



SHERIDANS
CHARTERED ACCOUNTANTS

GOODFAM ORG PTY LTD

(In Liquidation) ACN 139 469 364
Formerly trading as B.B.G. Communications

Report to Creditors

Section 70-40
Insolvency Practice Rules (Corporations) 2016

30 July 2018

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Enclosures

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 30 April 2018 and to my initial information for creditors dated 10 May 2018.
- 1.2 The purpose of this report is to provide creditors with an update on the progress of the liquidation in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016, and to advise creditors of the likelihood that a dividend will be paid in the liquidation.

2. Receipts and payments

- 2.1 The following is a summary of the receipts and payments in the liquidation to date:

	\$
Receipts	
Cash at bank	6,362.00
Pre-appointment debts	15,477.00
Plant and equipment	10,645.00
	32,484.00
Payments	
Agent's fees	1,028.65
Agent's disbursements	80.00
Bank fees	11.00
Valuation	935.00
Liquidator's fees	25,390.50
Liquidator's disbursements:	
Facsimiles	34.00
Postage	76.50
Printing & photocopying	98.40
Searches	104.60
Stationery	3.34
Telephone	13.00
GST (net)	2,572.39
	30,347.38
Cash at bank as at 30 July 2018	2,136.62

3. Assets

- 3.1 The company's director gave an estimate in his Report as to Affairs ("RATA") of potential realisations. Set out below is a comparison of this estimate with the Liquidator's estimate and actual realisations to date.

	Ref	RATA estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Cash at bank	3.2	8,000	6,362	6,362
Pre-appointment debts	3.3	232,760	Unknown	15,477
Plant and equipment	3.4	30,000	10,645	10,645
		270,760	Unknown	32,484

3.2 Cash at bank

- 3.2.1 The company had closed its main bank account prior to my appointment and the cash at bank was being held in the company's solicitor's trust account.

3. Assets (cont.)

3.2.2 The sum of \$6,362.00 was transferred by the company's solicitor to the liquidation bank account on 4 May 2018.

3.2.3 The company held one bank account at the date of appointment with Westpac Banking Corporation ("Westpac"). This account was overdrawn and I have instructed Westpac to close the account.

3.3 *Pre-appointment debts*

3.3.1 The director advised on his RATA that there were two pre-appointment debts owed to the company, being \$15,477.00 from Goodwin Communications Pty Ltd ("Goodwin") for the sale of the company's assets prior to my appointment and \$217,283.41 owed by the director in respect of an outstanding loan account.

3.3.2 Goodwin has paid the outstanding amount in full.

3.3.3 I will be determining the recoverability of the outstanding loan from the director in due course.

3.4 *Plant and equipment*

3.4.1 The company's plant and equipment comprised fibre optic fusion machines, splicing machines, hand tools, minimal office equipment and an unregistered 2006 Ford Transit Panel Van.

3.4.2 The plant and equipment was collected by my agent and realised \$10,645 (excluding GST, less agent's fees and disbursements) at auction.

3.4.3 Prior to my appointment the company sold a number of motor vehicles to Goodwin. Some of these vehicles were subject to finance agreements (see Section 4 below). I therefore disclaimed my interest in these motor vehicles. It is my understanding that Goodwin has assumed the respective finance agreements.

4. Secured creditors

4.1 According to a search of the Personal Property Securities Register ("PPSR") on 30 April 2018, the following parties have registered security interests against the company's ACN:

Secured party	Details of charge
Westpac	Purchase Money Security Interest and an AllPAAP security interest registered on the PPSR in respect of two motor vehicles. Both motor vehicles were disclaimed on 15 May 2018.
Automotive Financial Services Pty Ltd ("AFS")	Purchase Money Security Interest and an AllPAAP security interest registered on the PPSR in respect of a motor vehicle. The motor vehicle was disclaimed on 9 May 2018.
Service Stream Limited	There is no debt owed to this creditor.

5. Priority creditors

5.1 Set out below is the director's estimate of the company's priority creditors compared to my estimate:

	RATA estimate \$	Liquidator's estimate \$
Wages	Unknown	15,911.00
Superannuation	111,953.54	113,801.68
Leave of absence	Unknown	5,000.00
Retrenchment	Unknown	Unknown
	111,953.54	134,712.68

5.2 The above estimates are based on the Proofs of Debt received to date. The company's wages and superannuation liabilities include amounts owed to the following related parties:

- Brian Goodwin (director)
- Beverley Goodwin (relative of director)
- Byron Goodwin (relative of director)
- Yorrick Goodwin (relative of director)
- Kyle Goodwin (relative of director)
- Malinda Hurst (relative of director)

5.3 As excluded employees, the priority claim for superannuation and wages for the above related parties is capped at \$2,000 each pursuant to Section 556(1A) of the Corporations Act 2001.

5.4 If you were an employee of the company at the date that I was appointed, or you have previously been employed by the company, you may be a creditor of the company for any or all of the following debts: outstanding wages, annual leave, long service leave, pay in lieu of notice, redundancy and/or superannuation.

