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9 December 2010

**LIDUIDATORS' REPORT TO CREDITORS
PURSUANT TO SECTION 508 OF THE CORPORATIONS ACT 2001**

**Boldtiger Pty Ltd (In Liquidation)
ACN 113 377 003 ("the Company")
Formerly Trading As "Matrix Wholesalers and Distributors"**

1. Introduction

- 1.1. We refer to our appointment as Joint and Several Liquidators of the Company by a resolution of its members at a duly convened members meeting held on 18 December 2009. Our appointment was confirmed at a meeting of creditors on 31 December 2009.
- 1.2. All material assets of the Company have been realised. Investigations into the conduct of the Directors and potential recoveries in respect to voidable transactions are set out in the body of this report.

2. Meeting of Creditors

- 2.1. A Meeting of Creditors of the Company will be held at 10.00am (WST) on Thursday, 23 December 2010 at the offices of RSM Bird Cameron Partners, 8 St Georges Terrace, Perth WA 6000. A formal notice of the meeting is enclosed with this report.
- 2.2. The balance of this report is set out under the following main headings:

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- A Estimated Dividend to Unsecured Creditors
- B Statement of the Liquidators' Receipts and Payments

3. Nature of the Business and Statutory Information

- 3.1. The Company was incorporated on 15 March 2005 and commenced trading about this time.
- 3.2. The Company traded as "Matrix Wholesalers and Distributors" and conducted a business of wholesale and distribution of soft drinks and other consumables from leased premises at Unit 4, 9 Pilbara Street Welshpool WA 6106. The Company ceased to trade prior our appointment.

Officers

- 3.3. The current and former Directors are detailed in Table 1 below:-

Name	Position	Appointed	Cessation
John Francis Young	Director	16/03/2005	Continuing
Brett William Young	Director	16/03/2005	Continuing
Michael John Shipway	Director	16/03/2005	20/04/2009

Table 1: Summary of Directors

- 3.4. Both current Directors declared themselves Bankrupt on 12 February 2010.

Shareholders

- 3.5. The records of the Australian Securities and Investments Commission ("ASIC") at the date of our appointment record that the issued capital of the Company comprise of 350,001 ordinary shares at a cost of \$210,005, fully paid.
- 3.6. A summary of the Company's shareholding at the date of our appointment is summarised below in Table 2:-

Shareholder	Registered Address	Number of Shares Held
Mr Brett William Young	20 Alfred Street Belmont WA 6104	35,000
Marketshare Consulting Group Pty Ltd	Unit 2 454 Roberts Road Subiaco WA 6008	315,001

Table 2: Summary of Shareholding**Related Entities**

- 3.7. Prior to their Bankruptcy both Mr Brett and John Young were also Directors of the following entities:

- 3.7.1. Marketshare Consulting Pty Ltd; and

3.7.2. Bold Magpie Pty Ltd trading as Sun City Supermarkets (“Sun City”).

3.8. Our investigations suggest there may have been some trading activity by way of inter-company loans between the Company and Sun City. Please refer to paragraph 7.16 below for further commentary.

Registered Charges

3.9. ASIC records disclose 29 charges were registered against the Company’s property at the date of our appointment as summarised below in Table 3:-

3.10. The breakdown of the 29 charges is:

3.10.1. Two (2) fixed and floating charges; and

3.10.2. 27 fixed charges.

Chargee	Charge Number	Charge Type	Date Created	Date Registered
Scottish Pacific Business Finance Pty Limited	1786830	Fixed and Floating Charge	29 April 2009	11 May 2009
Key Factors Pty Ltd	1890155	Fixed and Floating Charge	1 December 2009	3 December 2009
Westpac Banking Corporation	1157175	Fixed Charge	26 April 2005	9 May 2005
	1338512	Fixed Charge	1 August 2006	15 August 2006
	1440652	Fixed Charge	22 March 2007	18 April 2007
	1580369	Fixed Charge	14 December 2007	29 January 2008
	1742509	Fixed Charge	17 December 2008	6 January 2009
Capital Finance Australia Limited	1765690	Fixed Charge	6 February 2009	16 March 2009
	1165249	Fixed Charge	24 May 2005	31 May 2005
	1196223	Fixed Charge	12 August 2005	18 August 2005
	1381038	Fixed Charge	17 November 2006	22 November 2006
	1393611	Fixed Charge	13 December 2006	18 December 2006
	1428153	Fixed Charge	28 February 2007	14 March 2007
	1443620	Fixed Charge	17 April 2007	24 April 2007
	1468459	Fixed Charge	23 April 2007	18 June 2007
	1483372	Fixed Charge	9 July 2007	16 July 2007
	1594653	Fixed Charge	15 February 2008	26 February 2008
BOQ Equipment Finance Limited	1759228	Fixed Charge	6 February 2009	24 February 2009
	1885378	Fixed Charge	23 October 2009	24 November 2009
	1168155	Fixed Charge	26 May 2005	8 June 2005
National Australia Bank Limited	1826073	Fixed Charge	23 June 2009	28 July 2009
	1874427	Fixed Charge	21 October 2009	3 November 2009
National Australia Bank Limited	1235613	Fixed Charge	15 November 2005	22 November 2005

	1254400	Fixed Charge	19 December 2005	22 December 2005
	1348304	Fixed Charge	28 August 2006	31 August 2006
Esanda Finance Corporation Limited	1253618	Fixed Charge	8 December 2005	3 January 2006
	1262812	Fixed Charge	20 January 2006	31 January 2006
Pacific Finance Australia Pty Ltd	1345012	Fixed Charge	2 August 2006	23 August 2006
	1432155	Fixed Charge	1 March 2007	22 March 2007

Table 3: Summary of Registered Charges*Fixed and Floating Charges*

- 3.11. The fixed and floating charges registered secured debtor factoring facilities provided to the Company.
- 3.12. Investigations reveal the debtor factoring facility provided by Scottish Pacific Business Finance Pty Limited ("Scottish Pacific") and secured by a fixed and floating charge was repaid in full prior to our appointment.
- 3.13. On 1 December 2009 the Company entered into a Debt Factoring Deed ("Deed") with Key Factors Pty Ltd ("Key factors"). This Deed was secured by a fixed and floating charge over the Company's assets. We refer you to paragraph 6.20 for further discussion on this matter.

Fixed Charges

- 3.14. The Fixed Charges registered by various financiers related to the lease or hire purchase of property, namely:
- 3.14.1. Motor Vehicles; or
- 3.14.2. Fridges
- 3.15. Upon our appointment it was determined that minimal equity existed in these assets, the majority of which were disclaimed. Please refer to paragraph 6.32 for further commentary.

4. Trading History

- 4.1. A summary of the Company's trading performance for the financial years ending 30 June 2007 to 30 June 2009 inclusive, as extracted from the financial statements prepared by the Company's external accountant are outlined below in Table 4:-

	Year Ending 30 June 2007 \$	Year Ending 30 June 2008 \$	Year Ending 30 June 2009 \$
Total Trading Income	5,286,913	5,827,190	6,562,191
Cost of Goods Sold	(3,739,636)	(3,719,130)	(4,947,302)
Gross Profit	1,547,278	2,108,060	1,615,342
Gross Profit %	29%	36%	25%
Other Income	2,543	8,256	(18,424)
Total Expenses	(1,556,884)	(1,932,795)	(1,677,086)
Net Profit/(Loss)	(7,064)	183,521	(80,168)

Table 4: Summary of Financial Performance

- 4.2. The summary reveals the Company made a profit in the financial year ending 30 June 2008 and significant loss in the financial year ending 30 June 2009.
- 4.3. Whilst the Company maintained a management information system (“MIS”), being an Attaché accounting program that recorded the various assets and liabilities of the Company, the MIS did not produce a summarised profit and loss or balance sheet. These financial statements were historically produced by the Company’s external accountant. As such financial statements for the period 18 December 2009 were not available.
- 4.4. Company records and our investigations indicate that the Company made a significant loss for the period 1 July 2009 to 18 December 2009.

