

ACN 615 188 504 PTY LIMITED
(IN LIQUIDATION)

ACN 615 188 504

FORMERLY KNOWN AS SI VENTURES PTY LIMITED

INSOLVENCY PRACTICE RULES
(CORPORATIONS) 70-40

STATUTORY REPORT TO CREDITORS

4 OCTOBER 2018



DEM ASIA GROUP



REPORT TO CREDITORS

ACN 615 188 504 PTY LIMITED (IN LIQUIDATION)

("THE COMPANY")

On 4 July 2018, I was appointed Liquidator of the Company. I refer to my initial Information Notice to Creditors sent and published on our website on 18 July 2018, advising that you may be a creditor of the Company and your rights as a creditor in the Liquidation.

The purpose of this Statutory Report to Creditors is to advise you of the following:

- a) The estimated amounts of Assets and Liabilities of the Company;
- b) The progress of the Liquidation, including:
 - i) inquiries that have been undertaken to date;
 - ii) possible further inquiries and/or recovery actions (if any);
- c) My opinion as to what happened to the business of the Company; and
- d) The likelihood of a dividend being paid in the Liquidation once that affairs have been fully wound up.

At this point in time, there are insufficient funds available to permit the payment of a dividend to any class of creditor. Any return to creditors is dependent on the outcome of my investigations, which are ongoing, and the likely outcome of any related litigation.

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Annexure 2	Statement of Financial Performance (Income Statement)
Annexure 3	Statement of Financial Position (Balance Sheet)

GLOSSARY

Abbreviation	Full Text
Act	<i>Corporations Act 2001</i>
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Company	ACN 615 188 504 Pty Limited (In Liquidation) ACN 615 188 504, formerly known as Si Ventures Pty Limited
CRA	Company Report on Affairs
Director	Mr Tui Eruera
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
Freestyle Travel	ACN 615 188 746 Pty Limited (In Liquidation) ACN 615 188 746, formerly known as Freestyle Travel Pty Limited
GST	Goods and Services Tax
Liquidator	Damien Mark Hodgkinson
PAYGW	Pay As You Go Withholding
PPSR	Personal Property Security Regulation

1. DISCLAIMER

Whilst every care has been taken in the preparation of this report, I am unable to warrant the accuracy, completeness or reliability of the information contained in it. The information was gathered from the available books and records of the Company and from relevant parties. The information has not been audited by me and my conclusions as detailed herein are subject to change as future investigations are undertaken.

These forecasts and estimates may change as:

- my assessment of potential asset realisations progresses; and
- creditors' claims are made and adjudicated upon.

The forecasts and estimates in this report are my best assessment in the circumstances, and creditors should note that the Company's ultimate deficiency, and therefore the outcome for creditors, could differ substantially from the information provided in this report.

2. UPDATE ON THE PROCESS OF THE LIQUIDATION

The Company was a holding entity and did not trade.

I have set out the information below to provide creditors with an update regarding the conduct of the Company's Liquidation.

2.1 INCORPORATION

Detailed below is a summary of information relating to the Company as recorded by the Australian Securities and Investment Commission ("ASIC") as at the date of my appointment as Liquidator.

Company:	ACN 615 188 504 Pty Limited (Formerly Si Ventures Pty Limited)
ACN:	615 188 504
Date of Incorporation:	5 October 2016
Registered Office:	Level 2, 94 Beattie Street, Balmain NSW 2041
Principal Place of Business:	Level 2, 94 Beattie Street, Balmain NSW 2041
Business / Trading Names:	N/A

2.2 FORMER AND CURRENT DIRECTORS AND SECRETARIES

A search of the records of ASIC shows the sole director of the Company since the Company's formation as follows:

Name of Director	Date Appointed	Date Ceased
Mr Tui James Eruera	5 October 2016	Current

A search of the records of ASIC shows that the secretary of the Company since the Company's formation as follows:

Name of Secretary	Date Appointed	Date Ceased
Mr Tui James Eruera	5 October 2016	Current

2.3 SHAREHOLDING

As at the date of my appointment, there were 1,000 ordinary class shares full paid.

