

Our Ref: Perth 469242.0001/018/LT

20 September 2019

**Transit Clothing ABN 53 798 556 254 traded in Partnership by Double Holdings Pty Ltd  
ACN 114 064 167 ATFT Day Family Trust and GGA Lifestyle Pty Ltd  
ACN 114 064 158 ATFT Francis Family Trust  
(In Liquidation) (“the Companies”)**

**CIRCULAR TO CREDITORS**

I refer to the appointment of Ian Charles Francis and I, Daniel Hillston Woodhouse, as Liquidators of the Companies on 20 June 2019. I advise that a meeting of Creditors of the Companies will be held on **Tuesday, 8 October 2019**, at FTI Consulting’s Office located at Central Park, Level 47, 152 - 158 St Georges Terrace, PERTH, WA at **11.00 AM (AWST)**.

The following documents are enclosed:

**Details and notices for the meeting of creditors**

- Notice of Meeting of Creditors;
- Appointment of Proxy Form;
- Proof of Debt or Claim Form;
- Guidance notes for completing proxy and proof of debt claim forms;
- Statutory Report to Creditors dated 20 September 2019;
- Remuneration Request Approval Report; and
- ASIC Information Sheet.

We have included an information sheet called “*Insolvency information for directors, employees, creditors and shareholders*”. Additional Information sheets on the liquidation process can be obtained at [www.arita.com.au/insolvency-you](http://www.arita.com.au/insolvency-you).

Statutory notices and advertisements about the Companies will be published on ASIC’s Published Notices website at [www.insolvencynotices.asic.gov.au](http://www.insolvencynotices.asic.gov.au).

Please contact Loice Taderera on (08) 9321 8533, if you have any queries in relation to the meeting, the enclosed documents or the liquidation generally.



**Daniel Woodhouse**  
**Liquidator**

Transit Clothing ABN 53 798 556 254 Traded in Partnership  
by Doubleup Holdings Pty Ltd ACN 114 064 167 ATFT Day  
Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 ATFT  
Francis Family Trust (All In Liquidation)



*Statutory Report to Creditors*



20 September 2019



# Table of Contents

---

1. Introduction	3
2. Key Findings	6
3. Background and Update on the Liquidation	8
4. Likelihood of a Dividend and Estimated Return to Creditors	13
5. Liquidators' Remuneration	15
6. Way Forward	17
Appendix 1 – Glossary and Terms of Reference	
Appendix A – Remuneration Approval Report	
Appendix B – Proxy Form	
Appendix C – Form 535 Formal Proof of Debt	
Appendix D – Information Sheet: Creditors Rights in Liquidation	
Appendix E – Details and notices for the meeting of creditors	

# 1. Introduction

# 1. Introduction

Company Details	
Name:	Doubleup Holdings Pty Ltd (In Liquidation) ATFT Day Family Trust trading as Transit Clothing
ACN:	114 064 167
Date of Incorporation:	2 May 2005
Date of Liquidation:	20 June 2019
Director Name:	Timothy Day
Shareholders:	Timothy Day (100%)
Registered Office:	30 Keymer Street BELMONT WA 6104
Principal Place of Business:	2 Commonwealth Avenue NORTH PERTH WA 6006
Nature of Business:	Retail Clothing
Liquidators' Details	
Name:	Daniel Woodhouse and Ian Francis
Contact Name:	Robert Beaumont
Contact Phone Number:	(08) 9321 8533
Contact Email:	Robert.Beaumont@fticonsulting.com
Meeting Details	
Date and Time:	<b>11:00AM WST, Tuesday, 8 October 2019</b>
Place of Meeting:	FTI Consulting's office, located at Central Park, 152-158 St Georges Terrace, Perth WA 6000

Company Details	
Name:	GGA Lifestyle Pty Ltd (In Liquidation) ATFT Francis Family Trust trading as Transit Clothing
ACN:	114 064 158
Date of Incorporation:	2 May 2005
Date of Liquidation:	20 June 2019
Director Name:	Glen Francis
Shareholders:	Glen Francis (100%)
Registered Office:	30 Keymer Street BELMONT WA 6104
Principal Place of Business:	37 Oxford Close WEST LEEDERVILLE WA 6007
Nature of Business:	Retail Clothing
Liquidators' Details	
Name:	Daniel Woodhouse and Ian Francis
Contact Name:	Robert Beaumont
Contact Phone Number:	(08) 9321 8533
Contact Email:	Robert.Beaumont@fticonsulting.com
Meeting Details	
Date and Time:	<b>11:00AM WST, Tuesday, 8 October 2019</b>
Place of Meeting:	FTI Consulting's office, located at Central Park, 152-158 St Georges Terrace, Perth WA 6000

# 1. Introduction (cont.)

---

■ I refer to:

- The appointment of Ian Francis and I, Daniel Woodhouse, of FTI Consulting as Joint and Several Liquidators of the Company on 20 June 2019.
  - Our circular to creditors dated 12 June 2019, which contained the Administrators' report to creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016 ("IPR") ("First Report"); and
  - Our subsequent appointment as Joint and Several Liquidators at the Second Meeting.
- This report has been prepared in accordance with the IPR 70-40 and will provide creditors with, amongst other things, the following information:
- what happened to the Business;
  - the Companies estimated assets and liabilities;
  - the work undertaken to date and further work required to complete the Liquidation; and
  - the likelihood of creditors receiving a dividend.
- We will also be seeking approval from creditors for our remuneration. In this regard, I will be holding a meeting of creditors at **11:00 AM WST, Tuesday, 8 October 2019** at the FTI Consulting's office, located at Central Park, 152-158 St Georges Terrace, Perth WA 6000.

*<This space has been left blank intentionally>*

## 2. Key Findings

## 2. Key Findings

- Set out below is a summary of the key messages and recommendations that are detailed in this report. Please read this summary in conjunction of the remainder of the report including the terms of reference contained in Appendix 1 and the other attachments.

Description	Findings	Section
<b>Background and update on the liquidation</b>	<ul style="list-style-type: none"> <li>■ Transit operated in Western Australia for approximately 14 years, opening its first store at Karrinyup in May 2005. At its peak, just prior to 2009, it operated 18 stores. However, store numbers steadily declined as a result of decreased consumer confidence and retail expenditure.</li> <li>■ Transit struggled to maintain sales, with revenue declining between FY17 and Annualised YTD19 by 20%. While occupancy costs remained relatively static, the declining revenues put pressure on Transit’s overall profitability.</li> </ul>	<b>3</b>
<b>Investigations undertaken to date</b>	<ul style="list-style-type: none"> <li>■ As previously stated in the First Report, we have identified payments totalling approximately \$247k as potentially unfair preference payments pursuant to section 588FA of the Act. We are in the process of lodging a claim for this amount.</li> <li>■ Given the quantum of potential claims against the Directors any claim for insolvent trading is unlikely to be commercial to pursue, and further funding may be required for any claim to be pursued.</li> </ul>	<b>3</b>
<b>Investigations still to be undertaken</b>	<ul style="list-style-type: none"> <li>■ Going forward, we plan to:           <ul style="list-style-type: none"> <li>■ seek recovery of the unfair preference payments;</li> <li>■ finalise our investigations; and</li> <li>■ report any offences to the Australian Securities &amp; Investments Commission (“ASIC”) in accordance with section 533 of the Act.</li> </ul> </li> </ul>	<b>3</b>
<b>Likelihood of a dividend and estimated return to creditors</b>	<ul style="list-style-type: none"> <li>■ The Companies traded in partnership, as Transit. Given the partnership structure, the priority afforded to employees under the Act has, historically, not applied. However, due to recent case law for an analogous matter, we have sought both legal advice and FEG’s input to confirm the position.</li> <li>■ If the Partnership Act applies, surplus funds, if any, will be paid equally to the Secured Creditors, subject to its security interest, and to all creditors (employees and unsecured) in equal proportions.</li> <li>■ If the Act applies, surplus funds, if any, will be paid to meet employee entitlements in accordance with section 556(1) of the Act.</li> <li>■ Whether creditors receive a return in the liquidation will depend on:           <ul style="list-style-type: none"> <li>■ whether the Act, or Partnership Act applies; and</li> <li>■ the extent of any antecedent recoveries.</li> </ul> </li> </ul>	<b>4</b>

