin Ford and Michael Owen, Liquidators of the Company, and their staff for the period from the date of liquidation to completion

Task Area	General Description	Includes
Assets [7.0 hours] [\$2,095.00]	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Retention of Title Claims	Receive initial notification of creditors' intention to claim Provision of retention of title claim form to creditors Receive completed retention of title claim forms Maintain retention of title file Meeting claimants on site to identify goods Adjudicate retention of title claims Forward correspondence to claimants notifying outcome of adjudication
	Secured creditor reporting	Notifying PPSA registered creditors of appointment Preparing reports to secured creditor Regular verbal updates to secured creditor Responding to secured creditor's queries

Task Area	General Description	Includes
Employees [41.8 hours] [\$11,544.00]	Creditor reports	Preparing investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receiving and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meetings of creditors and Committee of Inspection (if applicable) Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation [63.6 hours] [\$17,505.00]	Employees enquiries	Receive and follow up employee enquiries via telephone Maintain employee enquiry files Review and prepare correspondence to employees and their representatives via facsimile, email and post Preparation of letters to employees advising of their entitlements Receive and prepare correspondence in response to employees objections to leave entitlements
	FEG/GEERS	Correspondence with FEG/GEERS Preparing notification spreadsheet Preparing FEG/GEERS quotations
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and

Task Area	General Description	Includes
Administration [59.3 hours] [\$15,500.50]		possible claims for insolvent trading Preparation of investigation file
	Litigation / Recoveries	Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC
	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Review and confirmation of adequacy of cover Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total	\$65,000.00 (excluding GST)	

World Rugby Specialists Group Pty Ltd - Resolution 4

Summary of work to be undertaken by Martin Ford and Michael Owen, Liquidators of the Company, and their staff for the period from the date of liquidation to completion

Task Area	General Description	Includes
Assets [7.0 hours] [\$2,095.00]	Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases
	Creditor Enquiries	Deal with creditor enquiries via telephone Maintaining creditor enquiry files Review and prepare correspondence to creditors and

Task Area	General Description	Includes
Creditors [41.9 hours] [\$11,941.00]	Retention of Title Claims	their representatives via facsimile, email and post Correspondence with committee of creditors members Receive initial notification of creditors' intention to claim Provision of retention of title claim form to creditors Receive completed retention of title claim forms Maintain retention of title file Meeting claimants on site to identify goods Adjudicate retention of title claims Forward correspondence to claimants notifying outcome of adjudication
	Secured creditor reporting	Notifying PPSA registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting meetings of creditors and Committee of Inspection (if applicable) Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation [35.50 hours] [\$10,092.50]	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance

Task Area	General Description	Includes
Administration [43.6 hours] [\$10,871.50]	Document maintenance/file review/checklist	Liaising with ASIC First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Review and confirmation of adequacy of cover Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	ASIC statutory lodgements	Preparing and lodging ASIC forms including 505, 524, etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total	\$35,000.00 (excluding GST)	

4. Calculation of remuneration

World Rugby Specialists Pty Ltd/Voluntary Administration
ACN 094 994 108

Calculation of Remuneration – Resolution 1

For the period 23 November 2016 to 04 December 2016

Employee	Position	\$/hours	Total Actual	Total	Assets		Creditors		Employees		Investigation		Administration	
		(Ex GST)	Hrs	\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Martin Ford	Appointee	595.00	5.00	2,975.00	119.00	0.20	1,130.50	1.90	0.00	0.00	297.50	0.50	1,428.00	2.40
Michael Owen	Appointee	595.00	0.50	297.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.50	0.50
Matthew O'Connor	Assistant Manager	340.00	21.00	7,140.00	0.00	0.00	4,522.00	13.30	102.00	0.30	2,074.00	6.10	442.00	1.30
Shanna Wood	Senior Consultant	280.00	23.40	6,552.00	924.00	3.30	4,648.00	16.60	140.00	0.50	0.00	0.00	840.00	3.00
Gabrielle Connolly	Consultant	235.00	1.20	282.00	0.00	0.00	282.00	1.20	0.00	0.00	0.00	0.00	0.00	0.00
Mackenzie Kane	Graduate	200.00	5.40	1,080.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	0.20	1,040.00	5.20
	Senior Bookkeeper	140.00	0.60	84.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84.00	0.60
	Executive Assistant	150.00	0.20	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00	0.20
	Administration	105.00	2.50	262.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	262.50	2.50
Total			59.80	18,703.00	1,043.00	3.50	10,582.50	33.00	242.00	0.80	2,411.50	6.80	4,424.00	15.70
GST				1,870.30										
Total (Including GST)				20,573.30										
Average rate (excluding GST)				312.76	298.00		320.68		302.50		354.63		281.78	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at
<http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 1
For the period 23 November 2016 to 04 December 2016