5. Report as to Affairs (“RATA”)

- 5.1. A director of a company under external administration must make out, verify and submit a report to a liquidator as to the affairs of the company. The report must disclose the assets and liabilities of the company and the director’s estimated realisable value of the assets, as at the date of winding up of the company.
- 5.2. In the RATA submitted by the Directors on 22 December 2009, they stated that the realisable assets of the Company consisted of cash at bank, stock, plant and equipment, a motor vehicle subject to a charge and trade debtors totalling \$333,852.
- 5.3. The Directors also stated in the RATA that the Company owed its secured creditors \$372,925, partly secured creditors \$168,662, priority creditors \$151,890 and unsecured creditors \$1,604,412.
- 5.4. The Directors therefore estimated a deficiency of \$1,964,037.
- 5.5. From my investigations, I estimate the deficiency to be \$1,988,611 excluding the costs of the winding up. A further explanation of the asset and liability classes, including variances between my estimated realisable values and those of the Directors begins at paragraph 6.7 below.
- 5.6. A summary of the RATA and my findings are detailed below in Table 5:-

	Paragraph Reference	RATA Cost or Book Value \$	Director's Estimated Realisable Value \$	Liquidator's Estimated Realisable Value \$
<u>Assets</u>				
Cash at Bank	6.7	20,049	20,049	17,677
Stock	6.10	85,159	40,000	19,751
Plant and Equipment	6.15	20,500	20,500	4,105
Motor Vehicle	6.19	6,229	6,229	4,911
Trade Debtors	6.21	311,302	247,074	84,220
Total Assets		443,239	333,852	130,664
<u>Liabilities</u>				
Secured Creditors	6.21	372,925	372,925	0
Partly Secured Creditors	6.31	168,662	168,662	0
Priority Creditors	6.34	151,890	151,890	138,239
Unsecured Creditors	6.41	1,654,412	1,604,412	1,981,036
Total Liabilities		2,347,889	2,297,889	2,119,275
Estimated Deficiency*		(1,904,650)	(1,964,037)	(1,988,611)
<i>*Before Liquidation costs</i>				

Table 5: Summary of RATA and Liquidator's Estimated Realisable Values

Cash at Bank

- 5.7. Upon my appointment I wrote to all major Australian Banks requesting details of any accounts held in the name of the Company. Only one (1) bank replied positively.
- 5.8. SunCorp Bank advised that they held one (1) account in the Company's name. The bank account had a balance of \$17,677. I have since recovered these funds which were transferred to the Company's liquidation bank account at the commencement of the liquidation.

Stock

- 5.9. In their RATA the Directors assessed the value of the remaining stock as having a book value of \$85,159 and a realisable value of \$40,000.
- 5.10. Upon my appointment my office attended the Company's premises and conducted a stock take of the remaining stock, consisting mainly of snacks and bottled drinks. I subsequently had the stock valued by a licensed valuer.
- 5.11. The valuation report was significantly less than the amount disclosed in the Directors' RATA.
- 5.12. A significant level of stock was subject to Retention of Title claims by the various suppliers. Upon review of the respective suppliers' claims the majority of stock was released to those suppliers with valid of title to the goods. The remaining stock was sold by auction or private treaty. We recovered \$19,751 from the sale of the remaining stock.
- 5.13. Our investigations confirmed that the Company did not maintain a management inventory system nor was a stock take conducted for the financial year ending 30 June 2009.

Plant and Equipment

- 5.14. In their RATA the Directors disclosed plant and equipment totalling \$20,500.
- 5.15. Upon my attendance at the Company's premises at appointment date, I secured all remaining plant and equipment of the Company and obtained an independent valuation. Plant and equipment mainly consisted of a small amount of warehouse equipment and a limited number of freehold fridges.
- 5.16. The valuation received was significantly below the Directors' RATA estimates.
- 5.17. Total proceeds from the sale of the Company's plant and equipment by either auction or private treaty, equated to \$4,105.

Motor Vehicle

- 5.18. The Company had a significant fleet of motor vehicles, the majority of which were subject to charge by the various financiers referred to in Table 3. Upon my appointment I had the respective vehicles valued and it was determined that all but one had minimal to no equity available and were therefore disclaimed.
- 5.19. The vehicle that was retained and sold was an Isuzu Truck, secured by Capital Finance. The Truck was sold at auction for \$10,682 and after the satisfaction of Capital's debt, \$4,911 was recovered.

Trade Debtors

- 5.20. At the date of our appointment the Company's records disclosed a ledger of outstanding debts of \$684,228. Of this amount \$493,836 was factored by Key Factors and the balance of \$190,392, represented non-factored debts, the majority of which were ultimately determined to be aged or in dispute.
- 5.21. Shortly after our appointment we met with Key Factors and all efforts were made by both parties acting in conjunction to maximise the factored debtor recoveries.
- 5.22. Due to the nature of the factoring agreement and the security held by Key Factors they assumed the primary responsibility for collections of the factored debts. Our office provided relevant assistance including access to proof of delivery dockets and facilitation of access to former Company employees.
- 5.23. Throughout the course of the collection of the factored debtors our office liaised extensively with Key Factors.
- 5.24. On 19 March 2010 Key Factors advised that their debt had been satisfied in full. Detailed below in Table 6 is a summary of Key Factors final position:

	\$
Total Recoveries	425,793.31
Less: Key factors Debts	372,925.81
Key factors costs of recovery	12,740.41
Balance paid to Liquidator	40,127.09

Table 6: Summary of Key factors final position

- 5.25. Of the remaining outstanding factored debtors, Key factors advised that they expected the Liquidators would recover \$32,125.67. The balance of the factored ledger (\$35,917.02) Key Factors had been deemed non-recoverable.
- 5.26. Subsequent to the advice that Key Factors debt has been satisfied in full, demands were issued to the remaining identified debtors.
- 5.27. To date we have recovered a total of \$84,219. This includes monies returned by Key Factors and subsequent debtor recoveries.
- 5.28. Whilst the Company’s debtor ledger, as referred to in paragraph 6.20 disclosed a significant balance of outstanding debts owed to the Company, both factored and non-factored, our recovery efforts suggest that the Company’s debtors’ ledger was grossly overstated.
- 5.29. Our investigations suggest that:
 - 5.29.1. Significant number of unresolved disputes existed between the Company and its debtors. These disputes largely stemmed from the Company’s inability to provide proof of purchase or appropriate supporting documentation;
 - 5.29.2. The Company failed to provide for doubtful or bad debts;
 - 5.29.3. The Company failed to apply credit notes issued in its ledger; and
 - 5.29.4. The majority of debtors were able to provided evidence of payment of their outstanding debts prior to liquidation.
- 5.30. Given the volume and quantum of debtors a significant amount of time was spent establishing the above facts and determining the non collectability of the balance of debtors. Numerous discussions were held with Key Factors, former Company employees and Company Directors, including the engagement of Mr John Young to visit certain individual debtors and hand deliver demand notices.
- 5.31. We do not anticipate any further recoveries.

