

TO THE CREDITOR AS ADDRESSED

30 January 2018

Dear Sir/Madam

BRW Services Pty. Ltd.
(ACN 613 733 430)
(In Liquidation)
(the "Company")

I advise that we, Tim Norman, Salvatore Algeri and Eddie Marco Senatore were appointed Joint and Several Liquidators of the Company pursuant to an order of the Supreme Court of New South Wales.

Reference is made to the report to creditors dated 22 December 2017 (Creditors Report). In this regard, please find attached the **Supplementary Report to Creditors** which has been issued to address an amendment to page 9 of the Creditors Report following additional information brought to the attention of the Liquidators on 29 January 2018.

Should you have any queries regarding this report or the liquidation in general, please do not hesitate to email plutus@deloitte.com.au.

Yours faithfully



Tim Norman
Joint and Several Liquidator



BRW Services Pty. Ltd. ACN 613 733 430 (In Liquidation)

Supplementary Report to Creditors *

30 January 2018

* This report contains an amendment to page 9 of the Creditors Report first issued on 22 December 2017. The amendment does not change any of the opinions of the liquidators or relevant factual background. All other information in this Supplementary Report is identical to the Creditors Report issued on 22 December 2017.

Contents

1	Executive Summary	6
2	Introduction	7
2.1	Details of appointment	7
3	Inquiries undertaken to date	8
3.1	Initial communication with the Directors	8
3.2	Other inquiries	8
4	Summary of business operations	10
4.1	Company connections	10
4.2	Operations	11
4.3	Workers	11
5	Estimated assets and liabilities	14
5.1	Overview	14
5.2	Assets	14
5.3	Liabilities	14
6	What happened to the business of the Company	15
6.1	Causes of failure	15
6.2	Possible Phoenixing	15
6.3	Historical financial performance	15
7	Possible recovery actions	16
7.1	Investigations	16
8	Further inquiries that need to be undertaken	20
9	Likelihood of creditors receiving a dividend	21
9.1	Dividend	21
9.2	Conclusion	21
	Appendix A - Information Sheet – Offences, Recoverable Transactions, etc.	22
	Appendix B – Informal proof of debt form	25
	Appendix C – Email notification form	28

Glossary

ARITA	Australian Restructuring Insolvency & Turnaround Association
ASIC	The Australian Securities & Investments Commission
ATO	Australian Taxation Office
BOTS	Second tier entities including: PP Aus Holdings Pty Ltd (ACN 613 038 654) (In Liquidation) PP Australia NSW Pty Ltd (ACN 613 037 442) (In Liquidation) PP Services (WA) Pty Ltd (ACN 613 042 587) (In Liquidation) PPA (SA) Pty Ltd (ACN 613 038 234) (In Liquidation) PPA NT Pty Ltd (ACN 613 037 175) (In Liquidation) PPA Contractors Australia Pty Ltd (ACN 605 218 273) (In Liquidation) PPA Services Australia Pty Ltd (ACN 605 903 660) (In Liquidation) RAM Enterprises Australia Pty Ltd (ACN 157 988 639) (In Liquidation) SAI Solutions Australia Pty Ltd (ACN 159 529 183) (In Liquidation)
Company	BRW Services Pty. Ltd. ACN 613 733 430 (In Liquidation)
Deloitte	Deloitte Financial Advisory Pty Ltd
Creditors Report	Report to Creditors dated 22 December 2017
DIRRI	Declaration of Independence and Relevant Relationships and Indemnities
ERV	Estimated Realisable Value
FY17	Financial Year Ended 2017
FEG	Fair Entitlements Guarantee Scheme
IPR	<i>Insolvency Practice Rules (Corporations) 2016</i> Cth
IPS	Insolvency Practice Schedule, Schedule 2 of the <i>Corporations Act 2001</i> (Cth)
Liquidators, we, us	Tim Norman, Eddie Marco Senatore and Salvatore Algeri
Management	Management of the Company
PAYG	Pay as you go
PPA	Plutus Payroll Australia Pty Ltd (In Liquidation)
Plutus Group, the PP Group	Plutus Payroll Australia Pty Ltd (ACN 169 205 127) (In Liquidation) PP Aus Holdings Pty Ltd (ACN 613 038 654) (In Liquidation) PP Australia NSW Pty Ltd (ACN 613 037 442) (In Liquidation) PP Services (WA) Pty Ltd (ACN 613 042 587) (In Liquidation) PPA (SA) Pty Ltd (ACN 613 038 234) (In Liquidation) PPA NT Pty Ltd (ACN 613 037 175) (In Liquidation) PPA Contractors Australia Pty Ltd (ACN 605 218 273) (formerly Uneek Consulting Services Pty Ltd and Keystone Payroll Australia Pty Ltd)(In Liquidation) PPA Services Australia Pty Ltd (ACN 605 903 660) (formerly Sonar Consultants Pty Ltd) (In Liquidation) RAM Enterprises Australia Pty Ltd (ACN 157 988 639) (In Liquidation) SAI Solutions Australia Pty Ltd (ACN 159 529 183) (In Liquidation)
Plutus Finance	Plutus Finance Australia Pty Ltd (ACN 604 034 291)
PP Aus Holdings	PP Aus Holdings Pty Ltd (ACN 613 038 654) (In Liquidation)
PP Australia NSW	PP Australia NSW Pty Ltd (ACN 613 037 442) (In Liquidation)
PP Services (WA)	PP Services (WA) Pty Ltd (ACN 613 042 587) (In Liquidation)
PPA	Plutus Payroll Australia Pty Ltd (ACN 169 205 127) (In Liquidation)
PPA (SA)	PPA (SA) Pty Ltd (ACN 613 038 234) (In Liquidation)
PPA NT	PPA NT Pty Ltd (ACN 613 037 175) (In Liquidation)

