

**R T Wallace Pty Ltd (“the Company”)
ACN 623 169 728 (In Liquidation)**

Statutory Report to Creditors

12 May 2023

We refer to our Initial Circular to Creditors dated 13 March 2023 (**Initial Circular**) in which we advised you of our appointment as Liquidators and your rights as a creditor in the Liquidation.

This report is issued in compliance with section 70-40 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**). The purpose of this report is to:

- Provide you with an update on the progress of the Liquidation; and
- Advise you of the likelihood of a dividend being paid in the Liquidation.

This report should be read in conjunction with the Initial Circular.

1. Update on the progress of the Liquidation

1.1. Background

The Company was incorporated on 30 November 2017 and traded a number of haulage and logistics management businesses in regional New South Wales under the following business names:

- Wallace Bulk Haulage;
- Fleet Services Plus;
- Wallace Logistics Management; and
- Superior Commodity Solutions.

Our investigations indicate that the Company has likely engaged in illegal phoenix activity. We understand the director transferred the businesses and assets to a new entity (New Co. or LBS Management) prior to our appointment as liquidators and continues to trade on the businesses.

On 13 February 2023, we were appointed Liquidators of the Company by the Supreme Court of New South Wales.

1.2. Statutory information

An ASIC search reveals the following details on the Company, its directors, and shareholders.

Statutory Information

Company details

Date of incorporation	30 November 2017
Registered office	Bennett Keogh & Associates, 100 Gaskill street, Canowindra, 2804, NSW
Principal place of business	1-3 Princess Street, Forbes, 2871, NSW

Director	Appointment from / to
Wallace, Reilly	30 November 2017 to Present

Former Directors	Appointment from / to
Wallace, Amanda	30 November 2017 to 23 July 2021

Shareholders	Share (%)
Wallace, Reilly	100.00%

Source: ASIC Company Search



I am not aware of any inaccuracy in the ASIC records.

2. Estimated assets and liabilities

The Director of the Company is required to complete and provide to the Liquidators a statement about the Company's business, property, affairs, and financial circumstances, also known as the Report on Company Activities and Property (**ROCAP**).

The ROCAP is a snapshot at the date of our appointment of the assets and liabilities of the Company, disclosing book values and the Director's opinion on the estimated realisable value (**ERV**) for assets. We are yet to receive the Director's ROCAP.

Below is a summary of the assets and liabilities of the Company, and the Liquidators' ERV.

Summary of Financial Position				
Description	Note	Director's ROCAP	FY21 Balance Sheet	Liquidator's ERV
Assets			\$	\$
Cash at bank	2.1.1	N/A	27,599	13,202
Motor vehicle	2.1.2	N/A	394,235	394,235
Debtors	2.1.3	N/A	276,072	TBC
Business	2.1.4	N/A	Unknown	TBC
Other assets	2.1.5	N/A	337,193	TBC
Total assets		-	1,035,099	407,437
Liabilities				
Employee entitlements	2.2.1	N/A	(385)	(62,113)
Secured creditors	2.2.2	N/A	(632,288)	(843,825)
Ordinary unsecured creditors	2.2.3	N/A	(686,881)	(1,131,240)
Statutory creditors	2.2.4	N/A	(50,917)	(4,583)
Director loan	2.2.5	N/A	(353,914)	(353,914)
Total liabilities		-	(1,724,385)	(2,395,675)
Net asset surplus / (deficiency)		-	(689,285)	(1,988,238)

Source: Company books and records, Proofs of debt received and Liquidators' calculations

2.1. Assets

2.1.1. Cash at Bank

Upon our appointment, we wrote to all major financial institutions in Australia to inquire about the bank accounts held by the Company.

Responses received to date have identified two bank accounts held by the Company summarised below:

Bank	Pre-appointment cash (\$)	Cash received to date (\$)
Commonwealth Bank of Australia (CBA)	2,766.03	3,228.10
Westpac Banking Corporation (WBC)	8,151.05	9,974.28
Total	10,917.08	13,202.38

We requested that the funds be transferred to our Liquidation account. The total cash received to date is summarised in the table above.



The Company's pre-appointment bank accounts have continued to receive deposits following our appointment. We continue to periodically sweep the pre-appointment accounts to collect any further receipts.