Employee	Position	\$/hours	Total Actual	Total	Assets		Creditors		Investigation		Administration	
					(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Martin Ford	Appointee	595.00	4.00	2,380.00	0.00	0.00	952.00	1.60	0.00	0.00	1,428.00	2.40
Michael Owen	Appointee	595.00	0.50	297.50	0.00	0.00	0.00	0.00	0.00	0.00	297.50	0.50
Matthew O'Connor	Assistant Manager	340.00	15.30	5,202.00	0.00	0.00	3,128.00	9.20	1,632.00	4.80	442.00	1.30
Shanna Wood	Senior Consultant	280.00	17.40	4,872.00	56.00	0.20	3,752.00	13.40	56.00	0.20	1,008.00	3.60
Gabrielle Connolly	Consultant	235.00	2.20	517.00	0.00	0.00	517.00	2.20	0.00	0.00	0.00	0.00
Mackenzie Kane	Graduate	200.00	2.00	400.00	0.00	0.00	0.00	0.00	40.00	0.20	360.00	1.80
	Senior Bookkeeper	140.00	0.50	70.00	0.00	0.00	0.00	0.00	0.00	0.00	70.00	0.50
	Executive Assistant	150.00	2.20	330.00	0.00	0.00	0.00	0.00	0.00	0.00	330.00	2.20
	Administration	105.00	1.40	147.00	0.00	0.00	0.00	0.00	0.00	0.00	147.00	1.40
Total			45.50	14,215.50	56.00	0.20	8,349.00	26.40	1,728.00	5.20	4,082.50	13.70
GST				1,421.55								
Total (Including GST)				15,637.05								
Average rate (excluding GST)				312.43	280.00		316.25		332.31		297.99	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at
<http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 2
For the period 5 December 2016 to 15 December 2016

Position	\$/hours	Total Actual	Total	Assets		Creditors		Employees		Administration	
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Appointee	595.00	0.70	416.50		-	297.50	0.50	-		119.00	0.20
Assistant Manager	340.00	10.90	3,706.00	408.00	1.20	1,700.00	5.00	850.00	2.50	748.00	2.20
Senior Consultant	280.00	16.70	4,676.00	700.00	2.50	2,100.00	7.50	616.00	2.20	1,260.00	4.50
Consultant	235.00	7.00	1,645.00		-	1,175.00	5.00	-		470.00	2.00
Graduate	200.00	6.40	1,280.00		-	800.00	4.00	-		480.00	2.40
Bookkeeper	140.00	1.00	140.00		-	-	-	-	-	140.00	1.00
Administration	105.00	1.30	136.50		-	-	-	-	-	136.50	1.30
Total	44.00	12,000.00	1,108.00	3.70		6,072.50	22.00	1,466.00	4.70	3,353.50	13.60
GST			1,200.00								
Total (Including GST)			13,200.00								
Average rate (excluding GST)			272.73			299.46			311.91		246.58

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 2
For the period 5 December 2016 to 15 December 2016