PPA Contractors Australia	PPA Contractors Australia Pty Ltd (ACN 605 218 273) (formerly Uneek Consulting Services Pty Ltd and Keystone Payroll Australia Pty Ltd) (In Liquidation)
PPA Services Australia	PPA Services Australia Pty Ltd (ACN 605 903 660) (formerly Sonar Consultants Pty Ltd) (In Liquidation)
RAM Enterprises	RAM Enterprises Australia Pty Ltd (ACN 157 988 639) (In Liquidation)
RATA	Report as to Affairs
Relation back day	The date of appointment of Liquidators being 9 October 2017
SAI Solutions	SAI Solutions Australia Pty Ltd (ACN 159 529 183) (In Liquidation)
The Act	<i>Corporations Act 2001</i> (Cth)
The Court	The Supreme Court of New South Wales
The Regulations	<i>Corporations Regulations 2001</i> (Cth)
Worker	Includes Direct and Indirect Workers (refer to section 4.3) and Direct Internal Employees

1 Executive Summary

This report is issued in accordance with section 70-40 of the IPR which requires the Liquidators to report to creditors within three months of the commencement of the winding up of the Company. This report provides details of:

- the progress of the liquidation;
- the estimated amount of the Company's assets and liabilities;
- inquiries that have been undertaken to date and that may need to be undertaken in relation to the liquidation;
- what happened to the business of the Company;
- the likelihood of creditors receiving a dividend before the affairs of the Company are fully wound up; and
- possible recovery actions.

As a result of our inquiries and analysis of the assets and liabilities of the Company to date, our preliminary view is that it appears unlikely that creditors will receive a dividend.

Possible legal recovery actions are discussed in this report and any successful action may alter this outcome. Please read this report for full details.

Nothing in this report is intended to comprise a waiver of privilege that may attach to any of the matters stated in this report as to which section 535 of the Act shall apply to the maximum extent.

2 Introduction

2.1 Details of appointment

On 9 October 2017 we, Tim Norman, Eddie Marco Senatore and Salvatore Algeri were appointed Joint and Several Liquidators of the Company pursuant to an order of the Supreme Court of New South Wales.

Our investigations have revealed that the Company was in the business of providing payroll services under the assumed control of another entity, PPA. PPA is one of the entities in the PP Group.

Our reference to the PP Group is to a number of business related entities that carried out common business activities (payroll and financial services), but did not necessarily have common or intergroup shareholdings or common directors.

3 Inquiries undertaken to date

3.1 Initial communication with the Directors

Upon our appointment, members of our staff attended the registered address of the Company in order to gain an understanding of the Company's business activities and to make an assessment of the ongoing viability of the business. It was identified that no business was trading from this premises.

We note that the Company's registered address and principal place of business is the same address as the address of the director, Benjamin Ronald Wallace (**Director**). Our investigations have not revealed any other trading locations and it appears that the business ceased to trade prior to our appointment.

On 16 October 2017, we issued correspondence to the Director requesting that he submit a Report as to Affairs (**RATA**) for the Company as at 9 October 2017 as required pursuant to section 475(1) of the Act.

