

20 April 2023

**ACN 004 817 323 PTY LTD (IN LIQUIDATION)  
FORMERLY KNOWN AS LAURA ASHLEY (AUSTRALIA) PTY LTD  
ACN 004 817 323 (“COMPANY”)**

**REPORT TO CREDITORS**

I refer to my update to creditors dated 21 November 2022. The purpose of this report is to:

- advise creditors of a dividend to priority employee creditors for wages and superannuation; and
- seek approval from creditors of the Liquidators' current and future remuneration and disbursements.

This report will be discussed at the Meeting of Creditors which has been convened for Thursday, 18 May 2023 at 11:30 AM AEST (the “**Meeting**”). The meeting will take place virtually over Microsoft Teams. Further details about the Meeting can be found in the notice of meeting.

### **1. Distribution to Priority Employee Creditors**

Creditors will recall that the Commonwealth of Australia (“**Commonwealth**”) provided funding and an indemnity to the Liquidators to pursue the trading whilst insolvent claim (“**TWI Claim**”). The Liquidators have since reimbursed the funding provided by the Commonwealth, from the settlement proceeds recovered.

As the Commonwealth assumed the risk of indemnifying and funding the Liquidators for the TWI Claim, they considered making an application to the Court pursuant to section 564 of the Corporations Act (“**the Act**”). In accordance with the Act, on the application of a relevant party, the Court has the power to grant a creditor who has financially supported litigation which has led to a recovery, an advantage over other creditors in consideration of the risk assumed by them. A successful application by the Commonwealth would in effect give it a priority uplift ahead of other creditors from the net proceeds available from the TWI Claim at an amount considered appropriate by the Court.

The Commonwealth had previously requested time to consider potentially making an application to the Court pursuant to section 564 of the Act, and thus the Liquidator deferred distributing funds held pending their deliberation. The Commonwealth recently advised they do intend to make such an application. Accordingly, I am now in a position to declare a first and final dividend for priority employee wages and superannuation creditor claims. There will be no dividend to any other class of creditors in the Liquidation, including unsecured creditors.

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Based on the admitted claims for wages and superannuation to date, the rate of return for priority employees wage and superannuation claims is presently estimated at 94 cents in the dollar. The calculation for this estimated return is provided overleaf. The actual dividend rate will be determined at the time of declaration.

<b>Estimated Return to Priority Creditors</b>			
	<b>Claim (\$)</b>	<b>(\$)</b>	<b>Recovery (%)</b>
Cash balance as at 31 March 2023		2,823,087	
<i>Add:</i>			
Estimated GST refund for March 2023 quarter		98	
Estimated interest on term deposit		7,500	
<i>Less:</i>			
Liquidators' remuneration for the period 14 November 2022 to 31 March 2023		(35,302)	
Liquidators' remuneration for the period 1 April 2023 to completion		(20,000)	
Estimated mail out costs		(6,000)	
Estimated cost to destroy Company books and records		(1,300)	
Contingency for other costs		(2,000)	
<b>Estimated surplus cash available for distribution</b>		<b>2,766,084</b>	
<b>Payments to wages and superannuation creditors</b>			
Unpaid wages (advances under the Fair Entitlements Scheme)	268	(252)	
Underpaid wages	4,725	(4,443)	
Superannuation shortfall, interest and administration charges	2,936,707	(2,761,389)	
<b>Total amounts paid to wages and superannuation creditors</b>	<b>2,941,701</b>	<b>(2,766,084)</b>	<b>94.0%</b>
<b>Closing cash balance</b>		<b>0</b>	

With the exception of the underpaid wages claim, all other outstanding wages owing as at the commencement of my appointment were paid either by the Voluntary Administrators or under the Fair Entitlements Guarantee Scheme upon the Company entering Liquidation.

The superannuation shortfall, interest and administration charges form the Australian Taxation Office's claim for outstanding Superannuation Guarantee Charge, thus employees are not required to submit an individual claim for their outstanding superannuation.