Class	Description	Number Issued	Total Amount Paid	Total Unpaid Amount	Document Number
ORD	Ordinary Shares	50,000	50,000.00	0.00	2E4792544

The shareholder details follow:

Shareholder	Number Held	Beneficially Held	Paid	Document Number
TJE Enterprises Pty Limited	50,000 Ordinary Shares	No	Fully	7E8498351

TJE Enterprises Pty Limited is a related entity controlled by Mr Tui Eruera.

2.4 REGISTERED SECURITY INTERESTS

A search of the Personal Property Securities Register ("PPSR"), which details all registered security interests against the Company and/or its property pursuant to the *Personal Property Securities Act 2009*, reveal **NO** security interest registered against the Company.

3. ESTIMATED AMOUNTS OF ASSETS AND LIABILITIES

3.1 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments in the Liquidation to date is attached as **Annexure 1**.

3.2 ASSETS AND LIABILITIES OF THE COMPANY

The following table estimates the return to creditors using the balance sheet for the Company as at 4 July 2018, obtained from the Company's management accounting software. I have also included my estimated realisable values ("ERV") as at the date of my appointment on a high and low scenario and asset realisations made as at the date of this report.

A.C.N. 615 188 504 Pty Limited (In Liquidation)

Estimated Return to Creditors

	Book Value as at 4 Jul 2018 (\$)	Director's RATA as at 4 July 2018 (\$)	ERV (Low) as at 4 Jul 18 (\$)	ERV (High) as at 4 Jul 18 (\$)	Assets Realised to date of this Report (\$)	Ref
Assets						
Cash at Bank	(760)	(1,594)	0	0	0	
Intercompany - Freestyle Travel	299,362	299,362	0	0	0	3.2.1
Intercompany - Other	(6,589)	0	0	0	0	
Plant and Equipment	13,771	0	0	0	0	
Investments	10,020	0	0	0	0	
Leasehold Improvements	634,393	0	0	0	0	
Slipstream Charges	48,396	0	0	0	0	
Total Circulating Assets	998,593	297,768	0	0	0	
Less: Costs of External Administration						
Liquidator's Remuneration			20,000	20,000	0	
Liquidators' Disbursements			500	500	0	
Legal Costs			Nil	Nil	0	
Total Costs of Recovery			20,500	20,500	0	
Assets Available			(20,500)	(20,500)		
Add: Voidable Transactions						
Preference payments			Nil	Nil	0	5.2.1
Uncommercial Transactions			Unknown	Unknown	0	5.2.2
Insolvent Trading			Nil	Nil	0	5.2.7
Total Voidable Transactions			0	0		
Assets Available to Priority Creditors			(20,500)	(20,500)		
Less: Employee Entitlements						
Priority Creditor - Superannuation	19,243	0	0	10,448	0	3.2.2
Priority Creditor - Other Entitlements	7,676	0	0	0	0	3.2.3
Total Employee Entitlements	26,919	0	0	10,448		
Assets Available to Secured Creditor			(20,500)	(30,948)		
Less: Secured Creditor	N/A	N/A	N/A	N/A		
Assets Available to Unsecured Creditors			(20,500)	(30,948)		
Unsecured Creditors						
Accounts payable	473	6,776	61,220	61,220		
ATO	127,387	134,142	134,855	134,855		
Accrued Expenses	327,250	0	0	0		
Consulting fees	181,831	0	0	0		
Loan - Other	895	0	0	0		
Loan - Director	134,472	413,707	413,701	413,701		
Total Unsecured Creditor Claims	772,308	554,625	609,776	609,776		
Estimated Deficiency			(630,276)	(640,723)		

	ERV (Low) Scenario	ERV (High) Scenario
Estimated Return to Creditors	cents/\$	cents/\$
Secured Creditors	N/A	N/A
Priority Creditors	Nil	Nil
Unsecured Creditors	Nil	Nil

3.2.1 Related Parties – Freestyle Travel

Freestyle Travel

The Company is the holding company of ACN 615 188 746 Pty Limited (In Liquidation), formerly known as Freestyle Travel Pty Limited (“**Freestyle Travel**”).

