

AUSTRALASIAN MORTGAGE FINANCE LTD
(Administrator Appointed)
ACN: 615 711 772
("the Company")

**Voluntary Administrator's Supplementary
Report to Creditors**

Prepared pursuant to Section 75-225(3) of the
Insolvency Practice Rules (Corporations) 2016 and
Section 439A of the *Corporations Act 2001*

Dated: 24 March 2021

Administrator	Chad Rapsey
Date of Administration	3 November 2020
Contact	Daniel Hoawerth DanielH@rgia.com.au (02) 4926 8800



RAPSEYGRIFFITHS
TURNAROUND + ADVISORY

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B	Form 535 – Formal Proof of Debt or Claim
C	Appointment of Proxy
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E	Estimated Return to Creditors Calculation
F	Remuneration Approval Report
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Glossary of Terms

Term	Description	Term	Description
ACN	Australian Company Number	FEG	Fair Entitlements Guarantee
ALLPAAP	All Present and After Acquired Property	FY	Financial Year
ARITA	Australian Restructuring Insolvency & Turnaround Association	IPRs	<i>Insolvency Practice Rules (Corporations) 2016</i>
ASIC	Australian Securities and Investments Commission	P&E	Plant and Equipment
ATO	Australian Taxation Office	POD	Proof of Debt
BV	Book Value	PPSR	Personal Property Securities Register
COI	Committee of Inspection	ROCAP	Report on Company Activities and Property
CT	Creditors Trust	TBA/TBC	To be advised / confirmed
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities	the Act	<i>Corporations Act 2001</i>
DOCA	Deed of Company Arrangement	the Company	AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ERV	Estimated Realisable Value	VA	Voluntary Administration
		YTD	Year to Date

1. Executive Summary

I, Chad Rapsey, was appointed Administrator of the Company on 3 November 2020 pursuant to Section 436A of the Act.

This is my supplementary report to creditors prepared pursuant to IPR 75-225 and Section 439A of the Act. This report should be read in conjunction with my report to creditors pursuant to IPR 75-225 and Section 439A of the Act dated 30 November 2020 (“previous report”), my first report to creditors dated 5 November 2020 and my circulars to creditors dated 9 December 2020, 23 December 2020, 18 January 2021 and 15 February 2021.

The meeting to determine the Company’s future was held on 8 December 2020. As noted in my previous report, it was my intention to adjourn the meeting to seek judicial directions on several material and contentious matters with respect to claims submitted by related parties. I also note that shortly prior to the meeting, I received communications from the DOCA proponents relating to amendments to their respective DOCA proposals and that due to time constraints, I had not had the opportunity to consider those proposals in detail prior to the meeting.

As noted in my circular to creditors dated 9 December 2020, the meeting was adjourned for a period not exceeding 45 business days to progress the above issues.

On 7 January 2021, I filed an application in the Federal Court of Australia in relation to the related party claims. The final hearing took place on 8 February 2021 and judgement was handed down on 9 March 2021. The effect of the judgment is that I have been directed that I am not justified in permitting the related parties to vote at the second meeting of creditors in respect of any amount claimed to be presently or contingently owed under their consulting agreements with the Company.

Submissions in respect of the costs of the proceedings have been made to the Court and agreed in principle between the active parties in the proceedings, however Orders are yet to be made in this regard.

Creditors will decide the future of the Company at the resumed second meeting of creditors which has been convened as follows:

Time: 2:00 PM
Date: Thursday, 1 April 2021
Location: Rapsey Griffiths Turnaround + Advisory, Level 5, 55-57 Hunter Street NEWCASTLE NSW 2300

This report has been prepared pursuant to Section 75-225 of the IPRs to assist creditors of the Company in their decision concerning the future of the Company, which will be decided via resolution at the resumed second meeting of creditors.

The alternatives available to the creditors of the Company at the upcoming meeting are as follows:

- The administration end and control of the Company revert to the Directors;
- That the Company execute a DOCA; or
- The Company be wound up.