### 3. Background and Update on the Liquidation

# 3. Background and Update on the Liquidation

## Background and History of the Companies and the Business

- Transit operated in Western Australia for approximately 14 years, opening its first store at Karrinyup in May 2005.
- It was a well-established Western Australian fashion brand, retailing apparel, footwear and accessories to casual fashion and streetwear consumers.
- The Business sold brands that included:
  - International brands: Nike, Adidas, Converse and G Star; and
  - National brands: Nana Judy, Abrand and Fifth Label.
- On 15 May 2019, Ian Francis and Daniel Woodhouse were appointed Administrators of Doubleup and GGA, under section 436A of the Act. The Companies traded in partnership as Transit.
- As at the date of appointment as Administrators, the Business operated nine stores, eight in the Perth metropolitan area and a single store in Dunsborough.
- Upon appointment, we worked with the Directors to formulate a DOCA. The Directors informed the Administrators that they were not in a position to propose a DOCA to recapitalise the business.
- Concurrently, we conducted a sale of business campaign. However, there was limited interest to purchase Transit as a going concern. Further details regarding the sale of business campaign is provided on the following page.
- As a result, the Companies were placed into liquidation on 20 June 2019 at the Second Meeting.

## Director's Reasons for Failure of the Companies

- The Directors believe that Transit's failure was primarily due to entering into leases at Mandurah Forum in August 2017 and DFO Perth Airport in October 2018.
- Revenue generated at these locations were insufficient to meet wages and occupancy costs incurred throughout the period of the respective leases.
- In addition, the Directors also advised that they were unable to reduce other fixed overhead costs.

## Liquidators' Investigations into the Reasons for Failure of the Companies

- The Liquidators identified in the First Report that the Companies' failure was due to:
  - a decline in sales by approximately 20% between FY17 to YTD19 (annualised);
  - high occupancy costs as a percentage of revenue;
  - operating whilst under-capitalised, meaning it was unable to absorb the deterioration in sales and subsequent cash flow pressure, or obtain any additional working capital; and
  - A highly competitive retail environment in Western Australia, due to a decline in population from 2016.

### 3. Background and Update on the Liquidation

#### Sale of Business Campaign

- In order to preserve value, mitigate losses and maximise the opportunity to retain their employees, the Administrators conducted a sale of business campaign, formally advertising for expressions of interest in The West Australian on 21 May 2019.
- Although four expressions of interest were received, none of the interested parties wanted to acquire the Business, citing issues such as high leasing costs and a business footprint that did not complement the interested parties' existing business structures.
- On this basis, a sale of the Business as a going concern was not achieved.

#### Sale of Plant and Equipment

- During the course of both the Voluntary Administration and the Liquidation, we have undertaken the following tasks in relation to the sale of the Companies' Plant and Equipment:
  - Engaged Slatterys to inspect the Companies' plant and equipment and undertake a valuation;
  - Disclaimed a Mitsubishi Canter Truck as there was no equity in this asset; and
  - Liaised with the Directors and Slatterys to facilitate the collection of two 2016 Toyota Landcruisers to be realised at auction. The vehicles were sold on 10 September 2019, with net proceeds of \$13,970 available to the liquidation as follows:

	2016 Toyota Prado	2016 Toyota Prado
	\$	\$
Sale proceeds	44,500	43,000
Less Selling Costs	2,612	2,529
Less ANZ Payout	34,987	33,403
<b>Net Proceeds</b>	<b>6,902</b>	<b>7,068</b>

#### Sale of Stock

- A stocktake was performed on our appointment as Voluntary Administrators, identifying \$821k of stock according to the stocktake results.
- Of the identified stock, \$413k was secured by PMSI security interests. Suppliers with valid PMSI security interests were offered a settlement to allow the Administrators to sell their stock. Some suppliers accepted the offer, while others declined and decided to collect their stock.
- After trading had ceased, we engaged Slatterys to value the remaining stock. Slatterys valued the remaining stock at approximately \$15k, less costs and commission.
- During the course of our advertising campaign, we were contacted by three parties interested in the stock.
- We also contacted major inventory purchasers within our network. Based on our advertisements and direct contacts, we received the following two offers:

Bidder	Offers
	\$
Tammy Hickson (related party)	17,000
Dimmeys	7,700

- While Tammy Hickson is a related party, her offer provided the best return to creditors. Accordingly, her offer was accepted and the proceeds have been paid.

#### Employee Entitlements

- Following our appointment as Liquidators of the Companies, employees were requested to provide evidence of amounts owing to them in relation to their accrued outstanding pre-appointment entitlements prior to the date the Companies were placed into voluntary administration.
- 34 claims were received and lodged with FEG with 23 claims totalling \$271k paid to employees. The remaining 11 outstanding claims, are still to be assessed and quantified by FEG.

### 3. Update on the Progress of the Liquidation (cont.)

#### Investigations and Recovery Actions

- As Liquidators, we are required to investigate and specify whether there may be any voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator.
- A summary of our investigations and findings are set out below, which have also been addressed in further detail in the First Report:

Item	Details
<b>Date of Insolvency</b>	According to our preliminary investigations, the Companies were likely insolvent as at 1 March 2019, when Transit was unable to pay landlords, but potentially earlier.
<b>Unfair Preference Payments</b>	We have identified approximately \$247k that relate to a number of repayment plans with the ATO. Our investigations are continuing and, potentially, legal advice is required, before we initiate the claims.
<b>Insolvent Trading</b>	We have identified a potential claim for insolvent trading of approximately \$24k. We note that insolvent trading claims are expensive to undertake. Accordingly, it is unlikely that any claim against the Directors will be commercial to pursue.

#### Further Inquiries to be Undertaken

- In addition to the unfair preference payments described adjacent, we will investigate whether any offences may have been committed by the Directors in accordance with section 533 of the Act. These offences, if any, will be reported to ASIC.
- If creditors are aware of any other matters that require further investigation, please contact our office as soon as possible.