According to the books and records of Freestyle Travel it owed the Company \$308,061, however the Company’s books and records show the amount owing as \$299,362.

In approximately December 2016, Freestyle Travel loaned cash to the Company. These advances between 5 December 2016 and 22 December 2016 totalled \$3.9M.

These loans were repaid through the partial offset of management fees and the direct payment to Freestyle Travel creditors. A summary of these transactions is set out in the table below.

The Company provided management services to Freestyle Travel charging \$126,555 per month for the management team, including the director, senior finance, sales and IT employees of Freestyle Travel. The Company’s management fees totalled \$1,870,720 over the period from incorporation in December 2016 to the date of Freestyle Travel’s Liquidation (9 March 2018).

From June 2017, the intercompany loan was reduced by direct payments made to Freestyle Travel’s outstanding creditors, mainly land suppliers, totalling \$3,011,505. This amount was offset against the outstanding balance as at 31 December 2017, together with the cash repayments the Company made totalling \$1,631,428.

	(\$)
Opening balance 1 December 2016	-
Freestyle Travel Loan to the Company	3,900,000
Reimbursement of expenses	817,892
Leasehold improvements	480,479
Loans to the Company – Management fees paid	1,418,094
Total receipts	6,616,465
<i>Less:</i>	
Company Management fees – Senior management team	1,870,720
Company cash loan repayments to Freestyle Travel	1,631,428
Company credit card payments made to Freestyle Travel Creditors	3,011,505
Expenses chargebacks	410,873
Total payments	6,924,526
Closing balance 9 March 2018	(308,061)

There are two principal areas of dispute, the charging of lease fit out costs of \$480,479 and interest not paid on the loan. Assuming an interest rate of 6.5% p.a, the interest payable would be \$316,785 over the life of the intercompany loan.

An adjusted loan account is set out in the table below, indicating the Company would be a net debtor of Freestyle Travel in the amount of \$489,293.

	(\$)
Balance of loan account	(308,061)
<i>Less:</i>	
Lease fit out costs	(480,479)
Interest on loan	(316,875)
Balance of loan	489,293

Company Director – Mr Tui Eurera

The Company books and records show that the director is a creditor of the Company in the amount of \$134,472, however the Director’s RATA shows that the Company owes Mr Eurera \$413,707. The director has indicated that the increase was due to the

Company's books and records not being updated to include all payments made on his credit card on behalf of the Company.

Investigations are ongoing as to the transactions that make up the Director's loan to the Company.

3.2.2 Superannuation

According to the Company's books and records, it owes \$19,243 in outstanding superannuation to employees. The Director's RATA did not state any superannuation outstanding.

I have since received a Notice of Assessment of Superannuation Guarantee Charge from the Deputy Commissioner of Taxation confirming that the Company owes \$10,447.61 in outstanding superannuation.

3.2.3 Other Employee Entitlements

According to the Company's books and records it has \$7,676 in unpaid wages owing to employees. The Director's RATA did not state any unpaid employee entitlements, including wages.

I have not received any Formal Proof of Debt Forms from the Company's former employees that claim any unpaid wages. My investigations are ongoing.

4. PROGRESS OF THE LIQUIDATION

The Company's Liquidation process to date:

Task	Observations/Comments
A Company Report on Affairs ("CRA") was received from the Director on 17 July 2018.	The CRA provided information about the Company's Assets and Liabilities. I have included in section 3.2 of this report, a summary of the estimated Assets and Liabilities. The CRA was filed with the ASIC on 17 July 2018.

Investigations have commenced in the Company to reconcile the assets identified by the Liquidator compared with the assets reported on the CRA from the Director	Save for that noted at section 3.2.1, there are no material differences found in reconciling the assets of the Company.
Investigations have commenced to identify the actual liabilities compared with the estimated creditors disclosed in the CRA from the Director.	The comparison has found the following observation: Outstanding employee entitlements – please refer to Section 3.2.2 and 3.2.3. Creditor claims to date are \$162,532 less than what the Company records show suggesting that the Company's financial records were either not reconciled or up to date.
Further investigations into the Company:	Please refer to Section 5
Possible following inquiries / recovery actions:	Please refer to Section 6

5. INVESTIGATIONS UNDERTAKEN TO DATE

Since my appointment I have made the following enquiries to support my investigation of the Company's affairs:

- Company extract search;
- Personal Property and Securities Register searches;
- Land Title searches;
- Director personal name searches;
- Credit file searches; and
- Review of Company books and Records.