We are not aware of any other accounts held by the Company.

2.1.2. Vehicles

We have conducted a Motor Vehicle Ownership Search with Transport for NSW which has disclosed the following vehicles (**the Vehicles**):

Make	Model	Registration expiry	Owned to	WXA estimated value (\$)
Mack	Superliner	2020	Unknown	275,000
Lusty	Tandem	21 Jul 2022	27 Sep 2022	50,000
Case	MX270	5 Apr 2021	Unknown	69,235
Total				394,235

Source: WXA estimated value of vehicles, unsighted and subject to change based on financial records

Bank of Queensland Group has informed us that the Company had entered into a Security Agreement (the Agreement) with BOQ Equipment Finance Limited for a 2020 Mack Superliner. The payout figure for the Agreement is \$208K.

We understand that the vehicles of the Company are being used by New Co and its related business. We are not aware of any consideration paid for the vehicles.

Our investigations into the above assets are ongoing.

2.1.3. Debtors

The Company's management accounts disclose total debtors of \$276K. We intend to write to each party demanding payment of any outstanding amounts.

We understand that the Company's books and records may be outdated. Our investigations into the above assets are ongoing.

2.1.4. Business and assets

We understand that prior to our appointment, the director transferred the business and assets to New Co, which continues to trade. A creditor has informed us that the New Co. is LBS Management Pty Ltd. We are not aware of any consideration paid for the business and assets of the Company.

A Company search has disclosed that the sole director and shareholder of LBS Management is Laura Beth Stewart. Mrs Stewart is a former employee of the Company as recorded in the books and records. We have been informed by creditors of the Company that Ms Stewart is working with Mr Wallace. Further, we have been advised Mr Wallace is an employee of LBS Management and continues to operate the business.

We have requested further details of the transfer of the business and assets from the director. To date we have not received any response.

We intend to report the transfer of the business and assets to ASIC as illegal phoenix activity and are considering if the transfer was a creditor defeating disposition.

Our investigations into the above assets are ongoing.



2.1.5. Other Assets

We have conducted Land Title searches in the Company's name and the directors' name in NSW. These searches did not identify any proprietary interests in the Company's name and the Director's name.

We have requested the director to provide personal statements of assets and liabilities to assist in our investigations.

Our investigations into the above assets are ongoing.

2.2. Liabilities

2.2.1. Employee Entitlements

Company books and records disclose that the Company had up to 40 employees throughout its period of trading. We understand these employees and their entitlements were transferred with the business to LBS Management. We are not aware of any current employees of the Company.

Following the receipt of Company financial records, while we understand all employees transferred to LBS Management, for the avoidance of doubt and based on the limited Company books and records, we intend to confirm termination of all former employees employment arrangements with the Company and transfer of all employee entitlements with the transmission of business to LBS Management.

The Company books and records indicate that the Company owed outstanding employee entitlements as at the date of our appointment. The accounts may not have been updated to reflect the transmission of business to LBS Management.

These entitlements are summarised below:

Employee entitlement	Number of claims	Estimated claim (\$)
Annual leave	9	58,651
Salary sacrifice	1	3,463
Total		62,113

Source: Company books and records and proofs of debt received

Employee Entitlements & the Faire Entitlements Guarantee (FEG)

Where there are insufficient funds in a liquidation to facilitate a distribution to priority creditors, employees may be eligible for FEG.

This government body specialises in assisting employees with outstanding entitlements that become due because of employers becoming insolvent. The scheme provides assistance with regard to the following employee entitlements:

- Up to a maximum of 13 weeks unpaid wages for the period prior to the appointment of a liquidator;
- Unpaid annual leave;
- Unpaid long service leave;
- Up to a maximum of five (5) weeks unpaid payment in lieu of notice; and
- Up to a maximum of four (4) weeks unpaid redundancy entitlement for each completed year of service.



Further information regarding FEG is available on the DEWR website <https://www.dewr.gov.au/fair-entitlements-guarantee>.

Outstanding superannuation contributions (including SGC) are not covered by FEG and FEG assistance is not available to non-Australian resident employees and apprentices. Certain other caps also apply. FEG payments may take between 8 – 12 weeks to be processed, depending on the circumstances.

2.2.2. Secured Creditors

Following our appointment, we notified all parties with a registered security interest, according to ASIC records, of our appointment. A summary of the Personal Property Securities Register (PPSR) registrations is detailed below.

Security Interests Creditor	PMSI	Collateral Class	Amount owing (\$)
Prospa Advance Pty Ltd	Unknown	All PAAP No Except	Unknown
Regroup Solutions Pty Ltd	Unknown	All PAAP No Except	Unknown
BOQ Equipment Finance Limited	Yes	Motor Vehicle	207,601
Link Agricultural Pty Ltd	Yes	Other Goods	Unknown
McNaughtans Pty Ltd	Yes	Other Goods	Unknown
GPC Asia Pacific Pty Ltd	Yes	Other Goods	Unknown
Westrac Pty Ltd	Yes	Other Goods	3,935
Jas Oceania Pty Ltd	Yes	Other Goods	Unknown
Penske Power Systems Pty Ltd	Yes	Other Goods	Unknown
Agrifunder Pty Ltd	Yes	Livestock	Unknown
Agrifunder Pty Ltd	No	Livestock	Unknown
TOTAL			211,537

Source: ASIC Company Search & Creditor Correspondence Received

We understand the BOQ equipment finance relates to the Vehicles. Based on our estimated valuation of the Vehicles, we understand there may be equity available in the vehicles.

2.2.3. Ordinary Unsecured Creditors

The Company's books and records discloses total ordinary unsecured creditors of \$687K. To date we have received five proofs of debt in the amount of \$181K. We estimate the total unsecured creditor amount may be in excess of \$814M.

Creditors are referred to **Appendix A** for a list of the known unsecured creditors of the Company.

Should any other parties purport to have a claim against the Company, please submit the Formal Proof of Debt Form, attached at **Appendix B**, to this office.

All creditor creditors claim remain subject to adjudication by the Liquidators.

2.2.4. Statutory creditors

The Company's books and records discloses an ATO debt of \$51K relating to GST and PAYG.

The ATO has lodged a proof of debt in the amount of \$322K.

We are not aware of any other statutory creditors.



2.2.5. Director loan

The Company's management accounts disclose a loan of \$354K from the Director.

We understand that the Company's books and records may be outdated. We have requested further information from the director regarding the director loan account and repayment of the director loan.

Our investigations into the director loan is ongoing.

3. Investigation and recovery actions

We have conducted investigations into the affairs of the Company prior to our appointment and any potential recovery actions that may be available to the Liquidator to pursue.

To date, we have undertaken the following investigations:

- Contacted major banks to obtain details of any bank accounts in the Company's name;
- Requested completion of the Directors' ROCAP;
- Liaised with the creditors of the Company;
- Liaised with the Company's external accountant;
- Conducted a review of the available records of the Company;
- Conducted searches including with ASIC, RMS and NSW Land Registry Office; and
- Written to the Company's Director requesting various information and documentation.

To date we have been unable to contact the director by telephone, we have not received any response to our correspondence to the director and the director has failed to attend our office for a meeting to provide further details on the Company's affairs. We will report these failures to ASIC and seek ASIC's assistance with obtaining the Company's books and records including details of the transfer of business (illegal phoenix), creditor defeating disposition, directors loan account and ROCAP.

Our findings from these investigations are detailed below. Given the limited time that has passed in the Liquidation, the below findings are preliminary and may be subject to change.

3.1. Adequacy of books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain its transactions, financial position, and performance, to enable true and fair financial statements to be prepared and audited. Financial records must be kept for seven years after the completion of the transaction to which the records pertain.

The Company maintained financial records using the Xero accounting platform. We have received excerpts of the Company's Xero accounts, and various other documentation by the Company's pre-appointment accountant. It is our preliminary view that sufficient books and records were maintained by the Company pursuant to Section 286 of the Act.

3.2. Financial Analysis

We have undertaken a preliminary financial analysis of the Company's historical financial records (Profit & Loss Statement and Balance Sheets) based on the Xero management accounts. A copy of the Company's FY21 financial statements is attached as **Appendix C**.

3.2.2 Commentary on financial position

We provide the following commentary on the Company's financial position:

- The Company has maintained a net liability position throughout the reviewed period;



- The net asset position has deteriorated throughout the review period; and
- The information included in the balance sheet dated 30 June 2021 may be outdated.

3.2.4 Commentary on Financial Performance

We provide the following commentary on the Company's financial performance:

- The Company reported a net loss throughout the review period;
- The cumulative net loss throughout the review period was ~\$588K, despite receiving an ATO Covid19 cash flow boost of \$100K; and
- In FY21 the Company's key expenses included salaries and wages (\$598K) and motor vehicle fuel and lubricants (\$579K).

3.3. Insolvent trading

Pursuant to Section 588G of the Act, a director has a positive duty to prevent a company from incurring debts when there are reasonable grounds for suspecting that the company will be unable to pay its debts as and when they fall due (i.e., it is insolvent).

Section 588M of the Act provides that a Liquidator is entitled to recover compensation from a director equal to the loss or damage suffered by the Company because of a breach of Section 588G.

The following investigations are required to determine whether there is a claim against the Director for insolvent trading and, if there is, whether there is any merit in pursuing the claim:

- We need to conclusively determine when the Company first became insolvent and whether Further investigations are required to form a view on this matter;
- It is necessary to quantify the unpaid debts of the Company which were incurred after the Company became insolvent (or was presumed to have been insolvent), which would determine the value of the claim for insolvent trading. We cannot complete this task until a conclusion has been reached on the Company's insolvency;
- To justify the considerable cost of pursuing an insolvent trading claim against the Director (which is completely separate from any action which ASIC can take for the offence of insolvent trading), we must be satisfied that the Director has the financial capacity to satisfy a claim; and
- Lastly, we need to have regard to the possibility that, even if we have an insolvent trading claim against the Director, they may be entitled to invoke the defences in Section 588H and Section 588GA. This issue has yet to be considered.

The quantum of an insolvent trading claim may be up to the balance of the unsecured claims against the Company, being as high as \$1.23M as at our appointment. Notwithstanding, further investigations are required to ascertain the precise date of insolvency and the quantum of any such claim. Consideration also needs to be provided to the Director's personal financial position, assets available, the possible defences and the commercial benefit to creditors, prior to any insolvent trading action.

As discussed above, we have requested the director to provide personal statements of assets and liabilities to assist in our investigations.

The Company's books and records show a negative net asset position at all times during the review period. Additionally, the Company reported a net loss throughout the review period. The Company's pre-appointment accountant has advised that the Company traded at a loss at all times since November 2017. Accordingly, I consider the Company may have been insolvent at all times since its inception. Further investigations are required to determine the precise insolvent trading date.



3.4. Voidable transactions

Pursuant to section 588FE of the Act, there are several different types of transactions that may be voidable by a liquidator. Voidable transactions include unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months of the relation back day (i.e., date of appointment of the liquidators). However, the transaction can relate back further in certain circumstances.

At this stage, our preliminary investigation in respect of potential voidable transactions has focused on the limited books and records received to date including bank statements provided by CBA and WBC. Based on the limited books and records received to date, we have been unable to conduct a detailed voidable transaction investigation.

Our investigations are continuing into this matter and creditors may be provided with a further update in due course.

3.5. Statutory report to ASIC

Section 533 of the Act requires a Liquidator to report to ASIC if it appears that:

- A past or present officer, or member, of the company may have been guilty of an offence in relation to the company; or
- A person who has taken part in the formation, promotion, administration, management or winding up of the company may have misapplied money or property of the company or may have been guilty of negligence, default, breach of duty or trust in relation to the company; or
- The company may be unable to pay its unsecured creditors more than 50 cents in the dollar.

We intend to report the transfer of the business and assets to ASIC as illegal phoenix activity as well as any other offences identified during our investigations.

4. Offences

Directors and officers of a company have duties, obligations, and responsibilities in relation to common law and statute.

Under the provisions of the Act, we must investigate any potential offences and report those offences to ASIC for its consideration.