Partly Secured Creditors

- 5.32. As referred to in Table 3 above, at the date of our appointment the Company held a number of leased assets consisting of motor vehicles and fridges. As previously advised upon valuation, it was determined that minimal to no equity existed in these assets and accordingly were disclaimed to the relevant financier.

- 5.33. At the date of writing this report the majority of financiers are yet to provide us quantification of their claim against the Company. Any claim will be ranked as an unsecured creditor against the Company.
- 5.34. Our current estimates suggest such claims could be in excess of \$140,000. This estimate has been included in the unsecured creditors balance for dividend purposes referred to in Section 8 of this report.

Priority Creditors

- 5.35. Employee entitlements are afforded a priority under Section 556 of the Corporations Act 2001 (“the Act”) and include entitlements for wages, superannuation, annual leave, pay in lieu of notice, redundancy and long service leave.
- 5.36. All employees were terminated just prior to our appointment.
- 5.37. As the Company is now in liquidation, former employees of the Companies are entitled to receive outstanding employee entitlements under the Federal Government program known as General Employee Entitlements and Redundancy Scheme (“GEERS”). GEERS does not accommodate superannuation claims.
- 5.38. Numerous claims have been made to GEERS by former employees. GEERS consequently enlisted our services to assist with the collation and adjudication of claims, resulting in distributions to employees totalling \$102,059. Set out below in Table 7 is a summary of employee entitlements detailed the RATA and GEERS distribution to date:

	Directors’ RATA \$	GEERS Distribution \$
Wages	2,642	2,642
Annual Leave	77,458	42,129
Superannuation	71,790	-
Payment in Lieu of Notice	-	23,548
Redundancy	-	33,740
Total	151,890	102,059

Table 7: Summary of Employee Entitlements

- 5.39. The payment of employee entitlements by GEERS does not reduce the level of priority entitlements to be met from future recoveries, if any, as GEERS maintains a subrogated priority claim for the monies paid.
- 5.40. The GEERS has submitted formal proofs of debts totalling \$102,059.
- 5.41. In addition to employee claims I have received a formal Proof of Debt from the ATO in respect of the Company’s outstanding superannuation liabilities totalling \$36,179.

Unsecured Creditors

5.42. Set out below in Table 8 is a summary of unsecured creditors as detailed in the RATA and our current estimate of possible claims (excluding partly secured):

	Directors’ RATA	Liquidators’ Estimate
	\$	\$
Unsecured Creditor Claims	1,604,412	1,841,227

Table 8: Summary of Unsecured Creditors

5.43. An accurate assessment of unsecured creditors will only be available when all creditors have submitted a Formal Proof of Debt.

SunCorp Bank (“SunCorp”)

5.44. The Company’s largest unsecured creditor is SunCorp Bank with a debt of \$383,015. The debt was in respect to an unsecured business loan.

5.45. SunCorp’s debt is secured against personal properties held in the names of the Directors, which are now subject to the Directors’ bankruptcy proceedings.

5.46. We understand that properties owned by the Directors have been sold and the SunCorp debt has been reduced from the proceeds of sale.

6. Sale of Business Assets

6.1. As discussed at the meeting of creditors held on 31 December 2009 in an attempt to facilitate an improved return to creditors, endeavours were made to sell the Business Assets of the Company.

6.2. An advertisement was placed in The West Australian on 23 December 2009 with a closing date for offers of 30 December 2009.

6.3. Eight (8) expressions of interest were received.

6.4. Upon the signing of a Confidentiality Agreement the interested parties were provided with an Information Memorandum (“IM”) providing necessary details of the Company’s assets including:

6.4.1. business name registration details;

6.4.2. a description of customer networks and fridge rental returns; and

6.4.3. details of the Company’s financial performance.

6.5. The IM was issued to eight (8) parties. However, the majority of interested parties declined to make an offer on the basis that they believed assets had no real commercial value.

6.6. Ultimately a sale was unable to be concluded.

7. Investigations into the Company's Affairs

Causes of Failure

- 7.1. The Directors have cited the following reasons as contributing factors for the failure of the Company:-
 - 7.1.1. Inadequate cash flow;
 - 7.1.2. The Company was forced to repay a significant shortfall to Scottish Pacific; and
 - 7.1.3. The shortage of stock and the credit limitations placed on the Company by its major suppliers.
- 7.2. Whilst we accept the Directors' comments, it is apparent from our investigations that other factors that contributed to the Company's financial decline included:
 - 7.2.1. Inability to trade profitably;
 - 7.2.2. Poor management of accounts receivable; and
 - 7.2.3. Poor strategic management of the Company's business.

Books and Records

- 7.3. Pursuant to Section 286(1) of the Act, a Company is required to maintain sufficient books and records which:
 - 7.3.1. Correctly record and explain transactions and the financial position; and
 - 7.3.2. Enable true and fair financial statements to be prepared and audited.
- 7.4. I have recovered all available books and records of the Company, including computer records.
- 7.5. External accountants were engaged by the Company to prepare financial statements. Financial statements prepared for the Company by their accountant for the Financial Years Ended 30 June 2008 and 2009 have been provided to us.
- 7.6. The Company's books and records have been reviewed. Whilst there are some inadequacies, particularly in respect to the recordkeeping of debtors and stock, the books and records on a whole are deemed to be sufficient pursuant to section 286 of the Act.

Investigations Undertaken

- 7.7. Various investigative tasks have been undertaken for the purposes of seeking to identify assets and recovery actions for the benefit of creditors, including the following:
 - 7.7.1. Numerous searches on both the Company and its Director, including:
 - 7.7.1.1. Current / historical ASIC organisational search on the Company;

- 7.7.1.2. Land title searches;
 - 7.7.1.3. Business name searches;
 - 7.7.1.4. Motor vehicle searches; and
 - 7.7.1.5. Contacting all the major banks.
- 7.7.2. A review of Company books and records, including:
- 7.7.2.1. Financial Statements;
 - 7.7.2.2. Bank Statements;
 - 7.7.2.3. Email correspondence;
 - 7.7.2.4. Cheque books; and
 - 7.7.2.5. Creditors invoices.
- 7.7.3. Investigations of the Company's records to identify possible recoveries including voidable transactions under s588FA to s588FE of the Act for the benefit of creditors.

Voidable Transactions

- 7.8. Pursuant to Part 5.7B of the Act, a liquidator may void certain transactions of a company in respect of money, property or other benefits for the benefit of creditors. Such voidable transactions may consist of:
- 7.8.1. Unfair Preference (Section 588FA) – these are transactions between the company and a creditor resulting in the creditor receiving more than the creditor would receive if the transactions were set aside and the creditor claimed for this amount in the winding-up. Any such voidable transactions must arise in the period beginning six months prior to the relation back day and ending on the date of liquidation. For the purposes of the Company, the relation back day is 18 December 2009 the relation back period commences 18 December 2009.
 - 7.8.2. Uncommercial Transactions (Section 588FB) – these are transactions entered into that a reasonable person would not have entered into having regard to the benefit to the company, the detriment to the company and the benefit to the other parties involved in the transaction. In this instance, it is not necessary for a creditor to be a party to the transaction. Such transactions are only voidable if the Company was insolvent at the time of the transaction.
 - 7.8.3. Insolvent Transactions (Section 588FC) – these transactions are unfair preferences or uncommercial transactions (refer above) entered into when the company was insolvent or became insolvent as a result of entering into the transaction. Only unfair preferences which have occurred within six months of the relation back day and uncommercial transactions which have occurred within two years of the commencement of the liquidation can be recovered.