This correspondence has been received marked "return to sender".

Director(s) have a legal obligation to assist the Liquidator and deliver up company property. We note that to date we have been unable to gain contact with the Director.

3.2 Other inquiries

Upon our appointment, we issued correspondence to various parties including:

- major financial institutions;
- State Revenue Offices;
- Sheriff's Offices in various States and Territories;
- WorkCover authorities in various States and Territories; and
- road transport authorities in various States and Territories.

This correspondence included notification of our appointment and requested that parties provide any information regarding assets owned and/or books and records held in the name of the Company. No assets were identified.

We also conducted an unclaimed monies search in the name of the Company which did not reveal any unclaimed money held on behalf of the Company.

We have made the following additional enquiries regarding the Company:

- obtained statutory information regarding the Company – see section 3.2.1 below;
- obtained information from the ATO regarding the tax liabilities of the Company;
- conducted searches of securities, land title, unclaimed monies registers and motor vehicles;
- made contact with a former third party payroll provider of the Company;
- reviewed Company records received from the former third party payroll provider;

- monitoring media reports and discussion forums ; and
- creating a dedicated Deloitte webpage as a source of key information for individuals, creditors, other stakeholders and the media with links to publications released by the ATO (<https://www2.deloitte.com/au/en/pages/finance/articles/plutus-payroll-australia.html>).

The outcome of these inquiries is detailed within this report.

3.2.1 Statutory information

A search of the ASIC database disclosed the company was incorporated in New South Wales on 18 July 2016. The company's registered office is shown as Unit 6, 20 Leonay Street, Sutherland, NSW 2232.

The Company is limited by shares. The ASIC database records the shareholder as:

Table 1 - Shareholders

Shareholder	Class	Number	Amount paid per share	Amount unpaid per share
Benjamin Ronald Wallace	Ordinary	1	\$1.00	\$1.00

The ASIC database indicates that during the 12 month period prior to our appointment the Company's directors and officers were:

Table 2 – Directors and Officers

Name	Position	Appointed	Ceased
Benjamin Ronald Wallace	Director/Secretary	18/07/2016	-

3.2.2 Related entities

As noted at section 4, the Company appears to have been involved with the PP Group. In particular, it appears that the Company assumed the operations of SAI Solutions and RAM Enterprises. It appears from our investigations to date that the Company is not indebted to either of these entities.

3.2.3 Security Interests

A search of the PPSR has not revealed any perfected security interests.

3.2.4 Property

We conducted land title searches in the name of the Company and the Director in the States and Territories in which the Company was registered. No land interests were identified from this search.