I am not aware of any other outstanding claims for wages and superannuation.

## 2. Declaration of Dividend

On the assumption that creditors approve the Liquidators' fees at the upcoming meeting, I intend to declare a first and final dividend on or around 1 June 2023 to employee creditors with respect to outstanding wages and superannuation.

In this regard, please find attached:

- Form 548, Notice of Declaration of Dividend; and
- Form 535, Formal Proof of Debt form.

All employee creditors are required formally to prove their debt or claim on or before 18 May 2023, otherwise they may be excluded from participating in the dividend. Employee creditors are reminded that they are not required to submit a claim for outstanding superannuation.

Please submit your claim by email to **LauraAshleyCreditors@fticonsulting.com** or by post to:

**ACN 004 817 323 Pty Ltd (In Liquidation)**  
**C/- FTI Consulting**  
**GPO Box 538**  
**MELBOURNE VIC 3001**

### **3. Liquidators' remuneration**

The Liquidators have incurred fees of \$35,301.50 plus GST between 14 November 2022 and 31 March 2023.

The work performed by the Liquidators during this period primarily relates to:

- preparing for and convening the meeting of creditors on 7 December 2022;
- preparing reports to creditors;
- dealing with creditor enquiries;
- adjudicating wages and superannuation claims; and
- various administrative tasks.

Further, the Liquidators will continue to incur further general fees and fees to:

- convene the meeting of creditors;
- pay the dividend for wages and superannuation; and
- finalise the liquidation.

The Liquidators are seeking remuneration approval of \$20,000 excluding GST from creditors for time incurred from 1 April 2023 to completion of the liquidation. It is possible that the fees actually incurred may be less than this amount, in which case the Liquidators will only draw remuneration for the actual time incurred.

Further details regarding the Liquidators' remuneration, associated tasks and time incurred to date are available in the Remuneration Approval Report.

#### 4. Meeting of Creditors

Creditors are advised that a meeting of the creditors of the Company will be held on **Thursday, 18 May 2023 at 11:30 AM AEST** by videoconference.

Creditors intending to attend the meeting must pre-register to attend and submit certain documents in advance of the meeting.

Further details regarding the meeting of creditors are provided in the "Circular to Creditors" dated 19 April 2023.

#### 5. Outstanding matters to finalisation

The Liquidators intend to focus on the following matters in finalising the liquidation:

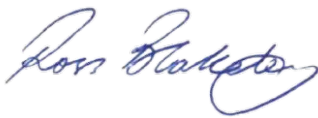
- hold the meeting of creditors;
- pay the dividend for wages and superannuation; and
- finalise the liquidation.

On the basis the liquidation proceeds as anticipated above, this will be the final report to creditors.

The support and patience of all creditors through the liquidation process is appreciated.

Should you have any queries in relation to this update, please do not hesitate to contact our office by email at [LauraAshleyCreditors@fticonsulting.com](mailto:LauraAshleyCreditors@fticonsulting.com) or by telephone on (03) 9448 2816.

Yours faithfully



**Ross Blakeley**  
**Liquidator**

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**FORM 548**

**NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR  
OF INTENTION TO DECLARE A FINAL DIVIDEND**

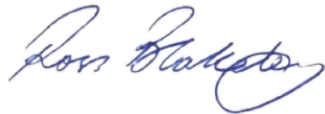
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FORMERLY KNOWN AS LAURA ASHLEY (AUSTRALIA) PTY LTD  
ACN 004 817 323 ("COMPANY")**

A final dividend is to be declared on 1 June 2023 for the Company.

You are required formally to prove your debt or claim on or before 18 May 2023.

If you do not, I will exclude your claim from participation, and I will proceed to make a final dividend without having regard to it.

Dated this 20<sup>th</sup> day of April 2023



**Ross Blakeley**

**Liquidator**