

**NAW Barrel Holdings Pty Ltd (In
Liquidation) (Receiver and
Manager Appointed)
(NAW Barrel)**

ACN 159 847 140

**NAW Estate Pty Ltd (In
Liquidation) (Receiver and
Manager Appointed)
(NAW Estate)**

ACN 124 393 960

Collectively, the Companies

Statutory report to creditors

The second meetings of creditors of NAW Barrel and NAW Estate were held on 19 May 2020 at 10:00 AM and 11:00 AM respectively. We had a quorum to hold meetings and the creditors of NAW Barrel and NAW Estate resolved that the Companies be wound up. The creditors resolved that no Committee of Inspection be formed. We, Martin Ford and Daniel Walley, advise you of our appointment as liquidators of the Companies and your rights as a creditor in the liquidation.

A copy of the second meeting minutes for NAW Barrel and NAW Estate can be obtained from the Australian Securities & Investments Commission (ASIC).

The purpose of this report is to:

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

In reviewing this report, creditors should note:

- This report is based upon my preliminary investigations to date. Any additional material issues that are identified subsequent to issuing this report may be the subject of further reports.
- The contents of this report are based on information obtained from the Companies' books and records 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.
- Neither the liquidators, PricewaterhouseCoopers 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 liquidators 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 Companies and must not be disclosed without the prior approval of the liquidators.

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1 Overview of the liquidation

Our knowledge of the Companies' affairs is based on information from the following sources:

- David Levi (Mr Levi) of Levi Consulting Pty Ltd, the receiver and manager of NAW Barrel and NAW Estate
- Australian Whisky Holdings Limited (AWH)
- Gagens, the law firm acting for AWH which is the listed parent of Australian Whisky Holdings Bothwell Pty Ltd (AWHB)

1.1 What happened to the business of the Company?

NAW Barrel was incorporated on 9 August 2012 and NAW Estate was incorporated on 13 March 2007. NAW Estate entered into barrel investment contracts with its investors who paid an upfront sum for a barrel of whisky. Each investor had title to the contents of a barrel whisky from the time that investor's allocated barrel was filled. Prior to the appointment of the receiver and manager, the contracts were novated to NAW Barrel. The receiver and manager of the Companies was appointed on 3 April 2017. There were significant issues in the Companies' maintenance of the barrels. In our administrators' second report dated 11 May 2020, we notified the creditors of our intention to investigate further in this regard. We have not been provided with any funding to allow for an in-depth review to be carried out.

1.2 What is the financial position of the Company?

At the date of our appointment there were no directors. We have written to the former directors of the Companies but we have yet to receive their response.

We estimate there will be no assets that can be commercially realised. This means creditors will not receive a dividend (see section 2 of this report for further details).

1.3 Report of company Activities and Property (RoCAP)

There have been no changes in the RoCAPs, except the known liabilities. Please refer to section 6.5 of our second administrators' report dated 11 May 2020 for the RoCAPs completed by the former directors and receiver and manager.

We estimate there will be no assets that can be commercially realised. This means creditors will not receive a dividend (see section 2 of this report for further details).

NAW Barrel

The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
Secured creditors	23	3,075,468
Unsecured creditors	229	3,273,815
Total creditor claims	252	6,349,283

NAW Estate

The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
Secured creditors	6	2,873,468
Unsecured creditors	3	103,900
Total creditor claims	9	2,977,368

The formal proof of debt form included at **Appendix A** and **B** can be scanned and emailed to joanne.a.chu@pwc.com along with supporting documents for your claim.

1.4 Historical financial position

Please refer to section 7.4 of our second administrators' report dated 11 May 2020 for the companies' financial statements analysis.

1.5 Liquidator's receipts and payments

Attached at **Appendix C** and **D** are details of the receipts and payments for NAW Barrel and NAW Estate.

2 Investigations undertaken

Since our report dated 11 May 2020, we have undertaken the following investigations:

- Considered independent audit report for casks and whisky rating scale
- Considered AWH's acquisition of NAW Estate.

On or about June 2016, Dowd Corporate Finance Pty Ltd (DCF) and other Nant entities, including NAW Barrel and NAW Estate entered into a loan which was cross collateralised as per the security documents. DCF assigned and transferred its interests in the loan to AWH for \$2,500,000 in full and final settlement.

The debt incurred initially was in respect of unpaid legal fees by the former directors. AWH was also assigned NAW Barrel's interest in the investment scheme. AWH appointed the receiver and manager over the Companies. At the time of AWH's acquisition, an inventory listing showed 2,156 barrels and the receiver and manager entered a Barrel Management Agreement with AWHM to facilitate the purchase mature whisky of an appropriate standard from investors.

2.1 Possible recoveries – voidable transactions

Pursuant to Part 5.7B of the *Corporations Act 2001* (Cth) (the Act), we are able to recover certain transactions entered into by the Companies prior to its winding up. These transactions are commonly known as 'voidable transactions' and include:

- unfair preferences
- uncommercial transactions
- unfair loans
- unreasonable director-related transactions
- fraudulent dispositions.