If a director breaches any duties, obligations, and responsibilities, they may be subject to civil and criminal penalties including:

- Compensation to the Company for damages resulting from the contravention;
- Fines (up to \$200K);
- Imprisonment (up to 5 years); and
- Disqualification from managing corporations.

5. Likelihood of a dividend

At the current time, it is unclear whether there will be sufficient funds to pay a dividend to unsecured creditors.

If this changes and we do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

6. What happens next?

We will proceed with the Liquidation, including:



- Seeking ASIC assistance to obtain Company books and records and assets;
- Consider reporting the Vehicles stolen to the NSW Police;
- Continuing further investigations into the illegal phoenix activity, creditor defeating disposition, director loan account and directors personal financial position;
- Investigating any further offences that may have been committed by the Director that must be reported to ASIC pursuant to section 533 of the Act;
- Continuing our investigation into the identification of any transactions which may be voidable in nature; and
- Continuing our investigation in respect to insolvent trading and commence proceedings against the Director and/or any deemed de factor director, if applicable.

Further investigations may be subject to obtaining creditor funding.

7. Request for assistance / information

To date our investigations have been assisted by a number of creditors who have provided relevant information and documentation on the Company, the director and the illegal phoenix activity.

In that regard if any creditor has any further information which may assist in our investigations, please contact Angus Malouf on (02) 9210 1708 or at amalouf@wexted.com. Relevant information may increase the likelihood of the liquidators making sufficient recoveries to pay a dividend to creditors.

8. Request for funding

As there are limited available funds in the Liquidation, we may seek creditors to fund us to carry out further investigations. Creditors are invited to register their interest in writing to this office by 5pm on Friday 26 May 2023.

We estimate our work in progress for the liquidation to date to be approximately \$20,000 to \$40,000.

9. Where can you get more information?

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

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

Should creditors have any further information that may assist me in my investigation or require further information regarding this matter, please contact Angus Malouf on (02) 9210 1708 or at amalouf@wexted.com.

Dated this 12th day of May 2023.

R T Wallace Pty Ltd (In Liquidation)

Andrew McCabe
Liquidator

List of attachments

Appendix A – Creditor Listing
Appendix B – Proof of Debt form
Appendix C – FY21 Financial Statements

**R T Wallace Pty Ltd (In Liquidation)
Ordinary Unsecured Creditor Listing**

Appendix A

Name	Related Party	Estimated Claim
AgriDigital	N	4,583
Alawah Partners	N	23,905
Angus Herbert	N	620
ATO	N	321,781
Australian Truck Parts	N	15,147
Ball Trading Trust	N	15,592
Baxters Pty Ltd	N	13,695
Beaurepaires	N	1,980
Bennett Keogh & Associates	N	1,800
BP Australia Pty Ltd	N	13,695
Brace Contracting Pty Ltd	N	5,704
Bromar Engineering Pty Ltd	N	84,909
Bunnings	N	37
Calvani Haulage	N	8,429
Coles Express	N	429
Constables Hay & Transport	N	2,732
Cooke Plains Gypsum	N	3,174
DAFF Official Administered Receipts	N	5,120
Ezy Lime Pty Ltd	N	5,756
FedEX Express Australia Pty Ltd	N	267
Forbes Shire Council	N	4,528
Forbes Truck Alignment and Mechanical	N	26,991
G&J Radford	N	13,562
Genevieve & Peter Wallace	N	24,991
Hills Truck Wash	N	153
Jelbart Tyrepower Forbes	N	6,010
L.A. Bulk Transport Pty Ltd	N	1,913
Lowe's Petroleum Service	N	14,222
Maxiparts Operations Pty Ltd	N	108,026
Molycop 360	N	1,487
Narromine Auto Electrical	N	7,612
Navman Wireless Australia Pty Ltd	N	4,400
Newell's Wireless Australia Pty Ltd	N	11,042
Nicholson Petroleum	N	5,817
Nigel Constable	N	13,860
Nixon Partners Farming	N	6,803
Orana Couriers	N	174
Quicksuper	N	1,974
Quirindi Tyre Service	N	65
Regional Business Suppliers	N	82
Regional Gas	N	32
REPCO	N	220
RG & AF Foster Fam Disc Trust	N	55,041
RMMR	N	980
Rural Press Pty Ltd	N	478
S & J Chapman Family Trust	N	606
Shannon Makworth	N	300
SignsRUs	N	1,188
Steele Technology	N	357
Stewarts Grain Trading	N	30,289
StoneX Financial Pty Ltd	N	528
The Brown & Hurley Group Pty Ltd	N	1,766
Tim Tandy Diesel Repairs	N	1,062
TNH Fabrication & Engineering	N	303
Tony Coker	N	300

Viva Energy	N	5,787
Wagga Trucks	N	3,993
Wano	N	3,686
Walkers Ag N Vet	N	6,182
Workers Compensation Nominal Insurer (NSW)	N	40,577
Estimated Ordinary Unsecured Creditor Claims		936,741

Source: Proofs of Debt received and Company's books and records

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidators of R T Wallace Pty Ltd (In Liquidation)

1. This is to state that the company was, on 13 February 2023⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ 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 manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

I am **not** a related creditor of the Company ⁽⁵⁾

I am a related creditor of the Company ⁽⁵⁾
relationship:

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

Is the debt you are claiming assigned to you?

No Yes

If yes, attach written evidence of the debt, the assignment and consideration given.

Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay \$ for the debt?)

3A.^{(6)*} 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2023

Signature of Signatory.....

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) 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.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*;
and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

R T Wallace Pty Limited
ABN 12 623 169 728

Contents

[The Directors Report](#)

[A Detailed Statement of Financial Position](#)

[A Detailed Statement of Financial Performance](#)

[Notes to the Financial Statements](#)

[Directors Declaration](#)

[Compilation](#)

R T Wallace Pty Limited

ABN 12 623 169 728

The Directors Report

Your directors present this report on the company for the financial year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Reilly Wallace

During the year the Directors' meetings were attended by all directors.

Operating Result

The loss of the company for the financial year after providing for income tax amounted to:

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
Operating profit after income tax	(288,781.40)	(298,912.00)

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the course of the year were Bulk Haulage.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

R T Wallace Pty Limited
ABN 12 623 169 728
The Directors Report

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors at Canowindra on 31 December, 2021.

Reilly Wallace
Director

Balance Sheet

Wallace Bulk Haulage As at 30 June 2021

	30 JUN 2021	30 JUN 2020
Assets		
Bank		
ANZ Account 012366 838192755	5,500.00	55,831.83
CBA Business Overdraft Account	2,230.30	6,848.89
Total Bank	7,730.30	62,680.72
Current Assets		
Accounts Receivable	147,025.49	588,886.05
Money Tech Reserve	80,000.00	44,000.00
Total Current Assets	227,025.49	632,886.05
Fixed Assets		
Less Accumulated Depreciation on Motor Vehicles	(216,435.74)	(100,374.76)
Motor Vehicles	610,670.52	213,887.25
Total Fixed Assets	394,234.78	113,512.49
Non-current Assets		
MoneyTech Bucket Empty	(950.52)	(418,416.89)
Total Non-current Assets	(950.52)	(418,416.89)
Total Assets	628,040.05	390,662.37
Liabilities		
Current Liabilities		
Accounts Payable	493,133.39	644,653.18
BOQ Equipment Loan 001-0396593-000 - Fellow Trailers	68,949.01	-
BOQ Loan for Mack Superliner Truck	272,119.73	-
DAWR Levies Payable	(5,334.90)	4,187.23
GST	15,665.50	19,375.56
Loan - Prospa	100,000.00	-
NAB Equipment Finance - 2013 GLT Trailer Set	125,732.83	161,257.19
PAYG Withholdings Payable	6,228.00	7,688.00
Total Current Liabilities	1,076,493.56	837,161.16
Non-current Liabilities		
Loan with Reilly Wallace - Agriculture	(70,227.25)	(43,714.61)
Loan with Reilly Wallace - Drawings	(83,085.69)	(35,868.31)
Loan with Reilly Wallace - WBH	470,977.14	127,744.18
Loan with RT Wallace Pty Ltd - Fleet Service Plus - Forbes	(25,789.91)	(50,407.30)
Total Non-current Liabilities	291,874.29	(2,246.04)
Total Liabilities	1,368,367.85	834,915.12
Net Assets	(740,327.80)	(444,252.75)
Equity		

Balance Sheet

	30 JUN 2021	30 JUN 2020
Current Year Earnings	(296,075.05)	(342,659.95)
Retained Earnings	(444,252.75)	(101,592.80)
Total Equity	(740,327.80)	(444,252.75)

Balance Sheet

Fleet Service Plus As at 30 June 2021

	30 JUN 2021	30 JUN 2020
Assets		
Bank		
ANZ Account 012366 838327488#001	14,927.66	-
Cash Takings and Expenses Acco	-	3,010.16
RT WALLACE PTY LTD CBA Account	4,941.45	2,634.54
Total Bank	19,869.11	5,644.70
Current Assets		
Accounts Receivable	129,046.20	90,479.66
Inventory	258,143.91	141,916.82
Prepayments	-	30,247.81
Total Current Assets	387,190.11	262,644.29
Total Assets	407,059.22	268,288.99
Liabilities		
Current Liabilities		
Accounts Payable	199,082.24	152,234.92
GST	7,825.96	(4,855.68)
MoneyTech Bucket Empty Facility	65,486.52	-
PAYG Withholdings Payable	21,198.00	9,360.00
Rounding	-	(1.04)
Superannuation Payable	384.75	384.75
Total Current Liabilities	293,977.47	157,122.95
Non-current Liabilities		
Loan with Reilly Wallace	13,960.91	542.53
Loan with RT Wallace P/L - Bulk Haulage	25,789.91	50,407.30
Reilly Wallace Drawings	-	(736.10)
Reilly Wallace Funds Loaned	22,288.52	17,203.55
Total Non-current Liabilities	62,039.34	67,417.28
Total Liabilities	356,016.81	224,540.23
Net Assets	51,042.41	43,748.76
Equity		
Current Year Earnings	7,293.65	43,748.76
Retained Earnings	43,748.76	-
Total Equity	51,042.41	43,748.76

Profit and Loss

Wallace Bulk Haulage For the year ended 30 June 2021

	2021	2020
Trading Income		
ATO Cash Flow Boost	50,000.00	50,000.00
Cartage & Freight	1,168,154.60	1,906,699.10
Fuel Sales	199.94	11,385.18
Fuel Tax Credits	70,434.00	84,188.00
Grain Sales	4,031,155.47	2,699,046.23
Gypsum Sale	8,456.10	95,245.00
Hay Sales	-	322,430.26
Lime Sales	25,096.08	46,992.58
Management Fee Received	144,000.00	-
Other Revenue	14,651.73	7,602.46
Parts Sales	1,271.59	21,139.61
Subcontract Cartage & Freight	-	(876.99)
TOBINS FRIEGHT Income	68,217.02	-
Tyre Sales	-	8,145.47
WALLACE LOGISTICS Income	377.43	-
Total Trading Income	5,582,013.96	5,251,996.90
Cost of Sales		
Brokerage Fees	19,651.00	3,326.49
Freight & Delivery	14,526.46	16,495.18
Grain Purchase	3,245,171.23	2,393,088.54
Grain Storage Fees	-	2,400.00
Gypsum Purchase	15,476.78	27,349.02
Hay Purchases	-	338,860.15
Lime Purchases	14,762.40	39,886.00
Purchase of Parts	-	23,003.86
Subcontract Cartage	288,286.42	457,125.07
Tyre Purchase	-	9,875.37
Total Cost of Sales	3,597,874.29	3,311,409.68
Gross Profit	1,984,139.67	1,940,587.22
Other Income		
TNT Freight & Delivery	220.91	897.31
Total Other Income	220.91	897.31
Operating Expenses		
Advertising	6,396.38	9,048.18
Bank Charges MoneyTech	26,273.97	16,111.07
Bank Fees	1,079.99	1,219.52
Cleaning & Waste Disposal	8,298.39	8,632.32
Computer, Software & Technology	1,568.23	2,469.01