5.5 If you are owed accrued entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg. **Former employees have only 12 months to lodge a FEG claim and FEG has no discretion to extend this time.**

5.6 Please find enclosed a Proof of Debt or Claim form to enable any priority creditors who have not already done so to lodge their claim against the company. Note that any FEG claim must be lodged separately with FEG.

6. Unsecured creditors

- 6.1 According to the director's RATA, the company had two unsecured creditors, whose claims totalled \$497,181.24.
- 6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is \$558,016.70.
- 6.3 Please find enclosed a Proof of Debt or Claim form to enable any unsecured creditors who have not already done so to lodge their claim against the company.

7. Dividend

- 7.1 The likelihood that a dividend will be paid to creditors will be affected by a number of factors including:
 - (i) The size and complexity of the administration.
 - (ii) The amount of assets realisable and the costs of realising those assets.
 - (iii) The statutory priority of certain claims and costs.
 - (iv) The value of various classes of claims including secured, priority and unsecured creditor claims.
 - (v) The volume of enquiries by creditors and other stakeholders.
- 7.2 At this stage of the liquidation, I consider that there will be insufficient funds available to pay a dividend to priority and unsecured creditors of the company.
- 7.3 However, the likelihood of a dividend is largely dependent on the outcome of my investigations into any possible recovery actions, if any (see Section 11).
- 7.4 If a dividend is payable, creditors will be contacted prior to payment of the dividend and will be asked to lodge a Proof of Debt. This will formalise creditors' claims against the company.

8. Reasons for the company's failure

- 8.1 I note that the company's business ceased to trade on or around 31 December 2017.
- 8.2 From my preliminary inquiries to date (see Section 9 below), I consider that the reason for the company's failure is likely to be the loss of its major contract in relation to the installation of the National Broadband Network.

9. Inquiries undertaken to date

9.1 The following inquiries have been made to date:

- (i) Undertaking searches including a company search, PPSR search, vehicle search, director search and property search.
- (ii) Contacting the Sheriff's Office to determine whether any recovery action has been undertaken on behalf of creditors.
- (iii) Contacting the Child Support Agency and Workcover WA to determine the company's outstanding liabilities.
- (iv) Contacting the Office of State Revenue and the Australian Taxation Office ("ATO") to determine the company's outstanding tax-related liabilities.
- (v) Requesting that the ATO provide me with access to the company's taxation records via the Business Portal.
- (vi) Collecting and preparing a listing of the company's books and records.
- (vii) Reviewing the company's financial statements and draft accounts to determine whether there are any unaccounted for assets and/or liabilities.
- (viii) Reviewing the director's Report as to Affairs.
- (ix) General inquiries of the company's director regarding assets and liabilities.
- (x) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.

10. Further inquiries that may need to be undertaken

10.1 I note the following further inquiries may need to be undertaken:

- (i) Extensive review of the company's books and records.
- (ii) Conducting an investigation into the company's affairs and the conduct of its officers.
- (iii) Determining whether there are any possible recovery actions (see Section 11 below).
- (iv) Lodging a report with ASIC detailing my investigation findings.
- (v) General inquiries of the company's director regarding assets and liabilities.
- (vi) Pursuing the director for the unpaid loan account.

10.2 If creditors are aware of a particular matter that requires further investigation, please contact this office immediately.

11. Possible recovery actions

11.1 I am yet to uncover any possible recovery actions but note that the most common recovery actions available to a liquidator are as follows:

- (i) Insolvent trading.
- (ii) Unfair preferences.
- (iii) Uncommercial transactions.
- (iv) Unfair loans.
- (v) Unreasonable director-related transactions.

12. What happens next?

- 12.1 I will proceed with the liquidation, including:
- (i) Realising the remaining assets.
 - (ii) Recovering any further available property.
 - (iii) Completing my investigations into the company's affairs.
 - (iv) Completing my reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission.
- 12.2 I may write to creditors again with further information on the progress of the liquidation.

13. More information

- 13.1 Creditors can access information which may be of assistance on the following websites:
- (i) Sheridans at www.sheridansac.com.au/downloads/
 - (ii) ARITA at www.arita.com.au/creditors
 - (iii) ASIC at www.asic.gov.au (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact Melissa Ledger or Jordache Don of this office.

Yours faithfully



JENNIFER E. LOW
Liquidator of
Goodfam Org Pty Ltd

GOODFAM ORG PTY LTD
ACN 139 469 364
(In Liquidation) ("the company")

PROOF OF DEBT OR CLAIM

This is to state that the company was on 30 April 2018 and still is justly and truly indebted to _____ for:

\$ _____ and _____ cents

Date	Consideration (how the debt arose)	Amount \$	Remarks (include details of voucher substantiating payment)

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 \$	Due date

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. ①

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. ①

① *Delete both if this proof is made by the creditor personally. Otherwise, strike out or leave, as appropriate.*

Please ensure this proof is signed for completion, before lodgement.

Date: _____

Signature: _____

Name: _____

Occupation: _____

Creditor's address: _____

I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:
