

20 April 2018

Australian Music Group Holdings Pty Ltd ACN 127 691 534
Australian Music Group Pty Ltd ACN 127 926 434
Australian Music Pty Ltd ACN 125 007 561 (“AMPL”)
AMG Shared Services Pty Ltd ACN 117 052 936 (“AMGSS”)
The Billy Hyde Group Pty Ltd ACN 126 132 107
Musiclink Group Pty Ltd ACN 125 412 464
Billy Hyde Imports Pty Ltd ACN 102 430 704
Music Link Orchestral Supplies Pty Ltd ACN 117 581 996
Music Link Australia Pty Ltd ACN 005 541 239
Intermusic Distribution Pty Ltd ACN 006 539 831
Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719
Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752
Billy Hyde Music Group Pty Ltd ACN 116 398 371
Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466
MLA Asset Services Pty Ltd ACN 131 523 905
Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970
MLA Services Pty Ltd ACN 005 564 509
(All Receivers and Managers Appointed) (All In Liquidation)
Formerly trading as “Allans Billy Hyde”
(Collectively referred to herein as “the Companies” or “the Group”)

Annual Report to Creditors

I was appointed Voluntary Administrator of the Companies on 23 August 2012 pursuant to Section 436A of the *Corporations Act 2001* (“**the Act**”). Immediately following my appointment, Messrs James Stewart and Brendan Richards of Ferrier Hodgson were appointed Receivers and Managers of the Companies (“**the Receivers**”) pursuant to a security interest registered against the Companies in favour of Revere Capital Pty Ltd (“**the Secured Creditor**”).

At the meetings of creditors of the Companies held on 25 January 2013, the Companies were placed into liquidation and I was appointed Liquidator of the Companies pursuant to section 446A of the Act (“**the Liquidator**”).

Sections 1603 and 508(1) of the Act provides that where the winding up of a company continues over one (1) year, the Liquidator is required to either:

- i. convene a meeting of the creditors; or
- ii. prepare a report that complies with Section 508(3) of the Act and lodge a copy of the report with the Australian Securities and Investments Commission.

The purpose of this report is to comply with Sections 1603 and 508(3) of the Act. This report is provided in respect of each of the Companies, however where possible and appropriate, the Liquidator has reported on the individual affairs of each company within the Group.

This report should be considered in conjunction with my previous reports to creditors, in particular my report dated 19 April 2017.

I set out below a report on the conduct the liquidations to date under the following headings:

1. **Conduct of the Liquidations**
2. **Statements of Receipts and Payments**
3. **Likelihood of a Dividend to Creditors**
4. **Summary and Way Forward**

1. **Conduct of the Liquidations**

1.1 **Voidable Transactions**

As creditors are aware, much of the Liquidator's work has focussed upon the recovery of antecedent transactions, particularly in the context of AMPL and AMGSS. In particular, the Liquidator has successfully sought the recovery of approximately \$3.9 million across the liquidations of AMPL and AMGSS, representing the settlement of 11 unfair preference claims.

All preference claims have previously been resolved and the Liquidator does not expect any further such recoveries.

1.2 **Insolvent Trading Claim**

Creditors will recall that the Liquidator has been considering whether pursuing a claim for trading whilst insolvent is warranted.

Since the date of the Liquidator's last report, further time has been invested by the Liquidator's staff in:

- Considering the evidence available to support a claim, statutory defences available to the respondents and the overall commercial benefit for creditors;
- Quantifying the value of the potential claim through an assessment of claims submitted by creditors; and
- Engaging with advisors so as to determine options for pursuing any claim, in particular with regard to how such an action would be funded, including the option of litigation funding.

Numerous legal and commercial issues require consideration before a final decision as to whether the potential claim should be pursued is made. The Liquidator will inform creditors once a final decision is made.

In order to assist with the assessment of the potential claim, the Liquidator requests that creditors who have not yet lodged a Formal Proof of Debt in the liquidations of the Companies do so as soon as possible using the form provided at **Annexure A**.

Given the sensitive nature of the Insolvent Trading Claim, the Liquidator is unable to provide further comment at this stage. Further updates will be provided to creditors in due course.