4 Summary of business operations

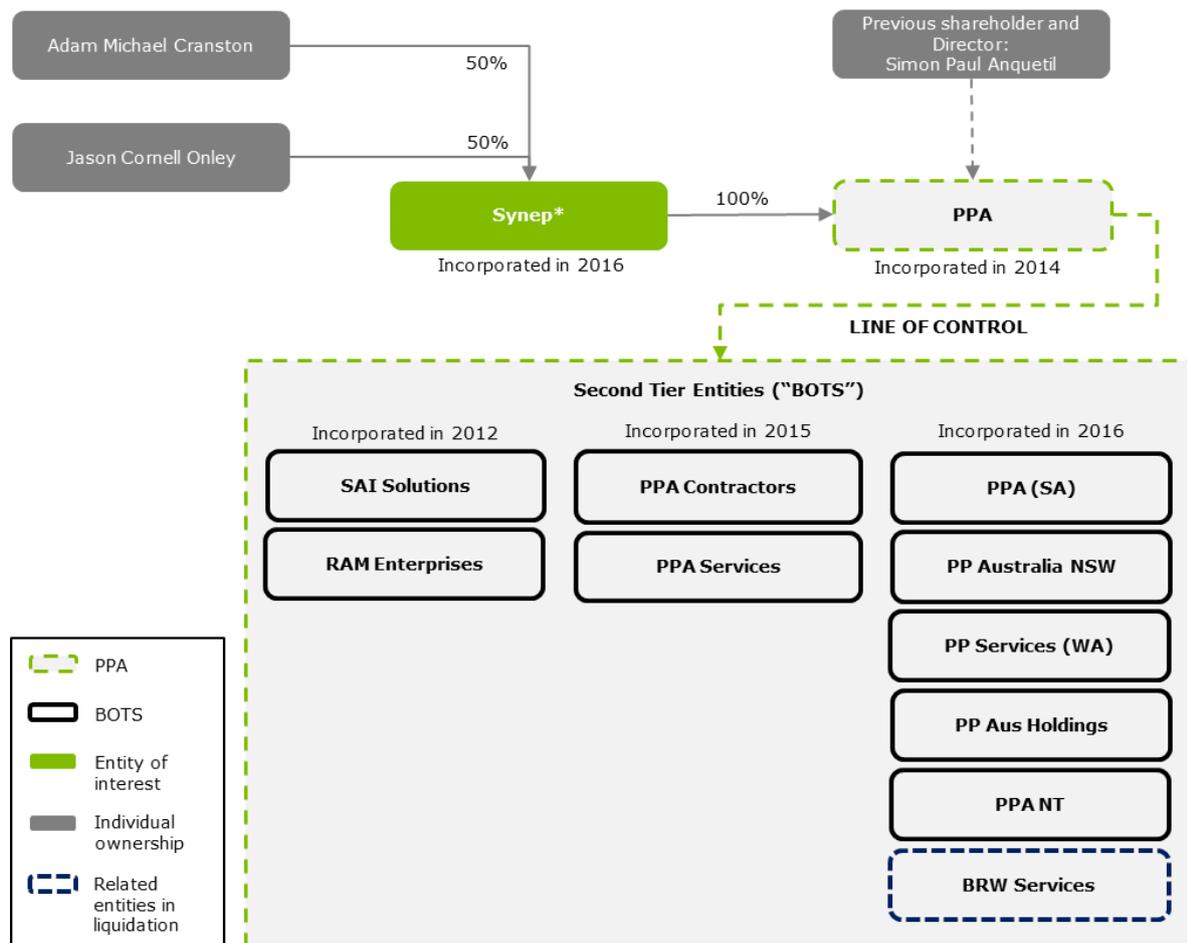
Our investigations have revealed that the Company was in the business of providing payroll services under the assumed control of another entity, PPA.

It would appear from our investigations that the Company formed part of a group of entities controlled by PPA, collectively known as and referred to throughout this report as the "PP Group". We were also appointed as Liquidators of the PP Group which comprised, PPA and nine (9) other associated entities on 9 October 2017. These entities provided payroll services.

Below is the organisational structure of the PP Group. This does not reflect an exhaustive listing of associates of the Company but rather only those entities to which we have been appointed as Liquidators.

4.1 Company connections

Figure 1



*Provisional Liquidators from PPB Advisory were appointed over Syneq as a result of an order made by the Supreme Court of New South Wales on 14 December 2017.

4.2 Operations

From our investigations to date, it would appear that:

- PPA was the main entity and the trading business.
- PPA would offer their payroll services to Workers either directly or through a number of recruitment agencies. These services were advertised as a “zero fee” service.
- Under one scenario, a Worker would submit their timesheet to PPA who calculated all employment related entitlements, the total value of which would be invoiced from PPA to an intermediary (i.e. a recruitment agency who on-hired the Worker's services to another business) or the entity where the Worker performed services.
- Once PPA received payment, PPA would then transfer the funds to one of the BOTS.
- When BOTS received the funds, their role was to arrange payment to Workers and other respective regulatory bodies.
- Initially there were only two BOTS; however, a number of additional BOTS were set-up at later dates with the existing Workers split among these entities.
- PP Group mainly used CBA accounts as trading accounts.

The Liquidators have identified some other unique agreements between Workers and the PP Group. Some of these scenarios have been listed on the ATO website for the benefit of potential creditors and the Liquidators are still assessing the nature of the various Worker relationships. (<https://www.ato.gov.au/Newsroom/smallbusiness/Employers/Affected-by-recent-payroll-company-issues-/>)

4.3 Workers

We have obtained access to the PP Group’s cloud based payroll system file (Payroll data) which was used by:

- Workers and Direct Internal Employees to log weekly, fortnightly, monthly or ad-hoc timesheets; and
- the PP Group to:
 - manage Worker and Direct Internal Employees details;
 - calculate the gross amount to be invoiced to the intermediaries utilising the payroll services; and
 - issue payslips and end of year payment summaries.

Following an initial review of the Payroll data, we have identified:

- approximately 4,300 Workers who were paid via PP Group (including active and non-active Workers); and
- approximately 340 intermediaries.

We note that there is no direct reference to the Company in this payroll data, however as the Company appears to have assumed the operations of SAI Solutions and RAM Enterprises, our investigations are continuing to determine whether any of this data relates to the Company.