- 7.8.4. Unfair Loans to a Company (Section 588FD) – representing loans made to the company where interest or other charges on the loan were extortionate. These transactions can be recovered regardless of when they were entered into.
- 7.8.5. Unreasonable Director-Related Transactions (Section 588FDA) – being transactions that a reasonable person in the company's circumstances would not have entered into having regard to the benefit to the Company (and other parties to the transaction) and the detriment to the Company. These transactions may be voided if they occurred within four years of the relation back day.
- 7.8.6. Related Party Transactions (Section 588FE(4)) – representing insolvent transactions (unfair preferences or uncommercial transactions) with a related party within four years prior to the relation back day.
- 7.8.7. Transactions Entered into for the Purpose of Defeating Creditors (Section 588FE(5)) – representing insolvent transactions (unfair preferences or uncommercial transactions) entered into for the purpose of defeating, delaying or interfering with the rights of creditors within ten years prior to the commencement of the liquidation.

Key Findings of Investigations re Solvency

- 7.9. To provide creditors with an understanding of the pre-cursors to the Company's insolvency and our appointment as Joint and Several Liquidators, we have set out below a chronology of relevant events:
 - 7.9.1. March 2005 – the Company commenced operation;
 - 7.9.2. August 2007 – the Company received payment reminders from its landlord in respect to outstanding rent;
 - 7.9.3. March 2008 – Gull Petroleum suspended the Company's account;
 - 7.9.4. June 2008 – the Company commenced a payment arrangement with the ATO and advised some of its creditors that it was suffering financial difficulties as a result of the repayment arrangement with the ATO;
 - 7.9.5. June 2008 – ANZ Bank provided the Company with additional funding of \$149,697;
 - 7.9.6. November 2008 – change in credit terms with supplier;
 - 7.9.7. March 2009 – change in credit terms with key supplier and the Company changed banks from ANZ to Suncorp, which included an unsecured business loan;
 - 7.9.8. April 2009 – the Company entered into a Debtor Financing Agreement with Scottish Pacific;
 - 7.9.9. May 2009 – the ATO started pressing for payment and the Company entered into a repayment arrangement with its major supplier. The Company also started experiencing difficulty with its debtor financier, Scottish Pacific;

- 7.9.10. June 2009 – the Company received threats of legal action, change of credit terms to COD and advised some of its suppliers that they were experiencing financial difficulties and requested deferred repayment terms;
- 7.9.11. July 2009 – the Company entered into a number of repayment arrangements with its key suppliers;
- 7.9.12. September 2009 – the Company's major supplier, Red Bull reduced the Company's credit from \$400,000 to \$200,000. The Directors attempted to sell the Company's business as a going concern but were unsuccessful;
- 7.9.13. October 2009 – the Company received various demands from debt collectors and Scottish Pacific called upon the Company to repay its debt in full;
- 7.9.14. November 2009 – Red Bull cancelled the Company's credit account and imposed COD terms;
- 7.9.15. 1 December 2009 – the Company entered into the Deed with Key Factors;
- 7.9.16. 18 December 2009 – Joint and Several Liquidators were appointed.

Unfair Preference

- 7.10. We have undertaken an extensive review of the Company's books and records for the six months prior to 18 December 2009 in an attempt to identify any payments to creditors which may be recoverable as an unfair preference.
- 7.11. We have identified numerous transactions involving payments to various creditors totalling \$557,996. Of this amount we consider strong claims exists in respect to payments totalling at least \$265,814.
- 7.12. Pursuant to Section 558FG of the Act, a Liquidator cannot recover funds paid to a creditor where it is established the creditor:
 - 7.12.1. Received the payment in good faith; and
 - 7.12.2. Had no reasonable grounds for suspecting the Company was insolvent at the time of the payment.
- 7.13. Accordingly, a significant amount of time has been spent in establishing the Company's position of insolvency and creditors knowledge thereof.
- 7.14. Demands will be issued in the coming months.
- 7.15. Some of the identified claims may require formal legal proceedings to be initiated in order to achieve a commercial recovery.

Unreasonable Director Related Transactions

- 7.16. Our investigations identified a number of transactions which may be recoverable against related parties. The payments relate to payments made in the six months prior to 18 December 2009:

- 7.16.1. Payments made to former director, Mr John Shipway - \$25,750;
- 7.16.2. Payments made to a director-related company, namely Sun City - \$328,562; and
- 7.16.3. A lump sum payment made to Mr Brett William Young - \$18,000.
- 7.17. We intend to issue a demand on Mr Shipway in respect to the monies received.
- 7.18. In respect of Sun City during this period they advanced \$349,675 to the Company. We are advised by the Directors that these transactions represented short term cashflow assistance between the two entities.
- 7.19. We have examined the payments to and from Sun City and the Company on a monthly basis in an attempt to determine if the flow of funds favoured one of the parties. These inquiries have been summarised in Table 9 below:

Month	From Boldtiger to Sun City (\$)	From Sun City to Boldtiger (\$)	Net Effect (\$)
July 2009	41,400	59,900	(18,500)
August 2009	68,700	49,939	18,761
September 2009	44,720	74,029	(29,309)
October 2009	108,018	71,000	37,018
November 2009	35,325	86,107	(50,784)
December 2009	30,400	8,700	21,700
Total	328,562	349,675	(21,114)

Table 9: Summary of payments to and from Boldtiger to Sun City

- 7.20. It is our preliminary view that the Company may have a claim against Sun City in respect of \$21,700 excess repaid to Sun City in the month of December 2009.
- 7.21. Given Mr Young’s bankruptcy, a claim will be lodged in Mr Young’s bankrupt estate.

Insolvent Trading

- 7.22. A company is insolvent when it is unable to meet its debts as and when they fall due.
- 7.23. The determination of insolvency is a question of fact, at a particular point in time, to be assessed by considering the tests of insolvency known as the “cash flow test” and the “balance sheet test”. Other factors of a commercial and financial nature will also be considered by the Courts. Common law precedents have determined the “cash flow test” as being the more relevant test.
- 7.24. Pursuant to Section 588G of the Act, a director of a company has a duty to prevent a company from incurring a debt when a company is insolvent or there are reasonable grounds to suspect a company is or would become insolvent.
- 7.25. Pursuant to Section 588M of the Act, a liquidator (and in some circumstances a creditor) may recover from a director, losses suffered by creditors from transactions entered into at a time when a company was insolvent.

- 7.26. In order to establish a case for insolvent trading against a director, a liquidator must establish that a director or a reasonable person in the director's position ought to have been aware that the company was insolvent at a particular time. Furthermore, the Liquidator ought to investigate the financial position of the director in question, prior to pursuing any claim for insolvent trading to establish whether the potential litigation is commercially viable.
- 7.27. We have undertaken investigations into the issue of insolvent trading. We now provide further commentary on our investigations and conclusions as to solvency issues.