	2021	2020
Consulting & Accounting	3,236.36	2,568.18
Depreciation	116,060.98	46,912.74
Employee Relations	1,573.49	-
Entertainment	4.95	-
Fees & Permits	5,555.89	3,648.56
Fines & Penalties	77.56	937.14
General Expenses	5,345.49	31,412.39
Hire of Plant & Equipment	30,969.00	58,747.00
Insurance	60,864.66	68,134.57
Interest Expense	46,050.29	16,184.95
Legal expenses	-	1,000.00
Light, Power, Heating	9,996.10	2,576.36
Motor Vehicle - Fuel & Lubricants	579,491.51	672,219.52
Motor Vehicle - Hire	250,025.00	250,710.00
Motor Vehicle - Other Expenses	1,376.00	736.36
Motor Vehicle - Registration & Insurance	21,456.75	140.00
Motor Vehicle - Repairs & Mtce	292,267.66	292,276.03
Motor Vehicle - Tolls	2,273.11	907.70
Motor Vehicle - Tyres	41,301.33	46,668.08
Motor Vehicle - Weighbridge Fees	-	109.00
Office Expenses	4,273.07	1,969.30
Printing & Stationery	1,006.25	983.95
Protective Clothing & Uniforms	847.99	567.77
Rates & Water Charges	6,813.99	3,023.11
Rent	29,992.95	28,389.60
Subscriptions	26,187.00	20,027.19
Superannuation	50,897.63	49,262.41
Telephone & Internet	8,425.66	6,707.59
Tools & Tool Replacements	4,586.33	5,018.76
Training & Accreditation	320.00	-
Travel - National	335.45	-
Wages and Salaries	597,502.61	584,660.01
Workers Compensation	31,565.37	26,797.33
Workshop Supplies	6,138.24	23,368.78
Total Operating Expenses	2,280,435.63	2,284,144.48
Net Profit	(296,075.05)	(342,659.95)

Profit and Loss

Fleet Service Plus

For the year ended 30 June 2021

	2021	2020
Cost of Sales		
Freight & Delivery	11,908.64	3,223.60
Parts Purchase	892,650.56	370,430.57
Tyre Purchase	33,690.85	23,907.81
Total Cost of Sales	938,250.05	397,561.98
Gross Profit	(938,250.05)	(397,561.98)
Other Income		
Parts Sales	1,026,573.35	464,068.80
Tyre Sales	26,193.25	30,256.41
Total Other Income	1,052,766.60	494,325.21
Operating Expenses		
Advertising	2,220.78	818.16
Bank Charges MoneyTech	8,016.44	-
Bank Fees	3,834.77	907.43
Freight & Courier	-	25.00
General Expenses	1,865.45	35.00
Motor Vehicle Expenses	174.24	-
Office Expenses	68.36	102.11
Printing & Stationery	644.20	597.67
Protective Clothing & Uniforms	-	106.15
Repairs and Maintenance	137.50	718.76
Stripe Fees	58.71	45.35
Subscriptions	525.08	345.44
Superannuation	6,980.87	4,058.40
Wages and Salaries	82,696.50	45,255.00
Total Operating Expenses	107,222.90	53,014.47
Net Profit	7,293.65	43,748.76

R T Wallace Pty Limited
ABN 12 623 169 728
Notes to the Financial Statements
For the year ended 30 June 2021

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Impairment of Assets

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(c) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

R T Wallace Pty Limited
ABN 12 623 169 728
Notes to the Financial Statements
For the year ended 30 June 2021

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

R T Wallace Pty Limited
ABN 12 623 169 728
Directors Declaration

The director has determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The director of the company declares that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director.

Reilly Wallace
Director

Dated: 31 December, 2021

R T Wallace Pty Limited
ABN 12 623 169 728
Compilation Report to R T Wallace Pty Limited

We have compiled the accompanying special purpose financial statements of R T Wallace Pty Limited, which comprise the balance sheet as at 30 June 2021, the Statement of Profit and Loss for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

The Responsibility of the Director

The director of R T Wallace Pty Limited is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the significant accounting policies used are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the director, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the significant accounting policies described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the director who is responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

A handwritten signature in black ink, appearing to read 'Scott Bennett', with a large, stylized flourish extending to the right.

Scott Bennett ACA
Bennett Keogh & Associates Pty Limited
100 Gaskill Street
Canowindra NSW

22 September, 2022