The Payroll data in the PP Group's books and records classifies these Workers into three broad categories:

Table 3 - Contractors and Direct Internal Employees split

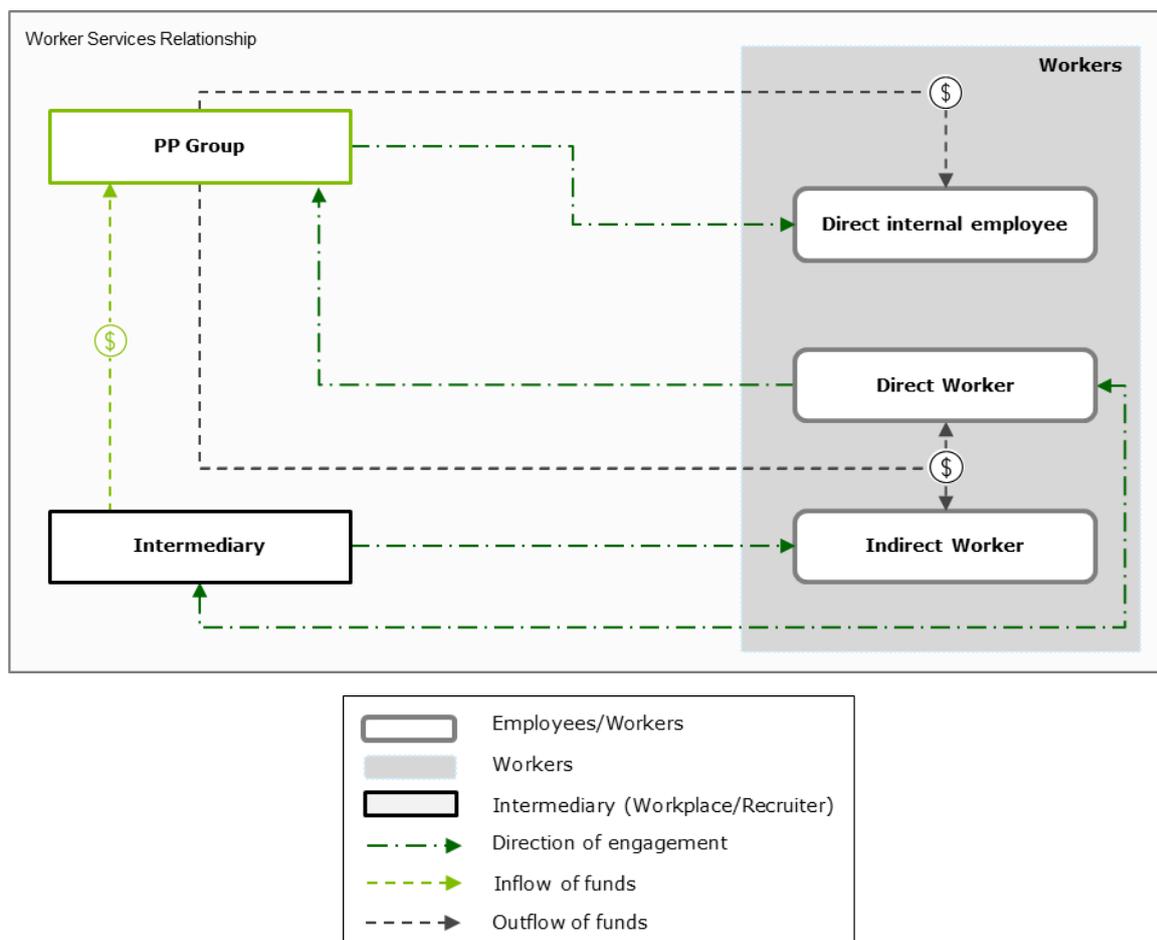
Type of Workers and Direct Internal Employees	#
Direct internal employee	30
Direct Worker	3,466
Indirect Worker	868
Total	4,364

Note: the PP Group's books and records describe Workers who were not "Direct Internal Employees" as "Direct Contractors" and "Indirect Contractors". As explained below and in Table 4, an assessment of the relationship between Workers and the PP Group is being carried out.

Until there is greater clarity on this point, it is potentially misleading to refer to the Workers as "contractors" as, in most if not all cases, it appears they were treated as employees. We have therefore adopted the term "Worker" which is broad enough to capture "employees" and "contractors".

Detailed below is the known Worker Services Relationships we have identified to date:

Figure 2



As noted above, we are yet to determine whether similar relationships exist for the Company.