Working Capital and Balance Sheet Analysis

- 7.28. Working capital is representative of a company's capacity to meet its current liabilities by the application of its current assets. A shortfall in current assets to meet current liabilities is an indicator of cash flow insolvency. A decline in the working capital position is often a pre-cursor to insolvency.
- 7.29. Our investigations indicated that the Company's financial statements for the year ending 30 June 2009 were materially overstated. We understand that at the time of preparation, September 2009, the Directors were attempting to sell the Company and its business as a going concern.
- 7.30. At a meeting with John Young, subsequent to our appointment as Liquidators, the Director agreed that the Company's financial statements as at 30 June 2009 were not a true and accurate reflection of the Company's financial position at year end. Mr Young signed a statement to this affect, noting major adjustments were required to following major line items:
- 7.30.1. Goodwill;
 - 7.30.2. Employee Entitlements;
 - 7.30.3. Debtors; and
 - 7.30.4. Stock.
- 7.31. Set out below in Table 10 is a summary of the Company's Statement of Financial Position as detailed in the externally prepared unaudited accounts as at 30 June 2007, 2008 and 2009, together with the Director's revised statement:-

	As at 30 June 2007	As at 30 June 2008	As at 30 June 2009	Directors' Revised Statement as at 30 June 2009
	\$	\$	\$	\$
Current Assets	1,359,624	1,721,613	1,709,233	1,569,177
Current Liabilities	(1,495,300)	(1,578,655)	(1,704,418)	(1,704,418)
Working Capital Surplus/ (Deficiency)	(135,676)	142,958	4,815	(135,241)
Working Capital Ratio	0.903	1.0906	1.0028	0.9207
Non-Current Assets	1,018,609	916,473	917,860	686,904
Non-Current liabilities	(959,785)	(952,763)	(896,175)	(936,175)
Net Assets / (Liabilities)	(76,852)	106,668	26,500	(384,512)

Table 10: Insolvent Trading Analysis

- 7.32. As shown above the Company's revised financial position as at 30 June 2009 reveals that the Company operated with a working capital deficiency and was balance sheet insolvent.
- 7.33. Based on our investigations it is our opinion that the Director's revised Net Asset position is overstated and the estimated deficiency is greater than that stated above.

Possible Timing of Insolvency

- 7.34. Our investigations and the above analysis indicate the Company was experiencing cash flow pressures from as early as June 2008 and a decline in working capital position from 30 June 2009.
- 7.35. We consider the Company was balance sheet insolvent as at 30 June 2009 and has remained balance sheet insolvent from that date.
- 7.36. It is likely that the Company was cashflow insolvent from 30 June 2009.
- 7.37. We therefore contend a claim exists against the Directors for insolvent trading. As at the date of this report, creditor claims against the Company total \$1,859,036 (excluding the claims submitted by the Directors and their related entities). This represents the maximum claim against the Directors for insolvent trading, this amount will be reduced by the value of any creditors that existed at 30 June 2009 and remain unpaid.

Defences available to the Director

- 7.38. The defences available for a Director for insolvent trading are:
 - 7.38.1. When the debt was incurred the Director had reasonable grounds to expect that the Company was solvent and would remain solvent;
 - 7.38.2. When the debt was incurred the Director had reasonable grounds to believe, and did believe, that a subordinate was competent, reliable and responsible for providing adequate information about the Company's solvency;

- 7.38.3. When the debt was incurred the Director, because of illness or for some other good reason, did not take part in the management of the Company; and
- 7.38.4. The Director took all reasonable steps to stop the Company from incurring the debt.
- 7.39. The Directors may argue that they undertook the following steps to stop the Company from trading whilst insolvent:
 - 7.39.1. attempted to sell the Company's business in October 2009;
 - 7.39.2. attempted to negotiate extended trading terms with its key suppliers; and
 - 7.39.3. borrowed monies from related entities to supplement the Company's cashflow.
- 7.40. The merits of such defences would need to be examined further if an action was taken.

Capacity of the Directors to Pay

- 7.41. As previously advised, both the Directors are bankrupt. Accordingly, whilst a claim will be made in their respective bankrupt estates, a distribution to creditors is understood to be unlikely.
- 7.42. No further action will be taken in respect to Insolvent Trading.

8. Dividend

- 8.1. A distribution to unsecured creditors will only take place after the satisfaction of priority creditors and costs of the liquidation.
- 8.2. I estimate that the dividend for ordinary unsecured creditors may range between 0 cents in the dollar and 17 cents in the dollar.
- 8.3. Attached as Annexure A is a table detailing the dividend estimate.
- 8.4. The quantum of a dividend to unsecured creditors is subject to:
 - 8.4.1. Future costs of the Liquidation;
 - 8.4.2. The level of unsecured creditor claims; and
 - 8.4.3. Recoveries in relation to:
 - 8.4.3.1. Unfair preferences; and
 - 8.4.3.2. Unreasonable Director related transactions.

9. Report to Australian Securities and Investments Commission (“ASIC”)

9.1. Section 533 of the Act requires a Liquidator to make a report to the ASIC where:

9.1.1. A director or officer has committed an offence in accordance with the Act; or

9.1.2. If the Liquidator is unable to pay a dividend to unsecured creditors of more than 50 cents in the dollar.

9.2. A report to the ASIC pursuant to section 533 of the Act has been lodged. The contents of that report remain confidential.

10. Remuneration Report

10.1. Please see the attached Notice Regarding the Remuneration of Liquidators.

11. Summary of Receipts and Payments

11.1. Annexed as Annexure B is a Statement of Receipts and Payments for the period from the date of my appointment to 30 November 2010.

12. Finalisation

12.1. My investigations into the affairs of the Company are now substantially complete.

12.2. It is expected that the liquidation will be concluded upon resolving the various actions/claims detailed in this report and distributions of recovered monies pursuant to Section 556 of the Act.

12.3. I will revert to creditors with a further report in due course.

In the meantime should you have any queries please contact Prishha Balakrishnan on (08) 9261 9450 or Clare Hayman on (08) 9261 9303.

Yours faithfully



GREG DUDLEY
Joint and Several Liquidator

Annexure "A"

Boldtiger Pty Ltd (In Liquidation)
Dividend Estimate
As at 30 November 2010

	High \$	Low \$
Cash at Bank	31,138	31,138
Debtors	-	-
Preferences	557,996	265,184
UDRT	47,450	15,000
Total Assets Recoverable	636,584	311,322
Less:		
Liquidators' fees & disb (Current WIP at 30/11/10)	97,741	97,741
Est. Future Liquidators' fees & disb	61,000	61,000
Legal Fees	30,000	30,000
Balance of Available Funds	447,843	122,581
Priority Creditors		
DEEWR (GEERS)	102,060	102,060
ATO (SGC)	36,179	36,179
Balance of Available Funds	309,604	-
Unsecured Creditors (excluding related party)	1,859,036	1,859,036
Estimated Dividend	0.17	-

Joint and Several Liquidators' Summary Of Receipts And Payments
For the period 18 December 2009 to 30 November 2010

RECEIPTS	\$
Recovery of Debtors	84,219.52
Cash at Bank	17,676.99
Sale of Stock	19,750.91
Sale of Plant & Equipment	4,104.55
Other Asset Refund	291.80
Bank Interest	1,008.56
GEERS Advance	102,059.73
Sale of Isuzu NPR 400 1AOE658	10,681.82
GST Refund	481.12
	<u>240,275.00</u>
PAYMENTS	
Commissions paid	4,931.00
Payment to Capital Finance Australia Ltd	5,816.46
Agents/Valuers Fees	610.00
Bank Charges	200.46
GEERS Distribution	102,059.73
Insurance of Assets	852.14
Legal Fees	2,179.00
Mail Redirection Costs	39.09
Joint and Several Liquidators' Remuneration	83,000.00
Joint and Several Liquidators' Expenses	2,634.36
Storage Costs	2,088.00
Travelling Expenses	351.45
Wages & Salaries	4,069.50
Stamp Duty	57.99
Other Government Charges	248.13
	<u>209,137.31</u>
Cash at Bank	<u><u>31,137.69</u></u>

Email: prishha.balakrishnan@rsmi.com.au

LIQUIDATORS' REMUNERATION REPORT

Boldtiger Pty Ltd (In Liquidation)
ACN 113 377 003
Formerly Trading As "Matrix Wholesalers and Distributors"
("the Company")

1. Statement of Remuneration Claim

- 1.1. This Remuneration Report is prepared in accordance with the Insolvency Practitioners Association of Australia Code of Professional Practice, for the purpose of providing creditors with meaningful disclosure on the work undertaken to allow creditors to make an informed decision on approving the Liquidator's current and future remuneration resolutions.