Position	\$/hours	Total Actual	Total	Assets		Creditors		Administration	
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs
Appointee	595.00	1.00	595.00	119.00	0.20	357.00	0.60	119.00	0.20
Assistant Manager	340.00	9.10	3,094.00	476.00	1.40	1,598.00	4.70	1,020.00	3.00
Senior Consultant	280.00	12.90	3,612.00	672.00	2.40	1,736.00	6.20	1,204.00	4.30
Consultant	235.00	6.00	1,410.00	-	-	916.50	3.90	493.50	2.10
Graduate	200.00	5.50	1,100.00	-	-	720.00	3.60	380.00	1.90
Bookkeeper	140.00	0.60	84.00	-	-	-	-	84.00	0.60
Administration	105.00	1.00	105.00	-	-	-	-	105.00	1.00
Total		36.10	10,000.00	1,267.00	4.00	5,327.50	19.00	3,405.50	13.10
GST			1,000.00						
Total (Including GST)			11,000.00						
Average rate (excluding GST)			277.01		316.75		280.39		259.96

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 3

For the period 16/12/2016 to date of reconvened meeting (if meeting is adjourned)

Position	\$/hours	Total Actual	Total	Assets		Creditors		Employees		Investigations		Administration	
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Appointee	595.00	1.70	1,011.50	238.00	.40	416.50	.70	-	-	119.00	.20	238.00	.40
Assistant Manager	340.00	18.00	6,120.00	680.00	2.00	3,400.00	10.00	1,020.00	3.00	748.00	2.20	272.00	.80
Senior Consultant	280.00	25.80	7,224.00	1,120.00	4.00	3,360.00	12.00	700.00	2.50	1,540.00	5.50	504.00	1.80
Consultant	235.00	13.30	3,125.50	352.50	1.50	987.00	4.20	352.50	1.50	1,175.00	5.00	258.50	1.10
Graduate	200.00	10.60	2,120.00	300.00	1.50	1,200.00	6.00	-	-	500.00	2.50	120.00	.60
Bookkeeper	140.00	1.20	168.00	-	-	-	-	-	-	-	-	168.00	1.20
Administration	105.00	2.20	231.00	-	-	-	-	-	-	-	-	231.00	2.20
Total		72.80	20,000.00	2,690.50	9.40	9,363.50	32.90	2,072.50	7.00	4,082.00	15.40	1,791.50	8.10
GST			2,000.00										
Total (Including GST)			22,000.00										
Average rate (excluding GST)			274.73		286.22		284.60		296.07		265.06		221.17

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 3

For the period 16/12/2016 to date of reconvened meeting (if meeting is adjourned)

Position	\$/hours	Total Actual	Total	Assets		Creditors		Investigations		Administration	
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Appointee	595.00	.90	535.50	238.00	.40	178.50	.30	-	-	119.00	.20
Assistant Manager	340.00	8.70	2,958.00	850.00	2.50	1,190.00	3.50	510.00	1.50	408.00	1.20
Senior Consultant	280.00	12.90	3,612.00	1,260.00	4.50	1,540.00	5.50	476.00	1.70	336.00	1.20
Consultant	235.00	6.50	1,527.50	188.00	.80	634.50	2.70	517.00	2.20	188.00	.80
Graduate	200.00	5.40	1,080.00	100.00	.50	460.00	2.30	400.00	2.00	120.00	.60
Bookkeeper	140.00	1.00	140.00	-	-	-	-	-	-	140.00	1.00
Administration	105.00	1.40	147.00	-	-	-	-	-	-	147.00	1.40
Total		36.80	10,000.00	2,636.00	8.70	4,003.00	14.30	1,903.00	7.40	1,458.00	6.40
GST			1,000.00								
Total (Including GST)			11,000.00								
Average rate (excluding GST)			271.74		302.99		279.93		257.16		227.81

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

Calculation of Remuneration – Resolution 4

For the period from date of liquidation to date of completion (if company is wound up)