Table 4

Term	Description
Direct internal employee	Individuals that were internally employed by the PP Group to operate the payroll services
Direct Worker	Workers who either through a direct request or via their recruitment agency had their contracting workplace process their pay through the PP Group.
Indirect Worker	Workers, who through an arrangement made by their contracting workplace and PP Group directly, had their pay processed through the PP Group.
Intermediary (Workplace/Recruiter)	The business which received the ultimate benefit of the Worker's services, or, the recruitment agencies that set up Workers to be paid via PP Group, either on instructions of the Worker, or as the recruitment agencies standard payroll provider.

We are currently investigating the relationship between "Direct Workers" and "Indirect Workers", the Company and the PP Group to identify:

- if any employer-employee relationship exists between these parties;
- the type of claim that can be submitted against the relevant the Company; and
- what parties have a right to submit a claim against the Company.

We anticipate corresponding to all potential affected stakeholders once these investigations are finalised. This correspondence will provide guidance around rights and entitlements of Workers as it relates to the liquidation of the Company.

5 Estimated assets and liabilities

5.1 Overview

We have not received a RATA from the director detailing the estimated realisable value of the assets and liabilities of the Company.

5.2 Assets

Our investigations to date have revealed two bank accounts in the Company's name totalling \$28.83.

No other assets have been identified in the Company's name. However, we note that we have had limited access to the Company's books and records.

5.3 Liabilities

5.3.1 Statutory creditors

The Liquidators have received a claim from the ATO in respect of the Company totalling \$1,195,959.57. This claim will be adjudicated in due course.

5.3.2 Unsecured creditors

At this stage, an estimate of unsecured creditors cannot be determined.

To date we have received one claim from an unsecured creditor claiming an amount totalling \$748. The Liquidators have not adjudicated this claim.

6 What happened to the business of the Company

6.1 Causes of failure

As we have been unable to contact the Director we are unable to provide any commentary regarding the Director's reasons for the Company's failure.

In our opinion, the Company's failure was a direct result of failing to remit in full its PAYG obligations to the ATO. We note that the Company was wound up by the Court following an application made by the ATO as a result of its involvement with the PP Group and in relation to outstanding statutory liabilities.

6.2 Possible Phoenixing

Phoenixing is the process whereby business assets are transferred from an indebted company to a new company (often with a similar sounding name) in order to avoid paying creditors, tax or employee entitlements. The transfer usually takes place just prior to the appointment of a liquidator.

Our inquiries to date indicate that the PP Group operated a business model where individuals were approached and paid to be appointed as directors of the BOTS. The BOTS would trade and incur debt. Other BOTS would then be used to continue to trade on from that point. Our preliminary investigations into the PP Group structure indicate the PP Group may have conducted phoenixing activity with the purpose of avoiding ATO obligations. The Company appears to have formed part of this structure. These investigations are continuing.

The Company was incorporated on 18 July 2016 and operated as a payroll service business. Both SAI Solutions and RAM Enterprises were incorporated in 2012 and also operated as payroll service businesses. Our investigations to date have revealed that the Company assumed the operations of SAI Solutions and RAM Enterprises.

The Liquidators are in the process of preparing the required statutory report to ASIC in relation to these investigations.

6.3 Historical financial performance

At this stage we have been unable to obtain any financial statements of the Company. Further investigations and inquiries will be undertaken to obtain information regarding the Company's financials.

7 Possible recovery actions

7.1 Investigations

7.1.1 Introduction

A liquidator has a duty to investigate the company's business, property, affairs and financial circumstances. There are a number of possible recovery actions that may be brought by a liquidator under Part 5.7B of the Corporations Act which may result in more funds available for distribution to the creditors.

The liquidator also has an obligation to report possible director breaches of duties or likely misconduct that comes to our attention to ASIC. ASIC may, as a consequence of such a report, prosecute the directors and a successful prosecution may result in the director(s) being fined or imprisoned. However, any action undertaken in this regard will have no impact on likely dividends to creditors.

An explanation of the possible recoveries that may arise as a consequence of offences by a director and insolvent and voidable transactions is attached at Appendix A. This information sheet has been prepared by ARITA and is intended to reduce the amount of generic information included as part of the body of this report.

Creditors who are not familiar with the nature of offences and liquidator actions should refer to the appendix for explanations. If further explanation is required of the material contained in Appendix A or of our investigations, creditors should contact us.