Previously Approved Remuneration

- 1.2. At the meeting of Creditors held on 31 December 2009 creditors approved the Liquidators' remuneration to a limit of \$83,000.00 (plus GST). I have since drawn the full amount of \$83,000.00 of approved remuneration.
- 1.3. A description of the work completed and a calculation of the remuneration claimed for the period 18 December 2009 to 2 February 2010 are attached as Annexure "A" and Annexure "B" respectively.

Current Remuneration Claim

- 1.4. At the forthcoming meeting of creditors, the Liquidator will be seeking creditors' approval for the remuneration of the Liquidator, his partners and his staff for the period 2 February 2010 to 30 November 2010 in the amount of \$97,741.00 (plus GST).
- 1.5. Creditors will be asked to consider and, if deemed appropriate, resolve:-

"That the remuneration of the Liquidator, his partners and his staff is hereby fixed on a time basis in accordance with the hourly rates set by RSM Bird Cameron Partners from time to time for the period 2 February 2010 to 30 November 2010 in the sum of \$97,741.00 (plus GST), and such remuneration be approved and paid."

- 1.6. A description of the work completed and a calculation of the remuneration claimed for the period 2 February 2010 to 30 November 2010 are attached as Annexure "C" and Annexure "D" respectively.

- 1.7. Detailed timesheets and supporting documentation are available for inspection at a mutually convenient time.

Future Remuneration Claim

- 1.8. At the forthcoming meeting of creditors, the Liquidator will be seeking creditors' approval for future remuneration of the Liquidator, his partners and his staff for the period 1 December 2010 to the finalisation of the liquidation in the amount of \$61,000.00 (plus GST).

- 1.9. Creditors will be asked to consider and, if thought appropriate, resolve:-

"That the future remuneration of the Liquidator, his partners and his staff is hereby fixed on a time basis in accordance with the hourly rates set by RSM Bird Cameron Partners from time to time for the period 1 December 2010 subject to an overall limit of \$61,000.00 (plus GST) and that the Liquidator be authorised to make payments on account of such accruing remuneration".

- 1.10. A description of work expected to be undertaken from 1 December 2010 to finalisation of the liquidation is attached as Annexure "E".

- 1.11. The description of work and associated costs are estimates only. These estimates are based on my understanding of the Company's affairs. Actual tasks undertaken and associated costs will be dependent on the matters encountered in finalising the liquidation.

2. Remuneration Methods

- 2.1. There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. They are:

Time based / hourly rates

- 2.2. This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed Fee

- 2.3. The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

Percentage

- 2.4. The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

Contingency

2.5. The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

Method chosen

2.6. Given the nature of this administration I propose that my remuneration be calculated on a time basis in accordance with RSM Bird Cameron Partners’ scale of fees and hourly rates for staff of various levels of skill and experience.

2.7. This is because calculation of remuneration based on a time basis takes into account all tasks performed by the Practitioners and their staff. This includes tasks which may not be represented if remuneration was calculated using another method. The method therefore results in greater transparency and a more accurate reflection of the time necessarily incurred by the Practitioners and their staff.

3. Explanation of Hourly Rates

3.1. The rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Classification	Rate from 1 July 2010 (\$) (Excl. GST)	Experience
Partner/Appointee	525.00	The Partner/Appointee is a registered Liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.rsmi.com.au
Director	420.00	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Manager I	360.00	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager II	320.00	Generally, 5 – 7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	260.00	Generally, 4 – 6 years chartered accounting or insolvency management experience. University degree; member of the

		ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior I	230.00	Generally, 2 – 4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA program. Good knowledge of basic insolvency legislation and issues.
Senior II	190.00	Generally, 2 – 3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate I	140.00	0 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Intermediate II	120.00	0 – 1 year experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Personal Assistant	180.00	Appropriate skills including machine usage.
Secretary	145.00	Appropriate skills including machine usage.

Notes:

1. *Remuneration is calculated on a time basis in accordance with the above rates.*
2. *The Firm maintains its time records in a computerised system.*
3. *Staffs are classified in accordance with academic qualifications and insolvency experience.*

4. Disbursements

4.1. Disbursements are divided into three types: **A, B1, B2.**

- A** Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees.
- B1** Disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost
- B2** Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost except for photocopying, printing and telephone calls which are charged at a rate which is intended to recoup both variable and fixed costs.

4.2. Particulars of disbursements, both current and estimated future, are set out in the attached Annexures, as follows:

4.2.1. Annexure "D" - Disbursements for the period 2 February 2010 to 30 November 2010; and

4.2.2. Annexure "E" – Disbursements for the period 1 December 2010 onwards;

If you have any queries please contact Prissha Balakrishnan on (08) 9261 9450 or Clare Hayman on (08) 9261 9303.

Dated this 9th day of December 2010

Yours faithfully

GREG DUDLEY
Joint and Several Liquidator

Boldtiger Pty Ltd (In Liquidation)
ACN: 113 377 003

Remuneration Report (Approved and Drawn Remuneration)

Part 1: Description of Work Completed

Period From 18 December 2009 to 02 February 2010

Task Area	General Description	Includes
Assets [\$45,202.50]	Plant and Equipment	Preparation of asset list Liaising with valuers, auctioneers and interested parties Valuation Report
	Debtors	Reviewing and assessing debtors ledgers Correspondence with debtors
	Stock	Conducting stocktakes/reviews Reviewing stock values Liaising with purchasers
	Leased Assets	Reviewing leasing documents Liaising with owners / lessors Tasks associated with disclaiming leases Equity assessments
	Assets subject to specific charges	Review of security documents / liaising with secured creditor Valuation of asset Equity assessments Liaising with valuers, auctioneers and interested parties
	Other Assets	All tasks associated with realising other assets
	Sale of Business as going concern	Preparation of information memorandum Liaising with purchasers Assessment of offers/Sale negotiations
Creditors [\$18,228.50]	Creditor Reports	Preparing general reports
	Creditor Enquiries	Receive and follow up creditor enquiries via telephone / email Review and prepare correspondence to creditors via letter/fax/email
	Secured Creditor Reports	Liaising with secured creditors via telephone / email Responding to secured creditor queries
	Retention of Title Claims	Assessment of creditors claims/documentation Meetings on site to view assets claimed Liaising with lawyers re validity of claims
	Meetings of Creditors	Preparation of notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation for meeting including adgenda, attendance register Creditors advertisement, draft minutes Finalisation and lodgement of minutes with ASIC Stakeholders queries re meeting outcomes
Employees [\$3,265.00]	Employees Enquiries	Receive and reply to employee queries Preparation of letters to employees regarding entitlements and options
	GEERS	Correspondence with GEERS Preparing notification spreadsheet and quotation to GEERS Preparing GEERS distributions
	Calculation of Entitlements	Review of company records to calculate employee entitlements Reviewing awards
	Other Employee Issues	Various correspondence
Trade On [\$802.00]	Trade On Tasks	Attendance on site, liaising with management and employees
	Processing Receipts	Preparation of receipt forms for input into internal computer system
	Processing Payments	Preparation of payment forms for input into internal computer system
Investigation [\$3,433.00]	Conducting Investigation	Collection / copying relevant company books and records Searches (property, charges, ASIC) ASIC correspondence regarding acces to RATA and records Review of company records / financial statements Review of cashbook for voidable transactions Preparation of investigation file
	ASIC Reporting	Liaising with ASIC
Administration [\$12,069.00]	Checklists / File Review	Initial and bi monthly reviews File review Checklist completion
	Appointment Documents	Directors minutes / Bank appointment docs
	RATA / SAF	Liaising with Directors re preparation Receipt and lodgement at ASIC Processing into internal computer system
	Directors / Officers	Correspondence and meetings with Directors including interviews Directors questionnaire
	ASIC Forms	Preparing and lodgement of ASIC forms including 505
	ATO & other statutory reporting	Notification of appointment and registration Preparation and lodgement of BAS returns
	Bank Account Administration	Opening and closing administration bank accounts Bank account reconcilliations Bank correspondence
	Insurance	Notification to Willis and prior broker Review of existing policies and determination of any underinsurance
Books and Records / Storage	Dealing with records in storage Sending job files to and from storage	
TOTAL [\$83,000.00]		