Numerous proposals for a DOCA have been submitted, varied and withdrawn during the administration. The DOCA proposals for consideration by creditors at the upcoming meeting are as follows:

Proponent	Date of Proposal
Peter Cossetto (“the Cossetto DOCA Proposal”)	17 December 2020
Rous Investments Pty Ltd ATF the Rous Investments Trust, Remara Capital Pty Ltd and Hargreaves Singapore Pte Ltd (“the Revised RRH DOCA Proposal”)	17 March 2021

The proposals are discussed in further detail at section 8 of this report.

I have carried out preliminary investigations into the Company's affairs in order to assist in formulating my opinion as to which option is in the best interests of creditors.

The estimated return to creditors in a DOCA v Liquidation scenario is summarised below:

	Liquidation		Cossetto DOCA Proposal		Revised RRH DOCA Proposal	
	High	Low	High	Low	High	Low
Estimated return to ordinary unsecured creditors	Nil	Nil	Nil	Nil	4.9c/\$	3.8c/\$
Estimated timing of final dividend to creditors (from date of liquidation / DOCA)	N/A				12 - 14 months	

Please note that the above is an estimate only. Many factors may influence the return to creditors – please refer to Section 9 of this report for further details.

It is my opinion that creditors should resolve that the Company be wound up. The reasons for my opinion are provided at section 10 of this report.

2. Introduction

2.1 Purpose of appointment and this report

Creditors should note that this report should be read in conjunction with my previous report.

The purpose of this report is to provide an update on the administration since I issued my previous report and to provide creditors with sufficient information for them to make an informed decision about the future of the Company.

2.2 Objective of Voluntary Administration

Please refer to my previous report.

2.3 Basis of Report

This report has been prepared primarily based on information obtained from the books and records of the Company and the Directors.

Although I have conducted certain preliminary investigations into the affairs of the Company, I have not undertaken an audit of the Company and its books and records and accordingly, there may be matters of which I am unaware.

In my opinion this has not prevented me from being able to provide sufficient, meaningful information in this report or from being able to form an opinion on what I believe to be in creditors' best interests.

In the time available to me, I have undertaken the following major tasks to prepare this report and formulate my opinion:

- Obtained and reviewed the books and records of the Company, including bank statements and the Company's electronic records;
- Reviewed the Company's audited general purpose financial report for the year ended 30 June 2018 (including comparative financial information for the year ended 30 June 2017);
- Reviewed the Company's Xero accounting file, containing its management accounting records for the period 3 November 2016 until the date of my appointment;
- Conducted preliminary investigations into the history and affairs of the Company;
- Made enquiries regarding Company assets and assessed realisable values;
- Conducted various searches for assets owned by the Company;
- Held discussions with the Directors of the Company;
- Liaised with creditors and shareholders;
- Conducted preliminary investigations into insolvent trading and voidable transactions;
- Commenced and taken part in the proceedings relating to the related party consulting fees; and
- Analysed the proposed DOCAs.

The strict reporting timeframes prescribed under the Act mean that professional judgement must be exercised in relation to a balance between speed of reporting and the extent and nature of my investigations which are only preliminary in nature.

I reserve the right to alter any conclusions reached on the basis of any further information which may become available to me between the date of this report and the date of the second meeting.

2.4 Declaration of Independence, Relevant Relationships and Indemnities

In accordance with Section 436DA of the Act, my DIRRI was provided with my first report to creditors dated 5 November 2020 and was also tabled at the first meeting of creditors held on 13 November 2020.

I confirm there have been no changes to my DIRRI since the date of signing.

2.5 First Meeting and Committee of Inspection

Please refer to my previous report.

2.6 Second Meeting of Creditors

Section 439A of the Act requires that I convene a second meeting of the Company's creditors to determine its future.

At the meeting of creditors held under Section 439A of the Act on 8 December 2020, I exercised my power to adjourn the meeting for up to 45 business days to seek judicial directions with respect to claims submitted by related parties and consider the amended DOCA proposals received shortly prior to the commencement of the meeting. The judicial directions application is discussed at section 4 of this report.

On 15 January 2021, Orders were made by the Court extending the time in which to resume the second meeting of creditors to 1 March 2021. This deadline was further extended to 1 April 2021 via Orders dated 12 February 2021.