7.1.2 Overview of Investigation

In the time available to us, we have undertaken the following investigations to prepare this report and formulate our opinions:

- undertaking ASIC and real property searches;
- discussions with former payroll service provider of the Company;
- undertaking PPSR searches; and
- discussions with creditors.

Due to difficulties in obtaining access to information, our investigations are preliminary and ongoing. In particular, we have not been able to:

- review the financial accounts of the company;
- review books and records of the company;
- engage in discussions and questionnaires with the director;
- engage in discussions with any management and staff.

However, in our opinion the above matters have not prevented us from being able to provide sufficient, meaningful information. Given the ongoing nature of our investigations we are presently unable to express concluded opinions in relation to the Company's affairs.

The Liquidators reserve their rights to alter any of the opinions presently expressed in this report should the underlying data prove to be inaccurate or materially change after the date of this report.

7.1.3 Offences by directors

7.1.3.1 Overview

Liquidators are required to complete and lodge a report pursuant to section 533 of the Act with ASIC where it appears:

- a past or present officer of the company may have been guilty of an offence or misconduct in relation to the Company; and/or
- the Company may be unable to pay more than 50 cents in the dollar to unsecured creditors.

We intend on lodging reports pursuant to section 533 of the Act in due course. Reports lodged pursuant to section 533 of the Act are not available to the public.

7.1.3.2 Books and records

Pursuant to section 286 of the Act, a company must keep written financial records that correctly record and explain its transactions, financial position and performance and would enable true and fair financial statements to be prepared and presented in accordance with the accounting standards.

Failure by the Company to maintain books and records in accordance with section 286 of the Act provides a rebuttable presumption of insolvency of the company which may be relied up in a liquidator's application for compensation for insolvent trading and other actions for recoveries pursuant to part 5.7B of the Act from related entities.

As outlined above, the Liquidators do not currently have access to the Company's books and records. From our enquiries to date however it appears that very few or no books and records were maintained by the Company. If there are very few or no books and records, we do not consider that the Company will have met the expectations of section 286 of the Act.

7.1.4 Voidable transactions

Voidable transactions include:

- Unfair preferences (section 588FA of the Act)
- Uncommercial transactions (section 588FB of the Act)
- Unfair loans to a company (section 588FD of the Act)
- Arrangements to avoid employee entitlements (section 596AB of the Act)
- Unreasonable director-related transactions (section 588FDA of the Act)
- Transactions with the purpose of defeating creditors (section 588FE(5) of the Act)
- Voidable security interests (section 588FJ of the Act)

Generally recovery actions are expensive and are likely to require Court applications. As such, should there be inadequate funds available, or the Liquidators consider it uncommercial or not in the creditors' best interests, such recovery actions may not be commenced by the Liquidators. Alternatives that can be considered include:

- some or all of the creditors may wish to fund an action and in doing so can be entitled to receive their contribution in priority to other creditors;
- litigation insurance may be available to fund an action(s), however it is usually a requirement that legal advice indicates there are strong prospects of success;

- section 100-5 of the IPS entitles a liquidator to assign any right to sue. This may enable us to quickly convert what might otherwise be a lengthy and time consuming legal action into an upfront payment in cash. Creditors must be notified in advance if we were to consider such an option.

Based on our investigations to date we have identified the following voidable transactions:

Table 5 – Voidable Transactions identified or subject to further investigations

Type	Status
Unfair preferences	Under investigation
Uncommercial transactions	Under investigation
Unfair loans to a company	Under investigation
Arrangements to avoid employee entitlements	Under investigation
Unreasonable director-related transactions	Under investigation
Transactions with the purpose of defeating creditors	Under investigation
Voidable security interests	N/A

7.1.4.1 Unfair Preferences Payments (Section 588FA)

We have not identified any payments that may be unfair preferences within the six months prior to our appointment. However, we note that our investigations are only preliminary at the time of reporting and there is limited information regarding the Company available at present.

7.1.4.2 Unfair Loans (Section 588FD)

Our investigations to date have not revealed that the Company made or received any loans from or to any parties which committed either company to extortionate terms. However, at this stage, our investigations are ongoing and such transactions may be uncovered in future.

7.1.4.3 Uncommercial Transactions (Section 588FE)

Our review of the limited information available to date has not identified any transactions that would constitute an uncommercial transaction entered into by the Company. However, we note that our investigations are preliminary and limited by the lack of available records.

7.1.4.4 Unreasonable Director-Related Transactions (Section 588FDA)

Our investigations to date have not identified any unreasonable director-related transactions.