2. Statements of Receipts and Payments

Separate statements of receipts and payments for each of the Companies for the period 25 January 2017 to 24 January 2018 are attached at **Annexure B**. As at 15 April 2018, the Liquidator held the following amounts in group bank accounts:

Liquidation Bank Account Balance as at 15 April 2018	
Company	Bank account balance (\$)
Australian Music Group Holdings Pty Ltd	10,750.20
Australian Music Group Pty Ltd	0.37
AMG Shared Services Pty Ltd	727,732.90
Australian Music Pty Ltd	1,535,929.36
The Billy Hyde Group Pty Ltd	1,545.00
Musiclink Group Pty Ltd	0.00
Billy Hyde Imports Pty Ltd	1,687.02
Music Link Orchestral Supplies Pty Ltd	0.00
Music Link Australia Pty Ltd	1,298.00
Intermusic Distribution Pty Ltd	2.59
Billy Hyde Music Brisbane Pty Ltd	1,557.84
Billy Hyde Music Gold Coast Pty Ltd	285.77
Billy Hyde Music Group Pty Ltd	334.74
Billy Hyde Music Adelaide Pty Ltd	60.68
MLA Asset Services Pty Ltd	11.18
Billy Hyde Music Sunshine Coast Pty Ltd	388.28
MLA Services Pty Ltd	176.16
Total	2,281,760.09

The funds currently held by the Liquidator will be expended in:

- Meeting other outstanding professional costs and disbursements;
- Adjudicating on claims and distributing a dividend to creditors of the Companies; and, potentially
- Meeting the costs of the Insolvent Trading Claim, if pursued (in whole or part determining on how funded);

3. Likelihood of a Dividend to Creditors

The Liquidator considers it likely that a dividend to unsecured creditors will be available in AMPL.

Dividends may also be available in the liquidations of the remainder of the Companies, dependent upon whether the Insolvent Trading Claim is pursued, and the outcome of that claim.

The intercompany structure of the Group and the ability of creditors to claim in the liquidation of each of the Companies is complex. Creditors should refer to my report of 19 April 2017 for further guidance in this regard.

The timing and quantum of any dividend will be driven by whether the Insolvent Trading Claim is pursued, if so how it is funded, and the outcome of that claim. The Liquidator will provide creditors with a further update if that claim is pursued and as it progresses.

4. Summary and Way forward

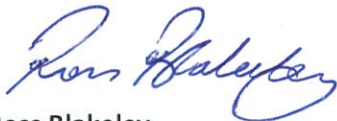
This report summarises matters attended to by the Liquidator since the previous report to creditors.

At this stage, the Liquidator anticipates the liquidations will continue for approximately 6 months if the Insolvent Trading Claim is not pursued, however longer if such a claim is pursued.

The Liquidator's focus in the immediate term will be directed at determining whether the Insolvent Trading Claim ought to be pursued and if so, subsequently seeking an expedient resolution of the matter.

Should you have any queries in relation to the Companies please contact Ms Maxine Allan of this office.

Yours faithfully



Ross Blakeley
Liquidator

Enc.

Annexure A

EXPERTS WITH **IMPACT**[™]

FORM 535
Corporations Act 2001

Subregulation 5.6.49(2)

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MLA Asset Services Pty Ltd ACN 131 523 905
Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970
MLA Services Pty Ltd ACN 005 564 509
(All Receivers and Managers Appointed) (All in Liquidation)
(Collectively referred to herein as "the Companies" or "AMG")

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To: The Liquidator of the Companies *(please tick ONE company only)*:

Australian Music Group Holdings Pty Ltd	<input type="checkbox"/>
Australian Music Group Pty Ltd	<input type="checkbox"/>
AMG Shared Services Pty Ltd	<input type="checkbox"/>
The Billy Hyde Group Pty Ltd	<input type="checkbox"/>
Musiclink Group Pty Ltd	<input type="checkbox"/>
Billy Hyde Imports Pty Ltd	<input type="checkbox"/>
Musiclink Orchestral Supplies Pty Ltd	<input type="checkbox"/>
Music Link Australia Pty Ltd	<input type="checkbox"/>
Intermusic Distribution Pty Ltd	<input type="checkbox"/>
Australian Music Pty Ltd	<input type="checkbox"/>
Billy Hyde Music Brisbane Pty Ltd	<input type="checkbox"/>
Billy Hyde Music Gold Coast Pty Ltd	<input type="checkbox"/>
Billy Hyde Music Group Pty Ltd	<input type="checkbox"/>
Billy Hyde Music Adelaide Pty Ltd	<input type="checkbox"/>
MLA Asset Services Pty Ltd	<input type="checkbox"/>
Billy Hyde Music Sunshine Coast Pty Ltd	<input type="checkbox"/>
MLA Services Pty Ltd	<input type="checkbox"/>

1. This is to state that the selected company above was on 23 August 2012, and still is, justly and truly indebted to:

.....
.....ABN.....
(full name, ABN and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor) for
..... dollars and cents.

Particulars of the debt are:

Date	Consideration (state how the debt arose)	Amount (exc GST) \$ c	Amount GST Only \$ c	Remarks (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 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).*

Date	Drawer	Acceptor	Amount \$ c	Due Date

- 3.* 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.
- 3.* I am the creditor's agent authorised in writing to make this statement in writing. 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.