Boldtiger Pty Ltd (In Liquidation)
ACN: 113 377 003
Formerly Trading As "Matrix Wholesalers and Distributors"

Remuneration Report

Part 2: Calculation of Remuneration

Period From 18 December 2009 to 02 February 2010

Employee	Position	Average \$ / hour (ex GST)	Total actual hours	Total (\$)	Task Area					
					Assets (\$)	Creditors (\$)	Employees (\$)	Trade on (\$)	Investigation (\$)	Administration (\$)
Greg Dudley	Partner	500.00	58.9	29,450.00	16,550.00	7,200.00	1,150.00	300.00	2,450.00	1,800.00
Neil Cribb	Partner	500.00	2.5	1,250.00	600.00	250.00			150.00	250.00
Clare Hayman	Manager 1	319.79	64.4	20,306.50	14,354.50	3,712.00	864.00	352.00		1,024.00
Lalitha Samykanno	Supervisor	220.00	4.7	1,034.00		550.00				484.00
Benjamin Ward	Senior 1	195.00	115.2	22,258.00	12,109.50	4,309.50	1,178.50		760.50	3,900.00
Shara Billing	Senior 1	195.00	1.5	292.50		292.50				
Prissha Balakrishnan	Senior 2	145.00	35.3	5,118.50	725.00	1,696.50	72.50	116.00	72.50	2,436.00
Johnathon Busing	Intermediate 1	130.00	9.3	1,209.00		65.00				1,144.00
Corey Turner	Intermediate 2	100.00	15.3	1,530.00	850.00					680.00
Hayley Forshaw	Secretary	135.00	2.7	364.50	13.50					351.00
Terri Hoy	Secretary	170.00	1.1	187.00		153.00		34.00		
TOTAL (excluding GST)		266.97	310.9	83,000.00	45,202.50	18,228.50	3,265.00	802.00	3,433.00	12,069.00

GST \$8,300.00
TOTAL (including GST) \$ 91,300.00

Disbursements

		\$
Type A	Advertising	943.31
Type B1	Search Fees	7.70
Type B2	Faxes	63.00
	Photocopying	1,285.40
	Postage	199.65
	Travel	135.30
TOTAL		2,634.36
GST		263.44
TOTAL (including GST)		2,897.80

Boldtiger Pty Ltd (In Liquidation)
ACN: 113 377 003

Remuneration Report

Part 1: Description of Work Completed

Period From 2 February 2010 to 30 November 2010

Task Area	General Description	Includes
Assets [\$35,691.50]	Plant and Equipment	Preparation of asset list Liaising with valuers, auctioneers and interested parties Valuation Report
	Debtors	Reviewing and assessing debtors ledgers Correspondence with debtors
	Stock	Reviewing stock values Liaising with purchasers
	Assets subject to specific charges	Review of security documents / liaising with secured creditor Valuation of asset Equity assesments Liaising with valuers, auctioneers and interested parties
	Other Assets	All tasks associated with realising other assets
Creditors [\$8,552.00]	Creditor Reports	Preparing reports, investigation, meeting and general reports
	Creditor Enquiries	Receive and follow up creditor enquiries via telephone / email Review and prepare correspondence to creditors via letter/fax/email
	Retention of Title Claims	Assessment of creditors claims/documentation Meetings on site to view assets claimed Liaising with lawyers re validity of claims
	Meetings of Creditors	Preparation of notices, proxies and advertisements Preparation for meeting including adgenda,attendance register,list of
	Proofs of Debts - Receipt	Receipting and filing POD's
Employees [\$8,032.50]	Shareholder Enquiries	Liaising with shareholders
	Employees Enquiries	Receive and reply to employee queries Preparation of letters to employees regarding entitlements and options
	GEERS	Correspondence with GEERS Preparing notification spreadsheet and quotation to GEERS Preparing GEERS distributions
	Calculation of Entitlements	Review of company records to calculate employee entitlements Reviewing awards
	Workers Compensation Claims	Review of insurance policies
Trade On [\$2,637.00]	Other Employee Issues	Various correspondence
	Trade On Tasks	Assessment of activities
	Processing Receipts	Preparation of receipt forms for input into internal computer system
Investigation [\$35,616.50]	Processing Payments	Preparation of payment forms for input into internal computer system
	Conducting Investigation	Collection / copying relevant company books and records Searches (property, charges, ASIC) ASIC correspondence regarding acces to RATA and records Review of company records / financial statements Review of cashbook for voidable transactions Preparation of investigation file
	Litigation / Recoveries	Determination of potential actions
	ASIC Reporting	Preparation of statutory investigation reports (eg 533)
Dividend [\$102.00]	Processing Proofs of Debt	Receipt and registration of POD's
Administration [\$7,109.50]	Checklists / File Review	Initial and bi monthly reviews File review Checklist completion
	Appointment Documents	Appointment docs
	Directors / Officers	Correspondence and meetings with Directors including interviews Directors questionnaire
	ASIC Forms	Preparing and lodgement of ASIC forms including 524,505 etc Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	Preparation and lodgement of BAS returns
	Bank Account Administration	Bank account reconciliations Bank correspondence
	Books and Records / Storage	Dealing with records in storage Sending job files to and from storage
Remuneration	Workpapers re WIP reports / Billings Schedule of Fee approvals Preparation of billing reports	
TOTAL [\$97,741.00]		