*<This space has been left blank intentionally>*

### 3. Update on the Progress of the Liquidation (cont.)

#### Receipts and Payments to Date

■ The receipts and payments for the period of the Liquidation are as follows:

Receipts and Payments For the period 15 May 2019 to 10 September 2019	
	Amount (\$)
<b>Receipts</b>	
Sales	533,154
Stock and Inventory	17,000
Indemnity Received	9,000
Other Receipts	89
<b>Total Receipts</b>	<b>559,244</b>

<This space has been left blank intentionally>

Receipts and Payments (Cont.) For the period 15 May 2019 to 10 September 2019	
<b>Payments</b>	
Wages and Salaries	(107,200)
Rent & Rates	(58,038)
PMSI Stock Expenses	(33,638)
Legal Fees	(31,217)
GST Paid	(27,041)
Insurance	(13,016)
Superannuation and PAYG Tax Expenses	(7,036)
Gift Cards Expenses	(5,321)
Advertising	(4,172)
Cleaning Service Expense	(3,902)
Employee Incentives	(1,270)
Utilities and telephone	(1,087)
IT Backup expenses	(747)
Hire Purchase Expense	(408)
MYOB Subscription	(268)
Bank Charges	(75)
<b>Total Payments</b>	<b>(294,435)</b>
<b>Closing Cash at Bank</b>	<b>264,809</b>

## 4. Likelihood of a Dividend and Estimated Return to Creditors

## 4. Likelihood of Dividend and Estimated Return to Creditors

### Estimated Assets and Liabilities

Estimated Assets and Liabilities	Notes	ERV Low (\$)	ERV High(\$)
<b>Assets</b>			
Cash at Bank	1	264,809	264,809
FEG Service	2	11,560	11,560
Potential Unfair Preference	3	48,252	247,000
Plant & Equipment	4	13,970	13,970
<b>Total Assets</b>		<b>338,591</b>	<b>537,339</b>
<b>Liabilities</b>			
Secured Creditor	5	(452,799)	(567,988)
Employees Entitlements	6	(322,954)	(295,396)
Unsecured Creditors	7	(1,413,723)	(1,115,698)
<b>Total Liabilities</b>		<b>(2,189,476)</b>	<b>(1,979,082)</b>
<b>Total Estimated Surplus/(Shortfall)</b>		<b>(1,850,885)</b>	<b>(1,441,743)</b>

Notes on a high and low estimated ERV:

1. Cash at bank after the completion of the trading period (realised).
2. Funding provided by FEG for the calculation of employee entitlements (realised).
3. Estimated unfair preference claim against the ATO (estimated).
4. Net proceeds from the sale of the Companies' motor vehicles (realised).
5. Estimated shortfall to the secured creditor from the overdraft and bank guarantees for leases (to be adjudicated).
6. Estimated employee entitlements, including superannuation (to be adjudicated).
7. Estimated unsecured creditor claims, as reported in the books and records and claims received (to be adjudicated).

### Partnership Structure and Potential Implications for Creditors

- The likelihood of a return to creditors is dependent upon whether the Partnership Act or the Corporations Act applies.

- The Companies acted as trustee of two separate discretionary trusts – the Day Family Trust and the Francis Family Trust.
- Collectively, in their capacity as trustees, the Companies traded in partnership as Transit under the Partnership Deed dated 28 June 2005.
- The Partnership Act does not provide the same priority of payment, as Section 556(1) of the Act. That is, all creditors are treated equally on a pari passu basis, which means employees do not receive priority to unsecured creditors.
- Notwithstanding, there are analogous circumstances to a recent High Court judgement whereby it was found that the priorities in Section 556 (1) of the Act applied.
- Accordingly, we have sought both legal advice and FEG's input to confirm the position and whether employees or the secured creditor might have priority to any surplus funds.
- Until this position is resolved, I am unable to determine whether a dividend will be paid.

### Likelihood and Timing of a Dividend

- Dividends to creditors are dependent upon a number of factors including:
  - the size and complexity of the administration;
  - the amount of assets realisable and the costs of realising those assets;
  - the statutory priority of certain claims and costs;
  - the value of various classes of claims including secured, priority and unsecured creditor claims; and
  - the volume of enquiries by creditors and other stakeholders.
- If I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.
- Once the Liquidators are in a position to advise on whether a dividend will be paid, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt. This formalises your claim in the liquidation and is used to determine all claims against the Company.

## 5. Liquidators' Remuneration

## 5. Liquidators' Remuneration

- FTI Consulting charge professional fees based on time spent by the Liquidators and their staff at rates reflecting their level of experience.
- The table below represents the total remuneration sought for the liquidation of the Companies. Factors that may have a significant effect on this estimate include:
  - Extent of investigations required and the pursuit of unfair preference payments and other potential claims against related parties; and
  - Subject to the recovery of unfair preference payments, the payment of a dividend to creditors.
- Attached at **Appendix A** is our detailed reports on our remuneration.
- At the meeting of creditors on 14 August 2019, I will ask creditors to consider, and if thought fit, approve the following remuneration:

Period	Amount (excl. GST)
Resolution 1: 21 June 2019 to 15 September 2019	10,423
Resolution 2: 16 September 2019 to conclusion of the Liquidation	30,000
<b>Total</b>	<b>40,423</b>

- The resolutions will be put to creditors in accordance with the attached notice of meeting.

*<This space has been left blank intentionally>*

## 6. Way Forward

## 6. Way Forward

- We are required to undertake the following actions to finalise the liquidation:
  - Conduct the meeting of creditors on **Tuesday, 8 October 2019**;
  - Pursue the recovery of identified potential preferential payments;
  - Complete the Liquidators' investigations into the Companies' affairs;
  - If applicable, attend to a dividend to creditors;
  - Complete my reporting to ASIC; and
  - Any other business that arises, including the finalisation of the liquidation.
- If I do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.
- We may write to you again with further information on the progress of the Liquidation.
- We expect to have completed this liquidation within the next 6 to 12 months.
- We enclose at **Appendix D** an information sheet regarding your rights as a creditor in the Liquidation called "Creditors Rights in a Liquidation".
- You can access the additional information which may assist you on the following websites:
  - ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
  - ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for insolvency information sheets")

If you have any queries, please contact Robert Beaumont on (08) 9321 8533 or by email at [Robert.Beaumont@fticonsulting.com](mailto:Robert.Beaumont@fticonsulting.com).