Signature: Dated:

Occupation:

Address:

(* Strike out whichever is inapplicable.)

Annexure B

EXPERTS WITH **IMPACT**[™]

Australian Music Group Holdings Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	10,951.65
Interest Income	108.48
Total Receipts	11,060.13
Payments	
Appointee Disbursements	(336.38)
Total Payments	(336.38)
Cash at Bank as at 24 Jan 2018	10,723.75

Australian Music Group Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	0.5
GST Control: GST Paid/Received	44.0
Total Receipts	44.50
Payments	
Fees: Appointee Fees	(44.13)
Cash at Bank as at 24 Jan 2018	0.37

AMG Shared Services Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	725,909.06
GST Control: GST Paid/Received	848.00
Interest Income	13,240.58
Total Receipts	739,997.64
Payments	
Appointee Disbursements	(588.15)
Bank Charges	(120.00)
Fees: Appointee Fees	(8,752.70)
Total Payments	(9,460.85)
Cash at Bank as at 24 Jan 2018	730,536.79

Australian Music Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	1,594,137.90
GST Control: GST Paid/Received	39,816.00
Interest Income	30,288.26
Total Receipts	1,664,242.16
Payments	
Appointee Disbursements	(606.65)
Fees: Appointee Fees	(84,203.74)
Legal Fees	(7,256.70)
Total Payments	(92,067.09)
Cash at Bank as at 24 Jan 2018	1,572,175.07

The Billy Hyde Group (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	0.00
GST Control: GST Paid/Received	1,545.00
Total Receipts	1,545.00
Payments	
Nil	
Cash at Bank as at 24 Jan 2018	1,545.00

Billy Hyde Imports Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	0.00
GST Control: GST Paid/Received	1,687.02
Total Receipts	1,687.02
Payments	
Nil Transactions	
Cash at Bank as at 24 Jan 2018	1,687.02

Music Link Australia Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)

Receipts

Balance from Previous Period	
GST Control: GST Paid/Received	1,298.00
Total Receipts	1,298.00

Payments

Nil	
Cash at Bank as at 24 Jan 2018	1,298.00

Intermusic Distribution Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)

Receipts

Balance from Previous Period	1,919.17
GST Control: GST Paid/Received	194.00
Interest Income	12.82
Total Receipts	2,125.99

Payments

Appointee Disbursements	(104.50)
Fees: Appointee Fees	(2,018.90)
Total Payments	(2,123.40)
Cash at Bank as at 24 Jan 2018	2.59

Billy Hyde Music Brisbane Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)

Receipts

Balance from Previous Period	0.00
GST Control: GST Paid/Received	1,557.84
Total Receipts	1,557.84

Payments

Nil Transactions	
Cash at Bank as at 24 Jan 2018	1,557.84

Billy Hyde Music Gold Coast Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

	(\$)
Receipts	
Balance from Previous Period	145.61
GST Control: GST Paid/Received	137.00
Interest Income	2.48
Total Receipts	285.09
Payments	
Nil	
Cash at Bank as at 24 Jan 2018	285.09

Billy Hyde Music Group Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

	(\$)
Receipts	
Balance from Previous Period	197.95
GST Control: GST Paid/Received	133.00
Interest Income	2.98
Total Receipts	333.93
Payments	
Nil	
Cash at Bank as at 24 Jan 2018	333.93

Billy Hyde Music Adelaide Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

	(\$)
Receipts	
Balance from Previous Period	60.13
GST Control: GST Paid/Received	159.00
Interest Income	0.56
Total Receipts	219.69
Payments	
Fees: Appointee Fees	(159.14)
Total Payments	(159.14)
Cash at Bank as at 24 Jan 2018	60.55

MLA Asset Services Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	12.04
GST Control: GST Paid/Received	164.00
Interest Income	0.04
Total Receipts	176.08
Payments	
Fees: Appointee Fees	(164.90)
Total Payments	(164.90)
Cash at Bank as at 24 Jan 2018	11.18

Billy Hyde Music Sunshine Coast Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	257.86
GST Control: GST Paid/Received	126.00
Interest Income	3.49
Total Receipts	387.35
Payments	
Nil	
Cash at Bank as at 24 Jan 2018	387.35

MLA Services Pty Ltd (In Liquidation)
Receipts and Payments for the period
25 January 2017 to 24 January 2018

(\$)	
Receipts	
Balance from Previous Period	174.79
GST Control: GST Paid/Received	177.00
Interest Income	1.70
Total Receipts	353.49
Payments	
Fees: Appointee Fees	(177.74)
Total Payments	(177.74)
Cash at Bank as at 24 Jan 2018	175.75

Closed Bank Accounts - Nil Transactions

(\$)	
Musiclink Group Pty Ltd	nil
Music Link Orchestral Supplies Pty Ltd	nil