



**SHERIDANS**  
CHARTERED ACCOUNTANTS

# **ULTIM8 HOLDINGS PTY LTD**

(In Liquidation)  
ACN 131 503 387

## **Report to Creditors**

Section 70-40  
Insolvency Practice Rules (Corporations) 2016

**2 October 2024**

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## **Annexures**

- (i) Proof of Debt or Claim form

## 1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 2 July 2024 and to my Initial information for creditors dated 25 July 2024.
- 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 of a dividend being paid in the liquidation.

## 2. Receipts and payments

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

	\$
<b>Receipts</b>	
Appointee funding	33.25
<b>Payments</b>	
Bank charges	5.20
<b>Cash at bank as at 2 October 2024</b>	<b>28.05</b>

## 3. Assets

- 3.1 The company's director, Mr Andrew Hardman, advised that the business of the company, being the business name, goodwill, intellectual property rights, and plant and equipment, was sold in January 2022.
- 3.2 I am currently reviewing the sale agreement and associated records to determine whether the business was sold at a fair value, that due consideration was received and the application of the consideration received.
- 3.3 As such, Mr Hardman estimated in his Report on Company Activities and Property ("ROCAP") that there are no realisable assets of the company. Set out below is the Liquidator's estimate of potential realisations and the actual realisations to date.

	Ref	ROCAP estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Pre-appointment debtors	3.4	Nil	Unknown	Nil
Motor Vehicles	3.9	Nil	Nil	Nil
		-	Unknown	-

### *Pre-appointment debtors*

- 3.4 Mr Hardman did not disclose any pre-appointment debts owed to the company in his ROCAP.
- 3.5 The company's accounting software show debts owing to the company from 78 debtors totalling \$144,031.85.
- 3.6 Mr Hardman has advised that the accounting records are likely incorrect. I note that the most recent works completed by the company appear to have been invoiced in April 2022.

### 3. Assets (cont.)

- 3.7 Accordingly, due to the age of the debts and the director's advice, I consider it unlikely that there are any realisable outstanding debts, however further investigations will be conducted.
- 3.8 I note that the company's accounting software also records loans owing to the company from two related entities. My investigations into the loans are ongoing.

#### *Motor vehicles*

- 3.9 Mr Hardman did not disclose any motor vehicles in his ROCAP.
- 3.10 The company's accounting software shows that the company has motor vehicles to a total value of \$226,000.01.
- 3.11 The Department of Transport records show that the company sold 13 vehicles during the period 29 July 2020 to 10 May 2022. There are no vehicles currently registered in the company's name.
- 3.12 Accordingly, it is likely that the company's records were not updated to include the sale of the vehicles.
- 3.13 My investigation into the sale of the company's motor vehicles is ongoing.

### 4. Secured creditors

I am not aware of any secured creditors at the date of liquidation.

### 5. Priority creditors

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

	ROCAP estimate \$	Liquidator's estimate \$
Superannuation	Nil	878,208.65
	-	<b>878,208.65</b>

- 5.2 I note that the Australian Taxation Office ("ATO") issued a statutory demand to the company in relation to unpaid Superannuation Guarantee Charge totalling \$878,208.65.
- 5.3 I have not identified any related party priority creditors.
- 5.4 If you were an employee of the company at the date of liquidation, 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. Priority creditors (cont.)

- 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](http://www.employment.gov.au/fair-entitlements-guarantee-feg). **Former employees have only 12 months from the date of liquidation 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 Mr Hardman's ROCAP, the company had two unsecured creditors, being the ATO and National Australia Bank. Mr Hardman did not provide an estimate of the amount due to the creditors.
- 6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is \$549,414.81.
- 6.3 I have not identified any related party unsecured creditors.
- 6.4 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 I consider it unlikely that a dividend will be paid to any class of creditor.
- 7.3 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 The company's business ceased to trade on or around 17 January 2022, being the date the business was sold.
- 8.2 From my preliminary inquiries to date (see Section 9), I consider that the reasons for the company's failure are likely to be as follows:
- (i) Inability to meet taxation liabilities.
  - (ii) Failed negotiations with the ATO.

## 9. Inquiries undertaken to date

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 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) Reviewing the company's financial statements and draft accounts to determine whether there are any unaccounted-for assets and/or liabilities.
- (vii) Reviewing the director's ROCAP.
- (viii) Reviewing the business sale agreement and associated documents.
- (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) Collection and review of the company's books and records.
  - (ii) Conducting an investigation into the company's affairs and the conduct of its officer.
  - (iii) Determining whether there are any possible recovery actions (see Section 11).
  - (iv) Lodging a report with ASIC detailing my investigation findings.
  - (v) Further inquiries of the company's director regarding assets and liabilities.
- 10.2 If creditors are aware of a particular matter that requires investigation, please contact this office immediately.

## 11. Possible recovery actions

I have not yet determined 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 (where applicable).
- (ii) Recovering any further available property.
- (iii) Completing my investigations into the company's affairs.
- (iv) Completing my reporting to the corporate insolvency regulator, ASIC.

12.2 I may write to creditors again with further information on the progress of the liquidation.

## 13. More information

Creditors can access information which may be of assistance on the following websites:

- (i) Sheridans at [www.sheridansac.com.au/downloads/](http://www.sheridansac.com.au/downloads/)
- (ii) ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- (iii) ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact Shaun Carrington or Nicholas D'Alesio of this office.

Yours faithfully



JENNIFER E. LOW  
Liquidator of  
Ultim8 Holdings Pty Ltd