**Daniel Woodhouse**  
Joint and Several Liquidator

*This section has been intentionally left blank*

# Appendix 1 – Glossary and Terms of Reference

# Glossary

Item	Definition
<b>Act or Corporations Act</b>	Corporations Act 2001 (Cth)/ and Partnership Act
<b>ANZ</b>	The Australian and New Zealand Banking Corporation
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ATO</b>	Australian Taxation Office (incorporating the Deputy Commissioner of Taxation, as applicable)
<b>Companies</b>	Doubleup Holdings Pty Ltd in its own rights and as trustee of the Day Family Trust formerly and GGA Lifestyle Pty Ltd in its own rights collectively traded as Transit Clothing
<b>Directors</b>	Mr Tim Day and Mr Glen Francis
<b>DIRRI</b>	Declaration of independence, relevant relationships and indemnities
<b>DOCA</b>	Deed of Company Arrangement
<b>Doubleup</b>	Doubleup Holdings Pty Ltd in its own rights and as trustee of the Day Family Trust
<b>EBIT / EBITDA</b>	Earnings before interest and tax / Earnings before interest, tax, depreciation and amortisation
<b>EOI</b>	Expressions of Interest
<b>ERV</b>	Estimated realisable value
<b>FEG</b>	Fair Entitlements Guarantee
<b>First Meeting</b>	The first creditors meeting held by the Administrators on 15 May 2019
<b>First Report</b>	Administrators' Report to Creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016

Item	Definition
<b>FY</b>	Financial Year
<b>GGA</b>	GGA Lifestyle Pty Ltd in its own rights and as trustee of the Francis Family Trust
<b>GST</b>	Goods and Services Tax, as applicable in Australia
<b>IPR</b>	Insolvency Practice Rules
<b>K</b>	Thousand ('000')
<b>Liquidators</b>	Ian Francis and Daniel Woodhouse
<b>M</b>	Million ('000 000')
<b>NPAT</b>	Net profit after tax
<b>Partnership Act</b>	Partnership Act 1895
<b>Partnership Act</b>	Act that applies to a Partnership Incorporated Business
<b>Partnership Agreement</b>	Business Partnership between GGA Lifestyle and Doubleup Holdings
<b>PPSR</b>	Personal Property Securities Register
<b>ROCAP</b>	Report On Company Activities and Property
<b>Second Meeting</b>	The second creditors meeting held by the Administrators on 20 June 2019
<b>Slatterys</b>	Slatterys Auctions and Valuations
<b>The Business or Transit</b>	Transit Clothing Traded in Partnership by Doubleup & GGA
<b>Westpac or Secured Creditor</b>	Westpac Banking Corporation
<b>YTD</b>	Year to date



# Terms of Reference

---

## Terms of Reference

- This report has been prepared for the creditors of Companies to assist them in evaluating their position as creditors and in deciding on the Companies' future. None of the Liquidators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.
- This report is based on information obtained from the Companies' records, the directors and management of the Companies and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis that the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.
- This report may contain prospective financial information, including estimated outcomes for creditors, and other forward looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.
- We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors.
- Creditors should seek their own advice if they are unsure how any matter in this report affects them.

*<This space has been left blank intentionally>*

# Appendix A – Remuneration Approval Report

20 SEPTEMBER 2019

# REMUNERATION APPROVAL REPORT

---

TRANSIT CLOTHING PTY LTD ABN 53 798 556 254 TRADED IN  
PARTNERSHIP BY DOUBLEUP HOLDINGS PTY LTD ACN 114 064 167  
(IN LIQUIDATION) ATFT DAY  
FAMILY TRUST & GGA LIFESTYLE PTY LTD ACN 114 064 158 (IN  
LIQUIDATION) ATFT FRANCIS FAMILY TRUST  
("THE COMPANIES")

# Introduction

## Information included in report

This remuneration approval report provides you with the information that the Corporations Act 2001 (“Act”) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) requires creditors to receive to make an informed decision regarding the approval of my remuneration for undertaking the liquidation of Transit Clothing ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust (“the Companies”).

This report has the following information included:

- Introduction .....1
- Part 1: Declaration.....2
- Part 2: Executive Summary.....2
- Part 3: Remuneration .....3
- Part 4: Disbursements .....8
- Part 5: Queries.....9
- Schedule 1: Table of major tasks for Resolution 1 Remuneration Approval .....10
- Schedule 2: Table of major tasks for Resolution 2 Remuneration approval .....12
- Schedule 4: FTI Consulting Schedule of Rates .....14

## Part 1: Declaration

Ian Francis and I, Daniel Woodhouse, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Liquidators of Transit Clothing ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust (“the Companies”) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further.

## Part 2: Executive Summary

### Remuneration

We currently estimate the total remuneration for this appointment for the period 21 June 2019 to finalisation of the Liquidation to be approximately \$90,423.00 plus GST. This includes \$10,423.00 plus GST incurred for the period of 21 June 2019 to 15 September 2019 (inclusive) and the anticipated costs from 16 September 2019 to conclusion of the liquidation of \$30,000.00 plus GST.

Remuneration previously approved Table 1:

Table 1: Previously Claimed Remuneration Period	Amount (excl GST) \$
Remuneration from 15 May 2019 to 9 June 2019 (inclusive)	129,177.75
Remuneration from 10 June 2019 to 20 June 2019 (inclusive)*	85,000.00
Remuneration from commencement of liquidation to 31 December 2019 (inclusive)*	50,000.00
<b>Total past remuneration</b>	<b>264,177.75</b>

- The Administrators have not yet drawn the approved fees shown in the table above at this stage.

Remuneration claimed is summarised below in Table 2:

Table 2: Current Claim for Remuneration Period	Report Reference	Amount (excl GST) \$
<b>Liquidation</b>		
Resolution 1: Remuneration from 21 June 2019 to 15 September 2019 (inclusive)	Schedule 1	10,423.00
Resolution 2: Remuneration from 16 September 2019 to conclusion of liquidation (inclusive)*	Schedule 2	30,000.00
<b>Total</b>		<b>40,423.00</b>

- Approval for the future remuneration being sought is based on an estimate of the work necessary to complete the liquidation. Should additional work beyond what is contemplated be necessary, further approval may be sought from creditors. If a lesser amount is incurred, we will limit our remuneration to that lesser amount.

## Part 3: Remuneration

### Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are shown immediately below the resolutions and in the schedules to this report.

#### Resolution 1: Remuneration from 21 June 2019 to 15 September 2019 (inclusive)

The remuneration of the Liquidators of Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust for the period 21 June 2019 to 15 September 2019 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019 (Corporate Finance & Restructuring and Strategic Communications), and is determined and approved for payment in the amount of \$10,423 plus GST and the Liquidators can draw the remuneration.

#### Resolution 2: Remuneration from 16 September 2019 to conclusion of the liquidation (inclusive)

The remuneration of the Liquidators of Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust for the period 16 September 2019 to conclusion of the liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019 (Corporate Finance & Restructuring and Strategic Communications), up to a capped amount of \$30,000 plus GST, and the Liquidators can draw the remuneration.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates which appear at Schedule 4 to this report.

At this stage, based on the information presently available us, we consider that it may not be necessary to convene a further meeting of creditors to seek further approval from creditors. However, the position may change depending on the progress of the external administration and the issues that may arise.

## Details to support resolutions

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule 1 to Schedule 3.