I will shortly prepare a report pursuant to section 533 of the Act and lodge it with ASIC that details my investigations into the affairs of the Company and possible offences committed by the Company's officers as set out herein. The ASIC will then advise whether the Commission proposes to investigate the affairs of the Company.

Below a summary of the investigations I have undertaken to date.

5.1 BOOKS AND RECORDS (SECTION 286)

There is a duty to ensure books and records are maintained in accordance with the *Corporations Act 2001* (Section 286) – a company must keep written financial records that:

- a) Correctly record and explain its transactions and financial position and performance, and
- b) Would enable true and fair financial statements to be prepared and audited.

I advise creditors that I have taken possession of the Company's hard copy and electronic books and records.

It is in my opinion, that the Company did maintain adequate books and records within the context of the Act.

5.2 INSOLVENT TRANSACTIONS (SECTION 588FC)

Insolvent transactions are unfair preferences or uncommercial transactions entered into when a company was insolvent or became insolvent because of entering into the transactions.

My investigation into this matter are set out below:

5.2.1 Unfair Preferences (Section 588FA)

These are transactions where a company transacts with a creditor resulting in that creditor receiving more than the creditor would receive if the transaction were set aside, and the creditor claimed the same amount in a Liquidation. Unfair preferences paid to a company within six months of the relation-back day (the day of the liquidator's appointment) are void against the liquidator. This timeframe is extended to four years should a related entity be a party to the transaction (s588FE (4)).

My investigations have not revealed any such transactions within the timeframes.

5.2.2 Uncommercial Transactions (Section 588FB)

These are transactions entered into that a reasonable person would not have entered, having regard to the benefits and detriment to the company and to the other parties involved in the transaction. Uncommercial transactions entered into by a company are

voidable against the Liquidator if they were entered into within two years of the relation-back day.

I have not identified any uncommercial transactions; my investigations are ongoing.

I note that am currently reviewing the management fees charged by the Company to Freestyle Travel in the amount of \$1,870,720 and payments totalling \$1,418,094. I am reviewing each of the costs to determine whether the claims are fair and reasonable.

For this report I have assessed the recovery value of these claims as nil.

5.2.3 Unfair Loans to a Company (Section 588FD)

These loans are made to a company where interest and other charges on the loan are extortionate. These transactions can be recovered regardless of when they occurred if they were entered on or before the winding up begun.

My investigations have not revealed any unfair loans.

5.2.4 Unreasonable Director-Related Transactions (Section 588FDA)

These transactions are entered by a company and a director, close associate of a director, or person on behalf of a director, which a reasonable person would not have entered. The transaction must be a payment by a company, the transfer of property by a company, or the incurrence of an obligation of a director by a company. These transactions are voidable if they were entered within four (4) years of the relation-back day.

My investigations have not revealed any unreasonable director-related transactions.

5.2.5 Transactions Entered into for the Purpose of Defrauding Creditors (Section 588FE (5))

These are insolvent transactions entered for the purposes of defeating, delaying or interfering with the rights of the creditors and were entered within a period of ten (10) years prior to the relation-back day.

My investigations have not revealed any such transactions.

5.2.6 Circulating Security Interest created within six months (Section 588FJ)

Where a circulating security interest is granted by a company within six months of the relation-back day, the security is void against the liquidator unless valuable consideration was given, or the company was solvent at the time of granting the circulating security interest.

My search of the PPSR has not revealed any circulating security interests registered against the Company, within six months of the relation-back day.

5.2.7 Directors' Duty to Prevent Insolvent Trading (Section 588G)

Insolvent trading occurs when a company incurs a debt at a time when there are reasonable grounds to suspect that the company will be unable to pay the debt as and when it falls due.

Directors may be held personally liable for such debts incurred in the above circumstances. Recovery under insolvent trading actions is a remedy available to a Liquidator only.