Boldtiger Pty Ltd (In Liquidation)
ACN: 113 377 003

Remuneration Report

Part 2: Calculation of Remuneration

Period From 2 February 2010 to 30 November 2010

Employee	Position	Average \$ / hour (ex GST)	Total actual hours	Total (\$)	Task Area						
					Assets (\$)	Creditors (\$)	Employees (\$)	Trade on (\$)	Investigation (\$)	Dividends (\$)	Administration (\$)
Greg Dudley	Partner	510.17	30.0	15,305.00	7,507.50	850.00	400.00	250.00	5,572.50		725.00
Neil Cribb	Partner	500.00	0.2	100.00	100.00						
Clare Hayman	Manager 1	353.96	36.0	12,757.50	1,381.50	2,548.00		292.00	8,136.00		400.00
Benjamin Ward	Senior 1	216.36	140.3	30,355.50	17,899.50	1,333.00	5,731.00	43.00	3,332.00		2,017.00
Miranda Ho	Senior 2	180.00	3.5	630.00	576.00		54.00				
Nikhil Gohil	Senior 2	165.00	2.5	412.50			412.50				
Prisha Balakrishnan	Senior 2	154.49	180.6	27,901.00	6,092.00	3,426.00	1,254.00	493.00	14,755.00		1,881.00
Jerome Mohen	Intermediate 1	140.00	22.2	3,108.00	28.00				3,080.00		
Johnathon Busing	Intermediate 1	130.00	0.5	65.00							65.00
Mei Huang	Intermediate 1	130.16	12.7	1,653.00	728.00	26.00		158.00	741.00		
Corey Turner	Intermediate 2	117.69	1.3	153.00							153.00
Hayley Forshaw	Secretary	140.86	13.4	1,887.50	41.00		42.00	462.00			1,342.50
Michelle Mason	Secretary	100.00	0.4	40.00	35.00						5.00
Terri Hoy	Secretary	172.09	19.6	3,373.00	1,303.00	369.00	139.00	939.00		102.00	521.00
TOTAL (excluding GST)		210.99	463.2	97,741.00	35,691.50	8,552.00	8,032.50	2,637.00	35,616.50	102.00	7,109.50
GST				\$9,774.10							
TOTAL (including GST)				\$ 107,515.10							

Disbursements

Type A

Type B1

Type B2

TOTAL

GST

TOTAL (Including GST)

\$

-
1,043.30
1,019.43
12.21
83.00
23.50
212.93
250.00
67.30
156.73
2,868.40
286.84
\$3,155.24

Annexure "D"

Boldtiger Pty Ltd (In Liquidation)

ACN: 113 377 003

Formerly Trading As "Matrix Wholesalers and Distributors"

Remuneration Report

Part 1: Description of Work Completed

Period From 1 December 2010 to Finalisation

Task Area	General Description	Includes
Creditors [\$15,000.00]	Creditor Reports	Preparing reports, investigation and meeting
	Creditor Enquiries	Receive and follow up creditor enquiries via telephone / email Review and prepare correspondence to creditors via letter/fax/email
	Meetings of Creditors	Preparation of notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation for meeting including agenda, attendance register Creditors, advertisement, draft minutes Finalisation and lodgement of minutes with ASIC Stakeholders queries re meeting outcomes
	Proofs of Debts - Receipt	Receipting and filing POD's
Trade On [\$1,000.00]	Processing Receipts	Preparation of receipt forms for input into internal computer system
	Processing Payments	Preparation of payment forms for input into internal computer system
Investigation [\$30,000.00]	Conducting Investigation	Collection / copying relevant company books and records Searches (property, charges, ASIC) ASIC correspondence regarding acces to RATA and records Review of company records / financial statements Review of cashbook for voidable transactions Preparation of investigation file
	Litigation / Recoveries	Determination of potential actions and brief to solicitors Liaising with solicitors and defendants
	ASIC Reporting	Lodgement of statutory investigation reports (eg 533)
Dividend [\$10,000.00]	Processing Proofs of Debt	Correspondence to creditors calling for POD's Receipt and registration of POD's Assessment and adjudication of POD's Correspondence to claimant requesting further information Advising claimant of outcome of adjudication (admitt/reject)
	Dividend Procedures	Preparation of notices to creditors of intention to declare dividend Advertisement of dividend Calculation of dividend Preparation of dividend distribution (cheques/letters) Preparation of dividend file Correspondence to creditors with dividend payment
Administration [\$5,000.00]	Checklists / File Review	Initial and bi monthly reviews File review Checklist completion
	Directors / Officers	Correspondence and meetings with Directors including interviews
	ASIC Forms	Preparing and lodgement of ASIC forms including 524,505, 911 etc Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	Preparation and lodgement of BAS returns
	Bank Account Administration	Bank account reconciliations Bank correspondence
	Finalisation	Notifying statutory authorities of finalisation (ATO/OSR) Cancellation of ABN/GST/PAYG registraion Completing checklists Finalising WIP / Billings
	Books and Records / Storage	Dealing with records in storage Sending job files to and from storage
	Remuneration	Workpapers re WIP reports / Billings Schedule of Fee approvals Preparation of billing reports
TOTAL [\$61,000.00]		

Estimated Future Disbursements - For the period from 1 December 2010 to Finalisation

Details of estimated disbursements are as follows:

- A** Legal Fees \$25,000 to \$50,000;
B Advertising and searches \$2,500; and
C Faxes, postage, stationery and printing \$2,500.

The above listed tasks and associated costs are estimates only. These estimates are based on our limited understanding of the Company's affairs. Actual tasks undertaken and associated costs will be dependent on the matters encountered in the Liquidation.

FORM 529
CORPORATIONS ACT 2001

Section 497(1)
Subregulation 5.6.12(6)

NOTICE OF MEETING OF CREDITORS
BOLDTIGER PTY LTD
ACN 113 377 003
FORMERLY TRADING AS "MATRIX WHOLESALERS AND DISTRIBUTORS"
("the Company")

NOTICE IS GIVEN that a meeting of the creditors will be held at the offices of RSM Bird Cameron, 8 St George's Terrace Perth WA 6000 on Thursday 23 December 2010 at 10.00AM (WST).


AGENDA

1. To receive an account of the Joint and Several Liquidators' acts and dealings and the conduct of the winding up;
2. To receive questions as to the administration of the winding up;
3. To consider, and if thought appropriate, fix the remuneration of the Joint and Several Liquidators;
4. To consider, and if thought appropriate, fix the future remuneration of the Joint and Several Liquidators; and
5. Any other business that may be lawfully brought.

Proxies to be used at the meeting should be lodged at the office of the Joint and Several Liquidators by 4.00pm on the day prior to the meeting. A corporation may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A respectively or, by a representative appointed under Section 250D of the Corporations Act 2001.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Joint and Several Liquidators.

DATED this 9th day of December 2010.



GREG DUDLEY
Joint and Several Liquidator

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 113 377 003

To the Liquidator of Boldtiger Pty Ltd (In Liquidation)

1. This is to state that the company was, on 18 December 2009 ⁽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 2010

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.

Declaration of Independence, Relevant Relationships and Indemnities

**BOLDTIGER PTY LTD (IN LIQUIDATION)
ACN 113 377 003 ("THE COMPANY")
TRADING AS "MATRIX WHOLESALERS & DISTRIBUTORS"**

Independence

We, Greg Dudley and Neil Cribb, of RSM Bird Cameron Partners have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint & Several Liquidators of Boldtiger Pty Ltd. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

Relevant Relationships

Neither we, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company's property.

There are no other prior professional or personal relationships that should be disclosed.

Prior Engagements with the Insolvent

We first met with the directors on 9 December 2009 and have had subsequent meetings and discussions regarding the Liquidation process generally.

Neither of us, nor our Firm, has undertaken any prior engagements for Boldtiger Pty Ltd or have had any prior contact or relationship with the directors.

Indemnities

We have not been indemnified in relation to this liquidation, other than any indemnities that we may be entitled to under statute.

Dated: 17 December 2009



.....
GREG DUDLEY
Joint & Several Liquidator



.....
NEIL CRIBB
Joint & Several Liquidator

NOTE: *If circumstances change, or new information is identified, I am required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.*