### Resolution 1: Remuneration from 21 June 2019 to 15 September 2019 (inclusive)

Table 2 below table sets out time charged to each major task area by staff members working on the Liquidation for the period 21 June 2019 to 15 September 2019 (inclusive) which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

REMUNERATION APPROVAL REPORT

Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust ("the Companies")

Table 3: Remuneration for the period of 21 June 2019 to 16 September 2019

Employee	Position	Rate/hour excl GST \$	Total actual hours	Total (excl GST) \$	Task Area					
					Assets \$	Creditors \$	Employees \$	Investigation \$	Administration \$	
Daniel Woodhouse	Managing Director	625.00	13.50	8,437.50	2,375.00	2,437.50	2,437.50	875.00	312.50	
Jacqueline Sinclair	Senior Director	575.00	3.60	2,070.00	0.00	862.50	115.00	230.00	862.50	
Jonah Un	Director	515.00	1.00	515.00	0.00	0.00	515.00	0.00	0.00	
Carlos Bourgy	Senior Consultant I	400.00	52.90	21,160.00	8,680.00	2,640.00	6,640.00	400.00	2,800.00	
Robert Beaumont	Senior Consultant I	400.00	25.60	10,240.00	2,160.00	6,560.00	440.00	0.00	1,080.00	
Andrew Vacca	Associate II	320.00	10.90	3,488.00	352.00	448.00	384.00	160.00	2,144.00	
Georgina Wright	Associate I	300.00	1.20	360.00	0.00	0.00	0.00	120.00	240.00	
Loice Taderera	Associate I	300.00	73.90	22,170.00	570.00	9,510.00	5,940.00	0.00	6,150.00	
Georgina Wright	Associate I	260.00	0.90	234.00	0.00	0.00	234.00	0.00	0.00	
Claire Rees	Administration II	205.00	1.50	307.50	0.00	0.00	307.50	0.00	0.00	
Dhyana Ishibashi	Executive Assistant	205.00	1.70	348.50	0.00	102.50	0.00	0.00	246.00	
Jessica Sayer	Administrative Assistant	165.00	0.30	49.50	0.00	0.00	0.00	0.00	49.50	
Mary Smith	Administration Officer	165.00	10.80	1,782.00	0.00	0.00	165.00	0.00	1,617.00	
Selina Naylor	Administration I	165.00	1.20	198.00	0.00	0.00	0.00	0.00	198.00	
Talia Glover	Executive Assistant	165.00	0.30	49.50	0.00	0.00	0.00	0.00	49.50	
Abbie Kozlowska	Junior Accountant	155.00	3.70	573.50	0.00	0.00	186.00	0.00	387.50	
				<b>203.00</b>	<b>71,983.00</b>	<b>14,137.00</b>	<b>22,560.50</b>	<b>17,364.00</b>	<b>1,785.00</b>	<b>16,136.50</b>
<b>Less previously approved remuneration</b>					<b>50,000.00</b>					
<b>Less amount payable by FEG</b>					<b>11,560.00</b>					
<b>Total remuneration being sought</b>					<b>10,423.00</b>					
<b>GST</b>					<b>1,042.30</b>					
<b>Total (including GST)</b>					<b>11,465.30</b>					
<b>Average hourly rate (excluding GST)</b>					<b>354.60</b>	<b>417.02</b>	<b>363.88</b>	<b>358.76</b>	<b>482.43</b>	<b>293.39</b>

**Resolution 2: Remuneration from 16 September 2019 to conclusion of the liquidation (Inclusive)**

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for the period 16 September 2019 to conclusion of the liquidation (inclusive) which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule 2.

Table 4: Expected Costs for the Major Tasks from 16 September 2019 to conclusion of the liquidation (Inclusive)						
\$	Total	Task Area				
		Assets	Creditors	Employees	Investigation	Administration
Total (est)	30,000	5,000	8,000	2,000	10,000	5,000
GST	3,300	500	800	200	1,000	500
Total (incl GST)	33,000	5,500	8,800	2,200	11,000	5,500

**Total remuneration reconciliation**

At this point in time, I estimate that the total remuneration for this liquidation will be \$90,423.00 plus GST. This includes the current approval amount being sought of \$50,423.00 plus GST for the period of 16 September 2019 to conclusion of the liquidation (inclusive). This estimate differs to the estimate of costs provided in the previous Remuneration Report dated 12 June 2019, which estimated a cost of the administration of \$50,000 plus GST for the period 21 June 2019 to 31 December 2019.

**Comparison between current and previous remuneration approvals**

At the creditors meeting of 20 June 2019 creditors approved Administrators remuneration of \$214,177.75 and Liquidators remuneration of \$50,000 plus GST. To date, I have not yet drawn the total approval amount of \$264,177.75 plus GST. My remuneration has exceeded this cap and, in this report, I am now seeking approval of a further capped amount of \$40,423.00 plus GST to enable me to complete the liquidation of the Companies.

In the following table I compare, on a task basis, my estimate from my report of 12 June 2019 to my actual costs as at 15 September 2019 and provide an explanation for the difference in cost.

Task	Estimate (excl GST) \$	Actual (excl GST) \$	Reasons for differences
Assets	\$15,000	\$14,137	Attendance to assets is in line with the estimated time spent. In particular correspondence with auctioneers and

## REMUNERATION APPROVAL REPORT

Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation)  
ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust (“the Companies”)

Task	Estimate (excl GST) \$	Actual (excl GST) \$	Reasons for differences
			potential stock bidders has been fairly consistent. In addition, we recovered and sold two motor vehicles through an auctioneer and have identified assets and potential recoveries which were previously unidentified.
Creditors	\$7,500	\$22,560.50	Unsecured creditor enquiries and attendance to creditors submitting proof of debts have been greater than initially expected. Dealings with creditors secured creditors with PMSI and PPSR and liaising with them to finalise payout amounts and the validity of certain PMS Security interests.
Employees	\$7,500	\$17,364.00	There has been extensive work performed in relation to dealings with employees’ entitlements and lodgement with FEG. The work has been consistent as noted in table 3 above that within this amount a total of \$11,560 was offset by FEG for the work performed resulting to a remaining balance of \$5,804.
Investigation	\$10,000	\$1,785.00	Preference recovery yet to be initiated.
Dividend	\$0.00	\$0.00	No dividend related work has been undertaken at this stage.
Administration	\$10,000	\$16,136.00	Due to the complex nature of the liquidation, administrative matters have been higher.

In my previous remuneration approval report of 12 June 2019, I estimated that I was likely to make one further request for the approval of remuneration and at that time I estimated that the cost to complete the liquidation was going to be \$50,000 range. The liquidation is now nearing completion and I am seeking additional remuneration approval of \$40,423 plus GST, which differs to my previous estimate for the reasons above.

### Likely impact on dividends

The Companies traded in partnership, as Transit Clothing. Given the partnership structure, the priority afforded to employees under the Act has historically, not applied. However, due to recent case law for an analogous matter, we have sought both legal advice and FEG’s input to confirm the position.

If the Partnership Act applies, surplus funds, if any, will be paid equally to the Secured Creditors, subject to its security interest, and to all creditors (employees and unsecured) in equal proportions. If the Act applies, surplus funds, if any, will be paid to meet employee entitlements in accordance with section 556(1) of the Act.

Whether creditors receive a return in the liquidation will depend on:

- whether the Act, or Partnership Act applies; and
- the extent of any antecedent recoveries.

## Part 4: Disbursements

### Explanatory note on disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

Creditor approval is not required for payment of internal disbursements which have been charged at cost. Internal disbursements not charged at cost, however, must be approved by creditors before we can draw the cost of those disbursements from this external administration. As we have chosen not to charge the external administration for internally-generated FTI disbursements where they have not been charged at cost (such as internal photocopying and printing charges for the use of FTI's photocopiers, printers etc), this approval is not required.