Section 95A of the Act defines solvency as follows:

"95A(1) [when person is solvent] A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.

95A(2) [insolvent person not solvent] A person who is not solvent is insolvent"

When considering insolvent trading, it must be determined at what point the director knew or ought to have suspected insolvency, or when a reasonable person in the director's position would have been aware of or suspected insolvency. It is ultimately the Court's role to determine the actual date of insolvency based on the evidence provided.

The Act imposes an obligation on directors to prevent insolvent trading by the Company. This section provides for a director to be held personally liable for debts incurred whilst the Company was trading whilst insolvent. Section 588G states that if:

a) a person is a director of the Company at the time when the Company incurs a debt;

- b) the Company is insolvent at that time or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and
- c) at that time, there are reasonable grounds for suspecting that the Company is insolvent or would so become insolvent.

A director may be held personally liable for a contravention under Section 588G(2) if:

- a) the director was aware at the time there were such grounds for suspecting that the Company is insolvent, or would become insolvent by incurring that debt; or
- b) a reasonable person in a like position in a company in the Company's circumstances would have been aware.

If it can be established that the directors have contravened Section 588G then the director is personally liable under the Act. Section 588M of the Act entitles a Liquidator to recover as a debt due to the company, an amount equal to the amount of the loss or damage incurred by the company.

Directors' Defences to an Insolvent Trading Claim

Pursuant to Section 588H of the Act, there are several defences available to a director for an insolvent trading claim which I list a few below:

- i) *The director had reasonable grounds to expect, and did expect, that the company was solvent and would remain so; or*
- ii) *The director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information to the Director and based on that information the director expected the company to be solvent and to remain sol or*
- iii) *The director did not take part in the management of the company at the time due to illness or other good reason; or*
- iv) *The director took reasonable steps to prevent the company from incurring the debt.*

It should be noted that pursuing a director for alleged breach of duty to prevent a company from trade whilst insolvent is complex and:

- in invariable involves litigation that is expensive with an uncertain outcome. Funding from creditors and/or a litigation funder may be necessary to pursue a claim;
- any action for insolvent trading would, in my experience, be defended by the director which necessarily involves the administration incurring significant costs and potentially long delays;
- there is a risk that a Court may dismiss any claim with a costs order against the Company, thus reducing the funds available to creditors;
- any return to ordinary unsecured creditors would be contingent upon not only a successful action but also there being property against which to recovery;
- insolvent trading claims are expensive to run, legal costs are generally high and it may be necessary to obtain expert reports in pursuit of a claim. Typically, not all costs, for running such an action, would be recovered; and
- creditors would need to fund this action as the current available assets are insufficient.

The question of potential defence to insolvent trading will ultimately turn upon the directors' reasonable belief that the Company was solvent, which includes the ability to realise assets or fund debts due from other sources of funding and the ability to raise additional capital. The director has advised that he was in negotiations with potential purchasers until the date of the liquidation.

Please find enclosed the Company's income statement and balance sheet for the last 12 months from August 2017 to July 2018 as **Annexure 2** and **Annexure 3** respectively.

The Company's financial accounts and the Director's RATA do not reconcile and therefore the Company's financial information should be considered indicative only.

Safe Harbour

The safe harbour provisions of the amendments to the Act hold that a director will not be held liable for an insolvent trading company's debt if they can prove their behaviour was 'reasonably likely' to lend to a better outcome than immediate Administration or Liquidation.

For a director to avail themselves of the 'safe harbour' protection they must have guaranteed the employee entitlements, all tax reporting obligations have been met and that proper books and records have been maintained.

In the circumstances, I am of the view that the director is not able to avail themselves of the specific 'safe harbour' protections but may be able to claim reasonable defence under common law principles.

Conclusion

The Company was a holding entity and did not trade.

The Company's operations focused around its subsidiary, Freestyle Travel. The Company's only income source was management fees it charged Freestyle Travel for the provision of staff, premises and management services. Other than providing services to its subsidiary, the Company did not trade/operate a business. When Freestyle Travel was placed into liquidation, the Company's provision of services ceased.

My preliminary view is that the Company did not trade whilst insolvent. Save for the related party debt with its director Mr Tui Eurera, the Company has only statutory debts outstanding that, in my view, resulted from the management services it provided to Freestyle Travel. These debts were incurred prior to Freestyle Travel's liquidation.

I also note that I am not aware of any Directors and Officers Liability insurance that covers insolvent trading.

I will be reporting the matter to ASIC as part of my statutory reporting obligations.

6. FURTHER INVESTIGATIONS TO BE UNDERTAKEN

I will file this report with the ASIC.

I will proceed with the Liquidation, including:

- Complete my reporting to ASIC and receive clearance; and
- Finalise my investigations into the conduct of the Company.

I expect to complete the Liquidation within the next year.

7. LIQUIDATOR'S OPINION

I provide the following reasons for failure of the Company, in addition to the Director's comments below:

- The failure and ultimate liquidation of the Company's subsidiary, Freestyle Travel; and
- The Company was undercapitalised and didn't have sufficient working capital to fund its subsidiary Freestyle Travel to continue trading.

The Director provided the following reasons for failure:

- Loss of possible investor in January 2018; and
- Inability to fund further director loans.

8. LIKELYHOOD OF DIVIDEND

It appears unlikely that a dividend will be declared to unsecured creditors at this point due to insufficient asset realisations. For this reason, I do not at present intend to call for formal proofs of debt from creditors. Should circumstances pertaining to a dividend to unsecured creditors change, I shall advise creditors in writing.

If you have any queries with respect to this matter, please do not hesitate to contact Ms Elena Fiakos of this office on (02) 8004 4313 or elena.fiakos@demasiagroup.com.

Dated this 4 October 2018



DAMIEN M HODGKINSON
LIQUIDATOR
ACN 615 188 504 PTY LIMITED (IN LIQUIDATION)



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DEM ASIA GROUP

4 OCTOBER 2018

ANNEXURE 1: SUMMARY OF RECEIPTS AND PAYMENTS

Account of receipts and payments for the period
ACN 615 188 504 Pty Limited (In Liquidation)

Receipts

Date	Receipts from	Voucher No.	Nature of receipts/explanation	Amount \$0.00
			Total	\$0.00

Payments

Date	Payments to	Voucher No.	Nature of payments/explanation	Amount \$0.00
			Total	\$0.00



DEM ASIA GROUP

4 OCTOBER 2018

**ANNEXURE 2: STATEMENT OF FINANCIAL
PERFORMANCE (INCOME STATEMENT)**

A.C.N. 615 188 504 Pty Limited (In Liquidation)
Statement of Financial Performance (Income Statement)