Position	\$/hours	Total Actual	Total	Assets		Creditors		Employees		Investigations		Administration	
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Appointee	595.00	5.70	3,391.50		-		-	1,487.50	2.50	-		714.00	1.20
Assistant Manager	340.00	59.10	20,094.00	1,020.00	3.00	5,440.00	16.00	3,400.00	10.00	5,406.00	15.90	4,828.00	14.20
Senior Consultant	280.00	82.90	23,212.00	840.00	3.00	6,608.00	23.60	5,264.00	18.80	5,460.00	19.50	5,040.00	18.00
Consultant	235.00	45.00	10,575.00	235.00	1.00	2,820.00	12.00	1,880.00	8.00	3,525.00	15.00	2,115.00	9.00
Graduate	200.00	31.90	6,380.00		-	2,000.00	10.00	1,000.00	5.00	2,400.00	12.00	980.00	4.90
Bookkeeper	140.00	4.90	686.00		-	-	-	-	-	-	-	686.00	4.90
Administration	105.00	6.30	661.50		-	-	-	-	-	-	-	661.50	6.30
Total		235.80	65,000.00	2,095.00	7.00	18,355.50	64.10	11,544.00	41.80	17,505.00	63.60	15,500.50	59.30
GST			6,500.00										
Total (Including GST)			71,500.00										
Average rate (excluding GST)			275.66		299.29		286.36		276.17		275.24		261.39

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at
<http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

World Rugby Specialists Group Pty Ltd/Liquidation
ACN 160 649 874

Calculation of Remuneration – Resolution 4

For the period from date of liquidation to date of completion (if company is wound up)

Position	\$/hours	Total Actual	Total	Assets		Creditors		Investigations		Administration		
				(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	
Appointee	595.00	2.70	1,606.50		-		595.00	1.00	595.00	1.00	416.50	.70
Assistant Manager	340.00	30.40	10,336.00	1,020.00	3.00	3,196.00	9.40	2,720.00	8.00	3,400.00	10.00	
Senior Consultant	280.00	47.90	13,412.00	840.00	3.00	5,740.00	20.50	4,620.00	16.50	2,212.00	7.90	
Consultant	235.00	21.00	4,935.00	235.00	1.00	1,410.00	6.00	1,057.50	4.50	2,232.50	9.50	
Graduate	200.00	20.00	4,000.00		-	1,000.00	5.00	1,100.00	5.50	1,900.00	9.50	
Bookkeeper	140.00	2.30	322.00		-		-		-	322.00	2.30	
Administration	105.00	3.70	388.50		-		-		-	388.50	3.70	
Total		128.00	35,000.00	2,095.00	7.00	11,941.00	41.90	10,092.50	35.50	10,871.50	43.60	
GST			3,500.00									
Total (Including GST)			38,500.00									
Average rate (excluding GST)			273.44		299.29		284.99		284.30		249.35	

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A *Creditor Information Sheet* containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

5. Statement of remuneration claim

At the second meeting of creditors to be held on 15 December 2016, creditors will be asked to consider the following resolutions:

Rugby World Specialists Pty Ltd

Resolution 1

"To approve the Administrators' remuneration for the period 23 November 2016 to 4 December 2016 of \$18,703.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 2

"To approve the Administrators' remuneration for the period 5 December 2016 to 15 December 2016 up to a maximum of \$12,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 3

"Should the second meeting be adjourned, to approve the Administrators' remuneration for the period 16 December 2016 to date of liquidation up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 4

"To approve the Liquidators' remuneration for the period from date of liquidation to completion up to a maximum of \$65,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Rugby World Specialists Group Pty Ltd

Resolution 1

"To approve the Administrators' remuneration for the period 23 November 2016 to 4 December 2016 of \$14,215.50 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 2

"To approve the Administrators' remuneration for the period 5 December 2016 to 15 December 2016 up to a maximum of \$10,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 3

"Should the second meeting be adjourned, to approve the Administrators' remuneration for the period 16 December 2016 to date of liquidation up to a maximum of \$10,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Resolution 4

"To approve the Liquidators' remuneration for the period from date of liquidation to completion up to a maximum of \$35,000.00 plus GST, as set out in the Remuneration Report dated 7 December 2016."

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

6. Remuneration recoverable from external sources

The Administrators have not received any funding from external sources for the Administrators' remuneration.

7. Disbursements

Disbursements are divided into three types:

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

We are not required to seek creditor approval for disbursements, but must account to creditors.

We have undertaken a proper assessment of disbursements claimed for the Group in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been incurred by our firm on the Group's behalf for the period from 23 November 2016 to 4 December 2016. None of these disbursements have yet been reimbursed to our firm.

Disbursements incurred – World Rugby Specialists	Total
Period 23 November 2016 to 4 December 2016	(\\$)
Externally provided non-professional services	
Postage Recharge	414.20
Search fees	41.70
Internal disbursements	
Printing (Colour – A3)	0.60
Scanning	2.50
Printing (B&W)	13.30
Printing (Colour)	6.00
Total	\$478.30

Disbursements incurred – World Rugby Specialists Group	Total
Period 23 November 2016 to 4 December 2016	(\\$)
Externally provided non-professional services	
Postage Recharge	\$17.30
Search fees	\$49.29

Internal disbursements	
Printing (B&W – A3)	\$1.40
Printing (Colour – A3)	\$0.60
Scanning	\$5.00
Photocopy (B&W)	\$57.70
Photocopy (Colour)	\$17.00
Printing (B&W)	\$72.40
Printing (Colour)	\$6.00
 <hr/>	
Total	\$226.69

Future disbursements incurred by our firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl GST)
Advertising	At cost
Courier	At cost
Photocopy/Printing	Black and white Colour A3 – Black and white A3 – Colour
	\$0.10 per page \$0.50 per page \$0.20 per page \$0.60 per page
Postage	At cost
Scans	\$0.05 per page
Staff vehicle use	At prescribed ATO rates

Rates applicable as at 1 January 2015

8. Summary of receipts and payments

We have not received or paid any monies on account of the Group for the period 23 November 2016 to 4 December 2016.

9. Queries

Please contact PPB Advisory on +61 7 3222 6800 or by email on WorldRugby@ppbadvisory.com should you have any queries or require any further information.

10. Information sheets

Creditors are advised that should further information be required an Information Sheet for Creditors is provided by the Australia Restructuring & Turnaround Association (ARITA). A copy of this information sheet may be downloaded directly from the ARITA website at www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets.

c. Declaration of Independence, Relevant Relationships and Indemnities

Declaration of Independence, Relevant Relationships and Indemnities

**World Rugby Specialists Group Pty Ltd (Administrators Appointed)
(Receivers and Managers Appointed)
ACN 160 649 874**

**World Rugby Specialists Pty Ltd (Administrators Appointed)
ACN 094 994 108**

(the Companies)

A Practitioner appointed to an insolvent entity is required to make declarations as to:

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

This declaration is made in respect of us, our partners, PPB Advisory and the related entities of PPB Advisory.

A. Independence

We, Martin Francis Ford and Michael Andrew Owen of PPB Advisory, Level 27, 345 Queen Street, Brisbane QLD 4000, have undertaken a proper assessment of the risks to our independence prior to consenting to act as Administrators of the Companies in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting these appointments.

In the event that any conflict arises, we will seek independent legal advice or court directions if appropriate.

In the event that this declaration needs to be updated we will issue written notice to all known creditors as per the Companies' records.

B. Declaration of Relationships

i. Circumstances of appointment

We were requested to provide our consent to act by Westpac Banking Corporation Limited, a secured creditor of the Companies.

We confirm we have had no prior meetings with the Companies.

ii. Relevant relationships (excluding professional services to the insolvent)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Westpac Banking Corporation Limited (the Security Holder)

Nature of relationship	Reasons why no conflict of interest or duty
The Security Holder holds security interests over the Companies' property. We have professional relationships with the majority of the major banks and lenders in Australia and with a number of staff within the Security Holder's organisation, particularly in the credit and workout areas. We have previously undertaken formal and informal assignments on behalf of the Security Holder for a number of years.	We believe that this relationship does not result in a conflict of interest or duty because our previous relationships with the Security Holder were not in relation to the Companies' and/or the directors' affairs, or related parties of the Companies and/or the directors.