Creditor approval is not required in relation to externally provided professional and non-professional costs or disbursements charged at cost. Where payments to third parties have been made from the bank account of the external administration, those payments are disclosed in the summary of receipts and payments. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

A summary of FTI Consulting’s Disbursement Rates is provided in Table 6 below:

**Table 6: Schedule of FTI Consulting Disbursement**

Disbursement type	Charge Type	Charge Rate (excl GST)
Advertising	External, non-professional	At cost
ASIC Industry Funding Levy – registered liquidator metric events*	External, non-professional	At cost (at prescribed ASIC rates)
Couriers and deliveries	External, non-professional	At cost
Data Room Charges	External, professional	At cost
Facsimile	Internal (FTI)	Not charged
Legal Fees	External, professional	At cost
Postage	External, non-professional	At cost
Photocopying – internal	Internal (FTI)	Not charged
Photocopying – outsourced	External, non-professional	At cost

**Table 6: Schedule of FTI Consulting Disbursement**

Disbursement type	Charge Type	Charge Rate (excl GST)
Printing – internal	Internal (FTI)	Not charged
Printing – outsourced	External, non-professional	At cost
Records costs – storage, destruction, boxes	External, non-professional	At cost
Search fees	External, non-professional	At cost
Staff motor vehicle use - mileage	Cents per km	At prescribed ATO rates
Staff travel – accommodation, meals etc	External, non-professional	At cost
Stationery and other incidental disbursements	External, non-professional	At cost
Telephone	Internal (FTI)	Not charged
Valuation Fees	External, professional	At cost
Other externally provided professional services		At cost
Other externally provided non-professional services		At cost

## Part 4: Summary of Receipts and Payments

A summary of receipts and payments to for the period 15 May 2019 to 10 September 2019 is contained in the Report to Creditors enclosed in this circular.

## Part 5: Queries

If you have any queries or require any further information concerning our claim for remuneration, please contact Loice Taderera on (08) 9321 8533 or via email on [loice.taderera@fticonsulting.com](mailto:loice.taderera@fticonsulting.com).

You can also access information which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for “insolvency information sheets”).



**Daniel Woodhouse**  
 Liquidator

## Schedule 1: Table of major tasks for Resolution 1 Remuneration Approval

Table 7 provides a description of the work undertaken in each major task area for the period 21 June 2019 to 15 September 2019 (inclusive).

Table 7: Work undertaken for the period 21 June 2019 to 15 September 2019 (inclusive)		
Task Area	General Description	Includes
<b>Assets</b> <b>\$14,137.00</b>	Stock	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, auctioneers and interested parties.</li> <li>▪ Reviewing asset listings.</li> </ul>
	Contributions and Proceeds	<ul style="list-style-type: none"> <li>▪ Monitoring the receipt of sale of stock proceeds.</li> <li>▪ Processing payments and receipts of sale of assets</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>▪ Bank account reconciliation.</li> </ul>
<b>Creditors</b> <b>\$22,560.50</b>	Creditor enquiries	<ul style="list-style-type: none"> <li>▪ Maintaining register of creditor enquiries.</li> <li>▪ Responding to creditor enquiries by telephone, email, facsimile and post.</li> </ul>
	Creditor reports & circulars	<ul style="list-style-type: none"> <li>▪ Preparing Statutory Report to Creditors.</li> <li>▪ Preparing ad hoc circulars to creditors.</li> </ul>
	Creditor Meetings (If applicable)	<ul style="list-style-type: none"> <li>▪ Preparing meeting notices, proxies and advertisements.</li> <li>▪ Distributing meeting notices &amp; proxies.</li> <li>▪ Preparing agenda and other documents for meeting.</li> <li>▪ Preparing and lodging meeting minutes with ASIC.</li> <li>▪ Responding to queries arising from meeting.</li> </ul>
	Related party claims (If applicable)	<ul style="list-style-type: none"> <li>▪ Reviewing related party transactions in respect to their claim in the liquidation.</li> </ul>
<b>Investigation</b> <b>1,785.00</b>	Potential Antecedent Transaction Recoveries and Insolvent Trading Claim	<ul style="list-style-type: none"> <li>▪ Analysing specific transactions warranting further investigation.</li> <li>▪ Reviewing the Company’s records regarding potential claims.</li> </ul>
	Reporting to ASIC	<ul style="list-style-type: none"> <li>▪ Further investigating the Company’s affairs and preparing and lodging statutory investigation report pursuant to Section 533 of the Act with ASIC.</li> <li>▪ Preparing supplementary statutory investigation report to ASIC (if required).</li> <li>▪ Requesting funding from ASIC (if required).</li> <li>▪ Communications with ASIC concerning investigations.</li> </ul>

**Table 7: Work undertaken for the period 21 June 2019 to 15 September 2019 (inclusive)**

<b>Task Area</b>	<b>General Description</b>	<b>Includes</b>
<b>Employees</b> <b>\$17,364.00</b>	Calculating entitlements	<ul style="list-style-type: none"> <li>▪ Liaising with the Australian Taxation Office regarding calculation of the Superannuation Guarantee Charge.</li> <li>▪ Calculation of employee entitlements and lodgement with FEG</li> </ul>
	Employee Correspondence	<ul style="list-style-type: none"> <li>▪ Sending out updates to employees.</li> <li>▪ Attending to ad hoc queries raised by employees.</li> </ul>
	Fair Entitlements Guarantee (“FEG”)	<ul style="list-style-type: none"> <li>▪ Completing FEG questionnaires.</li> <li>▪ Lodgements of employee entitlements with FEG</li> <li>▪ Lodgements of correspondence and reports with FEG</li> <li>▪ Communications with FEG relating lodgements.</li> </ul>
<b>Administration</b> <b>\$16,1369.50</b>	General	<ul style="list-style-type: none"> <li>▪ Word processing including correspondence, file notes, agendas and minutes.</li> <li>▪ Care and maintenance of the file.</li> </ul>
	File review/checklist/document maintenance	<ul style="list-style-type: none"> <li>▪ Administration review.</li> <li>▪ Document filing and maintenance.</li> <li>▪ File reviews.</li> <li>▪ Updating checklist.</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>▪ Bank account reconciliations.</li> <li>▪ Procuring and reviewing bank account statements.</li> <li>▪ Communications concerning bank account transactions.</li> </ul>
	ASIC lodgements	<ul style="list-style-type: none"> <li>▪ Preparation and lodging necessary forms with ASIC.</li> <li>▪ General communications with ASIC.</li> </ul>
	Meetings	<ul style="list-style-type: none"> <li>▪ Internal meetings to discuss the status of the administration.</li> </ul>
	General	<ul style="list-style-type: none"> <li>▪ Word processing including correspondence, file notes, agendas and minutes.</li> <li>▪ Care and maintenance of the file.</li> </ul>

## Schedule 2: Table of major tasks for Resolution 2 Remuneration approval

Table 8 provides a description of the work undertaken in each major task area for the period commencement to completion of the Liquidation (inclusive) [Liquidation scenario].