	As at Jul 2018 (\$)	As at Jun 2018 (\$)	As at May 2018 (\$)	As at Apr 2018 (\$)	As at Mar 2018 (\$)	As at Feb 2018 (\$)	As at Jan 2018 (\$)	As at Dec 2018 (\$)	As at Nov 2018 (\$)	As at Oct 2018 (\$)	As at Sep 2018 (\$)	As at Aug 2018 (\$)
Income												
Interest Income	-	-	-	-	-	-	-	-	-	-	-	4.18
Management Fee Income	-	-	-	-	-	-	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Rental Income	-	-	-	-	-	-	15,050.00	15,000.00	15,000.00	15,000.00	15,050.00	15,050.00
Total Income	-	-	-	-	-	-	115,050.00	115,000.00	115,000.00	115,000.00	115,050.00	115,054.18
Gross Profit	-	-	-	-	-	-	115,050.00	115,000.00	115,000.00	115,000.00	115,050.00	115,054.18
Less Operating Expenses												
Bank Fees	-	-	21.17	26.04	107.44	160.05	31.51	40.51	171.14	56.50	127.70	45.63
Cleaning	-	-	-	-	-	-	-	4,417.69	-	1,380.00	-	800.00
Consulting	-	-	-	-	(2,800.00)	227,865.86	-	33,945.00	21,170.00	21,170.00	21,170.00	23,970.00
Consumer Promotion	-	-	-	-	(27,272.73)	-	-	-	-	-	-	-
Employee Welfare	-	-	-	-	-	-	-	-	-	68.64	-	-
Entertainment	-	-	-	-	-	-	85.04	-	-	4,031.16	-	-
Flights - Domestic	-	-	-	-	-	-	-	-	-	339.35	-	-
Foreign Currency Gains and Losses	-	-	-	-	-	-	-	-	-	-	-	78.00
General Expenses - Other	-	-	-	-	473.00	(4,556.00)	151.91	51,472.74	-	589.60	2,278.00	2,278.00
Insurance	-	-	-	-	-	463.39	-	-	463.39	-	-	-
Internet (TPG)	-	-	-	-	-	-	-	-	-	-	2,811.85	1,399.00
Legal expenses	-	-	-	-	-	-	-	647.90	-	-	-	-
Light, Power, Heating	-	-	-	-	-	-	-	787.90	17,373.15	4,385.41	-	-
Marketing Material	-	-	-	-	-	-	-	-	-	13,636.36	-	-
Office Expenses	-	-	-	-	-	-	17.25	-	372.05	2,947.49	200.00	-
Printing & Stationery	-	-	-	-	-	-	-	-	-	103.13	-	-
Recruitment	-	-	-	-	-	-	-	-	-	1,118.64	-	-
Rent	-	-	-	-	-	-	-	-	-	536.36	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	338.97	-	1,343.64	3,200.00	-
Sales/Trade Conference	-	-	-	-	-	-	-	-	-	736.36	-	-
Software Licenses - Other	-	-	-	-	-	-	-	-	60.00	-	-	-
Subscriptions	-	-	-	-	-	-	50.99	-	-	54.09	-	-
Superannuation	-	-	-	-	-	181.59	1,630.83	1,659.33	3,299.66	3,299.66	3,299.66	3,133.41
Telephone - Mobile services	-	-	-	-	-	-	113.63	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	126.24	-	-
Transportation - Domestic	-	-	-	-	-	-	157.70	-	-	225.74	-	239.22
Wages/Salary	-	-	-	-	-	2,396.10	17,166.59	17,466.59	34,733.26	34,733.26	34,733.26	32,983.30
Website Expense	-	-	-	-	-	-	-	24,228.75	-	175.57	-	-
Workers Comp Insurance	-	-	-	-	-	-	-	-	-	-	-	463.39
Total Operating Expenses	-	-	21.17	26.04	(29,492.29)	226,510.99	19,405.45	135,005.38	77,642.65	91,057.20	67,820.47	65,389.95
Net Profit	-	-	(21.17)	(26.04)	29,492.29	(226,510.99)	95,644.55	(20,005.38)	37,357.35	23,942.80	47,229.53	49,664.23



DEM ASIA GROUP

4 OCTOBER 2018

**ANNEXURE 3: STATEMENT OF FINANCIAL POSITION
(BALANCE SHEET)**

A.C.N. 615 188 504 Pty Limited (In Liquidation)
Statement of Financial Position (Balance Sheet)