McGrathNicol (Receivers and Managers)

Nature of relationship	Reasons why no conflict of interest or duty
McGrathNicol are the Companies' appointed Receivers and Managers. We have known many of the McGrathNicol staff in a professional capacity for numerous years and have referred work between our firms when conflicts of interest have arisen.	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> Our previous relationships with McGrathNicol were not in relation to the Companies' and/or the directors' affairs, or any related parties of the Companies and/or directors. We have a wide referral base and McGrathNicol is one of our many referrers of work in the past 24 months. Referrals from solicitors, business advisors or accountants are commonplace and do not impact on our independence in carrying out our duties as Administrators/Liquidators.

Australian Taxation Office, Workcover and/or major banks (unsecured creditors)

Nature of relationship	Reasons why no conflict of interest or duty
Various Practitioners within PPB Advisory are members of panels for appointments as liquidators and bankruptcy trustees.	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationships with unsecured creditors have not been and are not in relation to the Companies' affairs and/or the Companies' directors or related parties of the Companies.

iii. Prior professional services to the insolvent

Neither we, nor our firm, have provided any professional services to the Companies in the previous 24 months.

iv. No other relevant relationships to disclose

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

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute. We have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 23rd day of November 2016



Martin Francis Ford
Partner



Michael Andrew Owen
Partner

Note:

1. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.*

Schedule A – related entities of PPB Advisory

All Australian incorporated related entities of PPB Advisory

PPB Pty Limited, Australia
subsidiaries
PPB Advisory Agribusiness Management Pty Ltd, Australia
PPB Advisory Funds Management Holding Pty Limited, Australia
PPB Corporate Finance Pty Limited, Australia
PPB Corporate Services Pty Ltd, Australia
PPB NZ Holdings Pty Limited, Australia
PPB Advisory Funds Management Limited, Australia
PPB Property Administration Pty Ltd, Australia
PPB Property Pty Limited, Australia
PPB Real Estate Pty Ltd, Australia
PPB NZ Limited As Nominee For PPB NZ Partnership
PPB NZ Property Limited
PPB NZ Equity Limited
Tiago Advisory Pty Limited, Australia
A.C.N 142 632 479 Pty Limited, Australia
PPB Funding Pty Ltd, Australia

Litmus Group entities which merged with PPB Advisory as of 1 March 2016

LITMUS Group Pte Limited, Singapore
TRUE North Advantage Pte Limited, Singapore

D. Notice of meeting of creditors

FORM 529

Sub-Regulation 5.6.12(6)

Corporations Act 2001

Notice of Concurrent Second Meetings of Creditors

World Rugby Specialists Pty Ltd (ACN 094 994 108)

World Rugby Specialists Group Pty Ltd (ACN 160 649 874)

(Both Receivers and Managers Appointed) (Both Administrators Appointed) (the Companies)

Notice is given that meetings of the creditors of the Companies will be held concurrently in the Bowman Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, QLD, 4000 on Thursday, 15 December 2016 at 10.00am (AEST).

The purpose of the concurrent meetings is to:

1. Receive the Joint and Several Administrators' report concerning the Companies' business, property, affairs and financial circumstances pursuant to Section 439A of the *Corporations Act 2001*.
2. For creditors to consider the options available and to resolve for each of the Companies that:
 - a) the Companies be wound up; or
 - b) the Companies should execute a Deed of Company Arrangement; or
 - c) the administration of the Companies should end.
3. To approve for each of the Companies:
 - a) The Administrators' remuneration.
 - b) the remuneration of the Liquidators, if appointed.
4. To consider the appointment of a Committee of Inspection for each of the Companies if wound up.
5. At the meeting, Creditors may also, by resolution, vote to appoint someone else as Liquidator / Deed Administrator of each of the Companies.
6. Any other business.

Dated: 7th December 2016



Martin Ford and Michael Owen
Administrators

**E. ASIC Publication: Insolvency information for
directors, employees, creditors and
shareholders**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

**F. ARITA Publication: Creditor information sheet:
Offences, recoverable transactions and
insolvent trading**

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.