7.1.4.5 Arrangements to Avoid Employee Entitlements (Section 596AB)

Our investigations to date have not identified any transactions of this nature.

7.1.4.6 Transactions with the Purpose of Defeating Creditors (Section 588FE(5))

We have conducted a review of the transactions of the Company for the six months prior to the relation back day to identify any transactions that may have been entered into with the purpose of defeating creditors.

To date, we have not identified any transactions undertaken for the purposes of defeating creditors that would be recoverable by a liquidator.

7.1.4.7 Circulating security interests created within Six Months (Section 588FJ)

A search of the PPSR reveals that no security interests have been perfected over the Company's assets in the six months prior to the relation back day.

7.1.5 Insolvent Trading (section 588G)

Directors have a positive duty to prevent a company from trading whilst it is insolvent (section 588G of the Act). If a director is found to have contravened section 588G he/she may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors as a result of the contravention.

Our investigations have been limited by the lack of information available. Accordingly, at this stage we cannot confirm whether any insolvent trading claim may exist.

7.1.6 Directors' Personal Financial Positions

The financial position of directors and their ability to compensate for any damages awarded against them in the event legal proceedings were commenced by a liquidator is relevant to the consideration of the commerciality of further action.

Our investigations have been limited to publicly available information as we have not been able to make contact with the Director. We have not identified any real property owned by the Director.

8 Further inquiries that need to be undertaken

The Liquidators will continue to collate additional evidence and supporting documentation in order to identify any possible legal recovery actions.

The Liquidators' further inquiries may include:

- attempting to contact the Director/Shareholder of the Company, and other individuals or parties of interest;
- conducting public examinations of relevant persons;
- liaising with third parties that may hold assets and/or books and records of the Company;
- liaising with FEG administrators to validate any outstanding employee entitlement claims;
- conducting further analysis of the Company's bank accounts in order to identify transactions of interest and potential recovery actions;
- monitoring media reports and discussion forums;
- lodgement of a statutory report outlining possible breaches of the Act by the director;
- identifying and obtaining access to any records of the Company to assist in the reconstruction of entitlements;
- investigating the Company's business and affairs including further review of PP Group books and records received to date;
- reviewing and investigating claims lodged in the liquidation; and
- communicating with all stakeholders on the progress of the liquidation.

9 Likelihood of creditors receiving a dividend

9.1 Dividend

Given the preliminary nature of our investigations to date and the complexities around identifying information and the assets of the Company, we are not in a position to comment on the likelihood of a distribution at this stage.

If the Company is indebted to you and you have not previously lodged a Proof of Debt, please complete the Proof of Debt (refer to Appendix B) form enclosed and returned together with a statement of account so that your debt may be entered in our records.

9.2 Conclusion

We trust creditors find this report informative and useful. In the event you have any queries regarding the contents of this report, or the liquidation in general, please do not hesitate to contact our team via email at plutus@deloitte.com.au.

Yours faithfully



Tim Norman
Joint and Several Liquidator

Appendix A - Information Sheet – Offences, Recoverable Transactions, etc.

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
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 an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
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 the 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.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, 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 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 period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because 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 must be entered into before 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 payments made to or on behalf of a director or close associate of a director. 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 over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six 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 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.

Appendix B – Informal proof of debt form

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 613 733 430

To the Liquidators of BRW Services Pty Ltd (In Liquidation)

1. This is to state that the company was, on 9 October 2017 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾

 for
 dollars and cents.

Particulars of the debt are:

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

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 2017

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 RATA	\$	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 – Email notification form

**BRW Services Pty Ltd
(In Liquidation)
ACN 613 733 430
("the Company")**

**Corporations Act 2001 Section 600G
Corporations Regulations 2001 5.6.11A**

**CREDITOR'S APPROVAL FORM FOR ELECTRONIC METHODS OF GIVING OR SENDING CERTAIN
NOTICES UNDER REGULATION 5.6.11A**

Should you wish to receive notices and documents relating to the liquidation of the Company via email, please complete this form and return it to Deloitte per the details below.

I/We authorise Deloitte Financial Advisory Pty Ltd on behalf of the Company to send notices via the email address provided below.

Signature:	
Creditor name:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	

Return to:

Deloitte Financial Advisory Pty Ltd
Via Post: 550 Bourke Street, MELBOURNE VIC 3000
Via Email: plutus@deloitte.com.au



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 200,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.

© 2018 Deloitte Touche Tohmatsu.