	As at 30 Jul 2018 (\$)	As at 30 Jun 2018 (\$)	As at 31 May 2018 (\$)	As at 30 Apr 2018 (\$)	As at 31 Mar 2018 (\$)	As at 28 Feb 2018 (\$)	As at 31 Jan 2018 (\$)	As at 31 Dec 2017 (\$)	As at 30 Nov 2017 (\$)	As at 31 Oct 2017 (\$)	As at 30 Sep 2017 (\$)	As at 31 Aug 2017 (\$)
Assets												
Current Assets												
Bank	(759.84)	(759.84)	(759.84)	(738.67)	(712.63)	813.95	814.40	813.99	839.40	1,129.30	832.25	822.82
Intercompany - Freestyle Travel	299,362.24	299,362.24	299,362.24	299,362.24	299,362.24	260,985.14	398,027.09	96,220.25	(1,724,978.94)	(1,375,332.78)	(1,394,857.62)	(2,276,855.32)
Intercompany - Other	(6,589.03)	(6,589.03)	(6,589.03)	(6,589.03)	(6,589.03)	35,369.69	(2,506.38)	(2,506.38)	642.38	(5,450.00)	6,550.00	6,550.00
Loans	(135,366.31)	(135,366.31)	(135,366.31)	(135,366.31)	(135,366.31)	100,734.34	98,243.26	321,710.78	2,080,077.49	1,711,418.17	1,745,907.36	2,597,109.09
Office Equipment	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	13,770.82	4,010.00	4,010.00
Total Current Assets	170,417.88	170,417.88	170,417.88	170,439.05	170,465.09	411,673.94	508,349.19	430,009.46	370,351.15	345,535.51	362,441.99	331,636.59
Non-current Assets												
Investments	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00	10,020.00
Lease Hold Improvements	634,392.94	634,392.94	634,392.94	634,392.94	634,392.94	634,620.21	637,820.21	648,705.63	648,705.63	650,193.31	612,905.35	585,996.26
Total Non-current Assets	644,412.94	644,412.94	644,412.94	644,412.94	644,412.94	644,640.21	647,840.21	658,725.63	658,725.63	660,213.31	622,925.35	596,016.26
Total Assets	814,830.82	814,830.82	814,830.82	814,851.99	814,878.03	1,056,314.15	1,156,189.40	1,088,735.09	1,029,076.78	1,005,748.82	985,367.34	927,652.85
Liabilities												
Current Liabilities												
Accounts Payable	473.00	473.00	473.00	473.00	473.00	225,755.86	98,201.61	144,859.02	74,186.51	109,992.78	129,328.09	137,466.90
Accrued Expense	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25	509,081.25
GST (NET)	72,852.88	72,852.88	72,852.88	72,852.88	72,852.88	70,102.88	72,111.12	59,843.82	59,862.93	52,361.77	50,863.44	45,015.33
PAYG Withholdings Payable	54,534.00	54,534.00	54,534.00	54,534.00	54,534.00	54,534.00	54,174.00	50,145.00	46,382.00	36,906.00	27,430.00	17,954.00
Superannuation Payable	19,243.30	19,243.30	19,243.30	19,243.30	19,243.30	19,243.30	19,061.71	17,430.88	15,771.55	12,471.89	9,172.23	5,872.57
Suspense	(48,395.55)	(48,395.55)	(48,395.55)	(48,395.55)	(48,395.55)	-	-	-	-	-	-	-
Wages Payable - Payroll	7,676.20	7,676.20	7,676.20	7,676.20	7,676.20	7,676.20	7,128.06	6,588.02	3,000.06	1,500.00	-	-
Total Current Liabilities	615,465.08	615,465.08	615,465.08	615,465.08	615,465.08	886,393.49	759,757.75	787,947.99	708,284.30	722,313.69	725,875.01	715,390.05
Total Liabilities	615,465.08	615,465.08	615,465.08	615,465.08	615,465.08	886,393.49	759,757.75	787,947.99	708,284.30	722,313.69	725,875.01	715,390.05
Net Assets	199,365.74	199,365.74	199,365.74	199,386.91	199,412.95	169,920.66	396,431.65	300,787.10	320,792.48	283,435.13	259,492.33	212,262.80
Equity												
Current Year Earnings	-	80,869.51	80,869.51	80,890.68	80,916.72	51,424.43	277,935.42	182,290.87	202,296.25	164,938.90	140,996.10	93,766.57
Owner A Share Capital	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Retained Earnings	149,365.74	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23	68,496.23
Total Equity	199,365.74	199,365.74	199,365.74	199,386.91	199,412.95	169,920.66	396,431.65	300,787.10	320,792.48	283,435.13	259,492.33	212,262.80
Current Assets	170,417.88	170,417.88	170,417.88	170,439.05	170,465.09	411,673.94	508,349.19	430,009.46	370,351.15	345,535.51	362,441.99	331,636.59
Current Liabilities	615,465.08	615,465.08	615,465.08	615,465.08	615,465.08	886,393.49	759,757.75	787,947.99	708,284.30	722,313.69	725,875.01	715,390.05
Working Capital Shortfall	(445,047.20)	(445,047.20)	(445,047.20)	(445,026.03)	(444,999.99)	(474,719.55)	(251,408.56)	(357,938.53)	(337,933.15)	(376,778.18)	(363,433.02)	(383,753.46)