

**LIQUIDATOR'S ANNUAL REPORT TO CREDITORS OF
SPORTS ALIVE PTY LTD
(IN LIQUIDATION)
ACN 069 087 332 - ABN 49 069 087 332
PURSUANT TO SECTION 508(1)(b)(ii)
OF THE CORPORATIONS ACT 2001
FOR THE YEAR ENDED 26 AUGUST 2017**

R E P O R T

1. Introduction

I refer to the appointment of Keith Sutherland and I as joint and several Liquidators of the company on 26 August 2011, and to my previous reports to creditors dated 23 March 2012, 23 November 2012, 16 May 2013, 6 May 2014, 26 February 2015, 11 November 2015 and 14 October 2016.

I now provide this report on the conduct of the winding up for the year ended 26 August 2017, as required by Section 508 of the Corporations Act 2001.

2. Receipts and Payments

A summary of receipts and payments for the liquidation to date is enclosed.

There is currently \$69,297.36 held in the liquidation bank account. I expect that these monies will be expended in meeting the further costs of the winding up, and in paying a further dividend to the Department of Employment (the Department) in respect of monies advanced to enable the payment of employees' Payment In Lieu of Notice (PILN) and redundancy entitlements.

3. Distribution to Creditors

A dividend to priority creditors was declared at the rate of 100 cents in the dollar on 27 April 2017 resulting in the Australian Taxation Office (ATO) and the Department of Employment (the Department) receiving \$417,892.46 and \$271,311.81 respectively, for outstanding superannuation contributions and reimbursement of monies advanced under the Fair Entitlement Guarantee (FEG) Scheme to pay employees' wages and annual leave entitlements.

A dividend totalling \$1,722.46 was also paid to two (2) former employees owed wages on 15 May 2017.

Accordingly, all priority creditors have now been paid their outstanding superannuation, wages and annual leave entitlements.

There remains an amount of \$142,382.15 owing to the Department for money advanced to pay the PILN and redundancy entitlements.

There are sufficient monies available to pay a partial dividend to the Department on the balance of its claim. I estimate the dividend will be approximately 24 cents in the dollar and I anticipate declaring the dividend within two (2) months of the date of this report.

There are presently insufficient monies to pay a further dividend to the secured creditor and the unsecured creditors, including the account holders.

4. Investigations

My investigations regarding the following are now complete:

- Unfair Preferences,
- Insolvent Trading,
- Breach of Directors' duties, and
- Claims Against Unitholders,

Debtor collections in the liquidation totalled \$159,363.00 and I am not taking any further action with regards to the debtors.

Sale of Action

As creditors may be aware from the report to creditors dated 4 March 2015, a potential claim existed against Tote Tasmania (Tote) in relation to assurances purportedly provided by Tote to the company that it would be investing additional monies in the company, in particular given that the CEO of Tote, Craig Coleman, was also Chairman of the board of directors of the company.

I have been contacted by a creditor that has expressed an interest in purchasing the above action. I am currently in discussions with my solicitors and the interested party regarding a sale and will advise of the outcome in due course.

5. Liquidator's Acts and Dealings

I have attended to the following matters during the year ended 26 August 2017:-

- continued my investigations, including discussions with a creditor interested in purchasing the action against Tote and liaised with solicitors regarding recovery actions and the potential sale of the action,
- responded to queries from employees, account holders and other creditors,
- ascertained the company's outstanding superannuation liability and had correspondence with the ATO requesting a Proof of Debt in regards to the company's superannuation liability,
- paid a dividend to the ATO and the Department for outstanding superannuation and reimbursement of monies advanced under the FEG,
- paid a dividend to employees in respect of their outstanding wages entitlements and payment of the superannuation that accrued on their wages,
- prepared and lodged an annual report with ASIC, and forwarded notice of the annual report to creditors, and
- attended to all other ASIC and ATO lodgements.

6. Future Acts and Dealings / Estimated Date of Completion

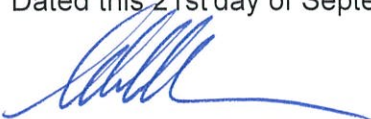
As required by the Corporations Act, set out below is a description of the acts and dealings that remain to be carried out in order to complete the winding up:

- continue and finalise my discussions and investigations regarding the potential sale of the claim against Tote,
- report further to the Committee of Inspection (COI) and convene a meeting of the COI,
- pay a dividend to the Department in respect of funds advanced to enable the payment of employees' claims for PILN and redundancy,
- respond to creditor queries and prepare further reports to creditors as required,
- convene a final meeting of the company's creditors, and
- finalise the liquidation.

I expect that the liquidation may be finalised by 30 June 2018.

Should you have any queries, please do not hesitate to contact Michael Quin of this office or myself.

Dated this 21st day of September 2017.



HAMISH MacKINNON
JOINT LIQUIDATOR

Encl.

Sports Alive Pty Ltd
(In Liquidation)

Receipts & Payments Summary
for the period ended 19 September 2017

Receipts:	
Cash at Bank	\$ 45,242.40
Accounts Receivable	159,363.20
Conduct Monies	50.00
GEERS Advance	413,693.96
GST Refund	318,111.33
GST Receipts	92,283.00
Interest Income	74,295.07
Repayment of Charge Back Claims	16,639.00
Sale of Add-on Software	21,000.00
Sale of Plant & Equipment	4,744.94
Sale of Database	132,000.00
Sale of Domain Names	2,100.00
Sundry Receipt	300.00
Term Deposit Monies - Bendigo Bank	274,547.93
Term Deposit Monies - NAB	182,205.17
Unfair Preference Recoveries	684,444.35
Workcover Refund	1,231.53
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Total Receipts	<u>\$ 2,422,251.88</u>
Payments:	
Advertising	\$ 2,202.44
ASIC Filing Fees	138.00
Auctioneer's Charges	1,992.10
Cartage	1,542.69
Computer Maintenance	462.00
Conduct Monies/ Examination Expenses	1,839.05
Courier	917.28
Distribution to Priority Creditors	694,186.36
Distribution to Secured Creditor	81,082.19
Domain Name Renewals	177.00
FOI Application Fee	25.10
GEERS Distributions	413,691.96
GST Payable	3,433.00
Insurance	1,263.95
Internet Service	417.00
Legal Fees	545,003.21
Liquidators' Remuneration	539,000.00
Locksmith Fees	993.11
Mediation Costs	4,142.50
Mail Redirection	262.00
Mailout Expenses	19,605.46
Postage & Stationery	2,263.71
Printing & Copying	13,768.69
Professional Fees	8,545.64
Search Fees	1,666.07
Security & Protecting Assets	2,403.92
Storage of Assets	1,100.00
Security	528.00
Stamp Duty	71.40
Storage of Records	5,859.44
Sundry Expenses	172.71
Superannuation	91.80
Supreme Court Filing Fee	938.50
Telephone & Fax	693.30
Travel	932.00
Wages	1,542.94
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Total Payments	<u>\$ 2,352,954.52</u>
Net Receipts/ Cash at Bank	<u>\$ 69,297.36</u>