Table 8: Work to be undertaken for the period 16 September 2019 to completion of Liquidation (inclusive)		
Task Area	General Description	Includes
<b>Assets</b> \$5,000	Contributions and Proceeds	<ul style="list-style-type: none"> <li>Monitoring the receipt of sale of stock proceeds.</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>Bank account reconciliation.</li> </ul>
<b>Creditors</b> \$8,000	Creditor enquiries	<ul style="list-style-type: none"> <li>Maintaining register of creditor enquiries.</li> <li>Responding to creditor enquiries by telephone, email, facsimile and post.</li> </ul>
	Creditor reports & circulars	<ul style="list-style-type: none"> <li>Preparing Statutory Report to Creditors.</li> <li>Preparing ad hoc circulars to creditors.</li> </ul>
	Creditor Meetings (If applicable)	<ul style="list-style-type: none"> <li>Preparing meeting notices, proxies and advertisements.</li> <li>Distributing meeting notices &amp; proxies.</li> <li>Preparing agenda and other documents for meeting.</li> <li>Preparing and lodging meeting minutes with ASIC.</li> <li>Responding to queries arising from meeting.</li> </ul>
	Related party claims (If applicable)	<ul style="list-style-type: none"> <li>Reviewing related party transactions in respect to their claim in the liquidation.</li> </ul>
<b>Investigation</b> \$10,000	Potential Antecedent Transaction Recoveries and Insolvent Trading Claim	<ul style="list-style-type: none"> <li>Analysing specific transactions warranting further investigation.</li> <li>Reviewing the Company’s records regarding potential claims.</li> </ul>
	Reporting to ASIC	<ul style="list-style-type: none"> <li>Further investigation of the Company’s affairs and preparing and lodging statutory investigation report pursuant to Section 533 of the Act with ASIC.</li> <li>Preparing supplementary statutory investigation report to ASIC (if required).</li> <li>Requesting funding from ASIC (if required).</li> <li>Communications with ASIC concerning investigations.</li> </ul>
<b>Employees</b>	Calculating entitlements	<ul style="list-style-type: none"> <li>Liaising with the Australian Taxation Office regarding calculation of the Superannuation Guarantee Charge.</li> </ul>

**Table 8: Work to be undertaken for the period 16 September 2019 to completion of Liquidation (inclusive)**

<b>Task Area</b>	<b>General Description</b>	<b>Includes</b>
<b>\$2,000</b>	Employee Correspondence	<ul style="list-style-type: none"> <li>▪ Sending out updates to employees.</li> <li>▪ Attending to ad hoc queries raised by employees.</li> </ul>
	Employee dividend (if applicable)	<ul style="list-style-type: none"> <li>▪ Communicating with employees.</li> <li>▪ Communicating with the ATO concerning SGC proof of debt.</li> <li>▪ Adjudicating claims.</li> <li>▪ Calculating dividend rate.</li> <li>▪ Preparing dividend file.</li> <li>▪ Distributing dividend payments.</li> <li>▪ Preparing PAYG Payment Summaries in relation to dividend.</li> <li>▪ Remitting PAYG from dividend to the ATO.</li> </ul>
	Fair Entitlements Guarantee (“FEG”)	<ul style="list-style-type: none"> <li>▪ Determining whether FEG’s assistance is required in the liquidation.</li> <li>▪ Communications with FEG.</li> <li>▪ Completing FEG questionnaires.</li> </ul>
<b>Administration \$5,000</b>	General	<ul style="list-style-type: none"> <li>▪ Word processing including correspondence, file notes, agendas and minutes.</li> <li>▪ Care and maintenance of the file.</li> </ul>
	Checklist/document maintenance	<ul style="list-style-type: none"> <li>▪ Updating appointment checklist.</li> <li>▪ Physical and electronic document filing and maintenance.</li> </ul>
	Bank accounts	<ul style="list-style-type: none"> <li>▪ Closing bank accounts.</li> <li>▪ Bank account reconciliations.</li> </ul>
	ASIC lodgements	<ul style="list-style-type: none"> <li>▪ Lodging end of administration return.</li> <li>▪ Communicating with ASIC.</li> </ul>
	ATO lodgements	<ul style="list-style-type: none"> <li>▪ Lodging a Cessation of appointment.</li> <li>▪ Preparing and submitting BAS.</li> </ul>
	Finalisation	<ul style="list-style-type: none"> <li>▪ Communication with ATO concerning finalization.</li> <li>▪ Cancelling ABN/GST/PAYG registration.</li> <li>▪ Finalising WIP.</li> <li>▪ Completing checklists.</li> </ul>

## Schedule 4: FTI Consulting Schedule of Rates

FTI Consulting CF&R Standard Rates effective 1 May 2019 (excluding GST)		
Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years’ experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Appendix B – Proxy Form

**TRANSIT CLOTHING PTY LTD ABN 53 798 556 254 TRADED IN PARTNERSHIP BY  
DOUBLE HOLDINGS PTY LTD ACN 114 064 167 ATFT DAY FAMILY TRUST AND  
GGA LIFESTYLE PTY LTD ACN 114 064 158 ATFT FRANCIS FAMILY TRUST  
(IN LIQUIDATION) (“THE COMPANIES”)**

**APPOINTMENT OF PROXY**

\*I/\*We \_\_\_\_\_ (name of signatory) of \_\_\_\_\_ (creditor name)  
a creditor of the Companies appoint \_\_\_\_\_ (name of proxy)  
of \_\_\_\_\_ (address of proxy)  
or in his or her absence \_\_\_\_\_ (details of alternate proxy)  
as \*my/\*our \*general/\*special proxy to vote at the meeting of creditors to be held at **11:00 AM (WST) on  
Tuesday, 8 October 2019** at FTI Consulting’s office located at Central Park, Level 47, 152-158 St Georges  
Terrace, PERTH WA 6000.

**Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf.

**AND/OR Option 2:**

If appointed as a special proxy for some or all resolutions, specifically in the manner set out below (please tick).

	<b>Resolution (please specify the particular resolution)</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
1	<i>The remuneration of the Liquidators of Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust &amp; GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust for the period 21 June 2019 to 15 September 2019 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019 (Corporate Finance &amp; Restructuring and Strategic Communications), and is determined and approved for payment in the amount of \$10,423 plus GST and the Liquidators can draw the remuneration.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<i>“The remuneration of the Liquidators of Transit Clothing Pty Ltd ABN 53 798 556 254 Traded in Partnership by Doubleup Holdings Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust &amp; GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust for the period 16 September 2019 to conclusion of the liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<b>Resolution (please specify the particular resolution)</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
	<i>hourly rates set out in the Schedule of FTI Consulting Standard Rates effective 1 May 2019 (Corporate Finance &amp; Restructuring and Strategic Communications), up to a capped amount of \$30,000 plus GST, and the Liquidators can draw the remuneration..”</i>			
3	<i>That pursuant to Section 70-35 of the Insolvency Practice Schedule, the Liquidators be authorised to destroy the books and records of the Companies, three months after the deregistration of the Companies, subject to obtaining the approval of the Australian Security and Investments Commission.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: .....

.....  
Name and signature of authorised person

.....  
Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

I,  
.....of.....  
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Dated:.....Signature of witness: .....