Our preliminary investigations did not identify any voidable transactions or claims that can be commercially pursued in the liquidation for the benefit of creditors. Should we receive funding from creditors, we will investigate this further. If you are interested in funding, please contact our office within 14 days from the date of this report.

2.2 Insolvent trading

Pursuant to Section 588G of the Act, we can claim compensation from a director personally if we determine that the Companies traded whilst insolvent.

In considering an action against the director for insolvent trading, it should be noted that any proceedings are only commercially justifiable if a director has assets to satisfy any judgement made against them. The director may also be entitled to claim certain defences available under Section 588H of the Act.

I have been provided with limited Companies' books and records which has hindered our investigations to determine the specific date the Companies became insolvent, to quantify the debts incurred after that date and make an assessment of any defences that may be available to the former director(s).

In certain recovery proceedings, I am able to rely on section 588E(4) of the Act which provides for a presumption that the Company was insolvent because the Company:

- has failed to keep financial records in relation to a period as required by section 286(1) of the Act, or
- has failed to retain financial records in relation to a period for the seven years required by section 286(2) of the Act.

Having regard to the books and records currently available to us, we believe the Companies did not maintain sufficient financial records in accordance with its obligations under section 286 of the Act. We are assessing our options as to whether it is commercial to issue insolvent trading demands to the former directors.

2.3 Further investigations to be undertaken

We do not plan to undertake the further investigations unless we are able to access further funding.

2.4 Reporting to ASIC

We will be submitting a confidential report to the ASIC which sets out breaches we believe may have been committed by the Companies and/or the director(s).

3 Likelihood of a dividend

The likelihood of a dividend being paid to creditors will be affected by a number of factors including:

- the size and complexity of the administration
- the amount of assets realisable and the costs of realising those assets
- the statutory priority of certain claims and costs
- the value of various classes of claims including secured, priority and unsecured creditor claims
- the volume of enquiries by creditors and other stakeholders.

At this stage, there will not be any dividend paid to any classes of creditors. However, if this changes and we will advise creditors.

4 Cost of the liquidation

At the second meetings of creditors of NAW Barrel and NAW Estate were held on 19 May 2020, the following resolutions were passed:

NAW Barrel

- That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$32,045.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.
- That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.
- That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

NAW Estate

- That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$21,228.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.
- That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.
- That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.

5 What happens next?

We will proceed with the liquidation, including:

- recovering any further available property (if any)
- completing my investigations into the Companies' affairs
- completing our reporting to the ASIC
- dealing with any other matters relevant to the liquidation.

If we receive a request for a meeting that complies with the guidelines set out in the attached information sheet at **Appendix E**, we will hold a meeting of creditors.

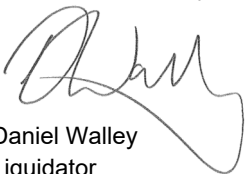
We expect to have completed this liquidation within 12 months.

6 What to do next?

You can access information on corporate insolvency that may assist you on the following websites:

- Australian Restructuring Insolvency and Turnaround Association at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

DATED this 18th day of August 2020



Daniel Walley
Liquidator

Date of appointment:	19 May 2020
Contact name:	Joanne Chu
Telephone number:	+61 (2) 8266 3609
Email:	joanne.a.chu@pwc.com

Appendices

Appendix A Formal proof of debt for NAW Barrel

Appendix B Formal proof of debt for NAW Estate

Appendix C Receipts and paymenst for NAW Barrel

Appendix D Receipts and paymenst for NAW Estate

Appendix E Information Sheet – creditor rights in liquidations

Appendix A

Formal proof of Debt for NAW
Barrel

FORM 535
CORPORATIONS ACT 2001

Sub-regulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of NAW Barrel Holdings Pty Ltd (In Liquidation) ACN 159 847 140
("the Company")

1. This is to state that the Company was, on 19 May 2020 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾

.....
.....for
.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount	GST	Remarks ⁽⁴⁾
	\$	included	
		\$	

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾

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

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

DATED this day of 2020

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per ROCAP	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Directions

* Strike out whichever is inapplicable.

- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

-
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
-

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:

"This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Appendix B

Formal proof of Debt for NAW
Estate

FORM 535
CORPORATIONS ACT 2001

Sub-regulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of NAW Estate Pty Ltd (In Liquidation) ACN 124 393 960 (**"the Company"**)

1. This is to state that the Company was, on 19 May 2020 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾

.....
.....for
.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount	GST	Remarks ⁽⁴⁾
	\$	included	
		\$	

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾

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

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

DATED this day of 2020

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per ROCAP	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Directions

* Strike out whichever is inapplicable.

- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

-
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
-

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:

"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Appendix C

Receipts and payments for NAW Barrel

Summarised Receipts & Payments

NAW Barrel Holdings Pty Ltd

(In Liquidation)

Transactions From 19 May 2020 To 18 August 2020

Account	Net	GST	Gross
Cash in hand of Liquidator	25,000.00	0.00	25,000.00
Total Receipts (inc GST)	\$25,000.00	\$0.00	\$25,000.00
Remuneration - Not current appointment	22,727.27	2,272.73	25,000.00
Total Payments (inc GST)	\$22,727.27	\$2,272.73	\$25,000.00
Balance in Hand - By Bank Account			
212 Cheque Account			0.00
			\$0.00



Daniel Austin Walley
Liquidator

Appendix D

Receipts and payments for
NAW Estate

Summarised Receipts & Payments

NAW Estate Pty Ltd

(In Liquidation)

Transactions From 19 May 2020 To 18 August 2020

Account	Net	GST	Gross
Cash in hand of Liquidator	15,000.00	0.00	15,000.00
Total Receipts (inc GST)	\$15,000.00	\$0.00	\$15,000.00
Remuneration - Not current appointment	13,636.36	1,363.64	15,000.00
Total Payments (inc GST)	\$13,636.36	\$1,363.64	\$15,000.00
Balance in Hand - By Bank Account			
212 Cheque Account			0.00
			\$0.00



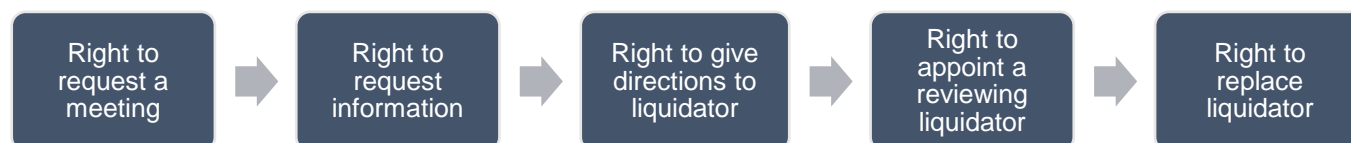
Daniel Austin Walley
Liquidator

Appendix E

Information Sheet – creditor rights in liquidations

Creditor Rights in Liquidations

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



Right to request a meeting

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

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

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

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

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

Right to request information

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

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

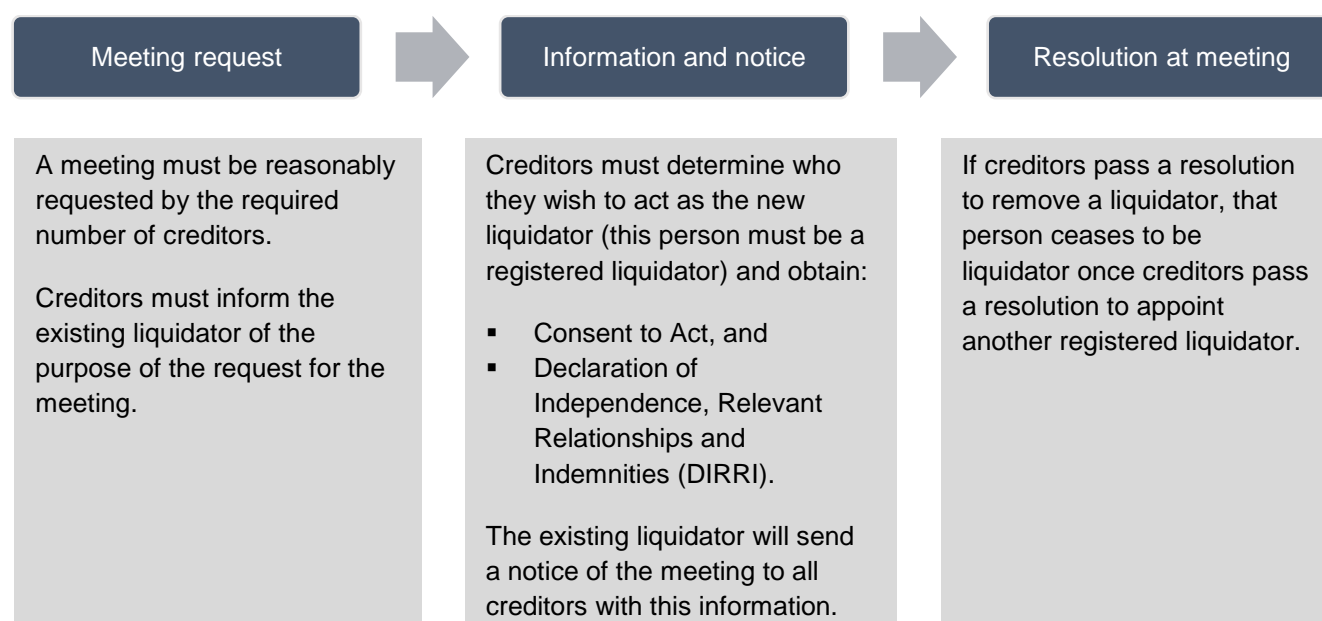
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

www.pwc.com.au