Description: .....Place of residence: .....

## Appendix C – Form 535 Formal Proof of Debt

**FORM 535 – FORMAL PROOF OF DEBT OR CLAIM**

Subregulation 5.6.49(2)  
Corporations Act 2001

**TRANSIT CLOTHING PTY LTD ABN 53 798 556 254 TRADED IN PARTNERSHIP BY DOUBLE HOLDINGS PTY LTD  
ACN 114 064 167 ATFT DAY FAMILY TRUST AND GGA LIFESTYLE PTY LTD  
ACN 114 064 158 ATFT FRANCIS FAMILY TRUST (IN LIQUIDATION) ("THE COMPANIES")**

To the Liquidator Transit Clothing Pty Ltd Clothing ABN 53 798 556 254 traded in Partnership by Doubleup Holding Pty Ltd ACN 114 064 167 (In Liquidation) ATFT Day Family Trust & GGA Lifestyle Pty Ltd ACN 114 064 158 (In Liquidation) ATFT Francis Family Trust ("**the Companies**").

1. This is to state that the Companies were on 15 May 2019, and still is, justly and truly indebted to \_\_\_\_\_  
(full name, ABN and address of the creditor and, if applicable, the creditor's partners) for \_\_\_\_\_ dollars  
and \_\_\_\_\_cents

Particulars of the debt are:

<b>Date</b>	<b>Consideration</b> (state how the debt arose)	<b>Amount (\$/c)</b>	<b>Remarks</b> (include details of voucher substantiating payment)
-------------	----------------------------------------------------	----------------------	-----------------------------------------------------------------------

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: \_\_\_\_\_  
(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

<b>Date</b>	<b>Drawer</b>	<b>Acceptor</b>	<b>Amount (\$/c)</b>	<b>Due Date</b>
-------------	---------------	-----------------	----------------------	-----------------

3. Signed by (select correct option):

- I am the creditor personally.
- I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Name: \_\_\_\_\_ Occupation\*: \_\_\_\_\_

Address: \_\_\_\_\_

*\* If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor*

<b>RECEIVE REPORTS BY EMAIL</b>	<b>Yes</b>	<b>No</b>
Do you wish to receive all future reports and correspondence from our office via email?	<input type="checkbox"/>	<input type="checkbox"/>
Email:.....		

**If being used for the purpose of voting at a meeting:**

- a) Is the debt you are claiming assigned to you?  No  Yes
- b) If yes, attach written evidence of the debt, the assignment and consideration given.  Attached
- c) If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$\_\_\_\_\_
- d) If yes, are you a related party creditor of the Company?  
(f you are unsure contact the Liquidator)  No  Yes

## **GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS APPOINTMENT OF PROXY FORM**

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the Corporations Act 2001 ("the Act"). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your choice.

### **FORMAL PROOF OF DEBT OR CLAIM FORM**

The proof of debt submitted during an Administration is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration.

Admission of your proof for voting purposes does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the form so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

*If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.*

# Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



## Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by  $\geq 5\%$  of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$  but  $< 25\%$  of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$  of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

## Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

## Requests must be reasonable.

### They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

## Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

## Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

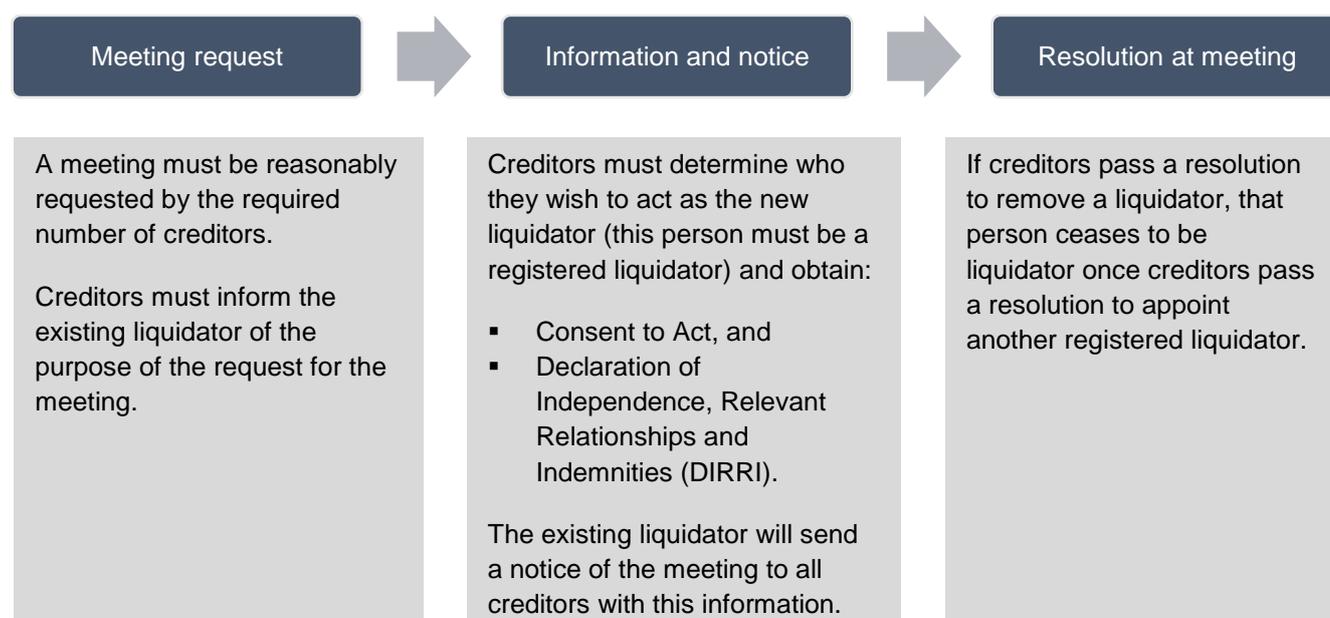
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

## Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors)**

# Appendix D – Information Sheet: Creditors Rights in Liquidation

## Appendix E – Details and notices for the meeting of creditors

**NOTICE OF MEETING OF CREDITORS**

**TRANSIT CLOTHING ABN 53 798 556 254 TRADED IN PARTNERSHIP BY DOUBLE HOLDINGS PTY LTD  
ACN 114 064 167 ATFT DAY FAMILY TRUST AND GGA LIFESTYLE PTY LTD ACN 114 064 158 ATFT  
FRANCIS FAMILY TRUST  
(IN LIQUIDATION) ("THE COMPANIES")**

NOTICE IS HEREBY GIVEN that the third meeting of creditors of the Companies will be held on **Tuesday, 8 October 2019**, at FTI Consulting's office located at Central Park, Level 47, 152 – 158 St Georges Terrace, PERTH WA 6000, commencing at **11:00 AM (AWST)**.

**AGENDA**

1. To receive a report by the Liquidator about the business, property, affairs and financial circumstances of the Companies;
2. To consider and if thought fit approve the Liquidator's remuneration;
3. To consider destruction of the books and records of the Companies, 3 months after the deregistration of the Companies; and
4. Any other business that may lawfully arise.

Dated this 20<sup>th</sup> day of September 2019



**Daniel Woodhouse**  
**Joint and Several Liquidator**