The resumed second meeting of creditors to determine the Company's future has been convened as follows:

Time: 2:00 PM
Date: Thursday, 1 April 2021
Location: Rapsey Griffiths Turnaround + Advisory, Level 5, 55-57 Hunter Street NEWCASTLE NSW 2300

A notice of meeting is attached at **Annexure A**.

At the upcoming meeting, creditors will decide the Company's future by voting on one (1) of the following options:

- The administration end and control of the Company revert to the Directors;
- That the Company execute a DOCA; or
- The Company be wound up.

My recommendation regarding the future of the Company is contained at section 10 of this report.

Creditors wishing to participate in the upcoming meeting of creditors must complete and return the following forms, further details / instructions for which are contained within the notice of meeting:

- **Annexure B** - Form 535 – Formal Proof of Debt or Claim Form; and
- **Annexure C** - Proxy Form (for corporate creditors or creditors who are represented by someone other than themselves).

3. Background Information

3.1 Matters that have not changed since my previous report

Please refer to my previous report for discussion with respect to:

- Incorporation, registered office and principal place of business;
- Company officers;
- Security interests;
- Company history and nature of business; and
- Explanations for difficulties.

3.2 Updates since my previous report

3.2.1 Shareholders

As noted in my previous report:

- The ASIC database indicates that the Company is a public unlisted company limited by shares; and
- The Directors advised that various share transfer requests had not been entered into the Company's member register at the time of my appointment as Administrator.

Since my previous report, the share transfers have been processed and recorded in the Company's member register. An updated list of the top 20 shareholders (including equal rankings) is shown in the following table:

Shareholder	Number	%
GREGORY ALLAN GOODMAN & ANNE GOODMAN <BUONAMANO FAMILY TRUST>	151,515	1.93%
VENNARD FRANCIS O'NEILL & NICOLA JANE O'NEILL <B & C SUPER FUND>	151,515	1.93%
CRAYFORM PTY LTD <PAYNE FAMILY TRUST>	151,515	1.93%
ADAM JOHN DIXON	158,730	2.02%
CRANPORT PTY LTD	158,730	2.02%
MCVEIGH SUPER PTY LTD <MCVEIGH FAMILY SUPER FUND>	158,730	2.02%
REMARA CAPITAL PTY LTD	158,731	2.02%
GERARD JOSEPH LAWLOR	160,000	2.03%
MICHAEL BATO & ASSOCIATES PTY LTD	166,307	2.11%
COZ-E PTY LTD	230,000	2.92%
PETER JAMES GAVAGHAN	238,096	3.03%
FRANCIS WILLIAM LANNEN & PHILIPPA MAUDE BARRY <DROMANA SUPERANNUATION FUND>	268,635	3.42%
FANTHIAN PTY LTD <BIARRITZ UNIT TRUST>	300,000	3.81%
SIMON COURTNEY ROBINSON <COURTNEYROBINSON FAMILY TRUST>	301,270	3.83%
ELIZABETH JANE PURDEY	317,460	4.04%
CLIFFORD CHARLES HURD	317,462	4.04%
ANIKEN PTY LTD <MARIGOLD INVESTMENTS SUPER FUND>	318,000	4.04%
CANONBAR INVESTMENTS PTY LTD	327,739	4.17%
CRAYFORM PTY LIMITED	340,174	4.32%
LENROSS NOMINEES PTY LTD <LEONARD MCKINNON SUPERANNUATION FUND>	347,715	4.42%
SHEKPAI PTY LIMITED <SHEKPAI SUPERANNUATION FUND>	410,000	5.21%
COZ-E PTY LTD <COSSETTO FAMILY TRUST>	592,154	7.53%
Total	5,724,478	72.78%
Total number of shares issued	7,865,421	100.00%

3.2.2 Related Party Claims

I am aware of the following potential related party claims:

Creditor Name	Notes	ROCAP (\$)	POD (\$)	Administrator's ERV (\$)	
				Optimistic	Pessimistic
Canonbar Investments Pty Ltd	See previous report	4,583	-	4,583	4,583
The Doc Pty Ltd		4,583	-	4,583	4,583
Diamond Financial Consulting Pty Ltd / David Diamond		46,084	46,078	23,039	46,078
Rous Investments Pty Ltd as trustee for Rous Investments Trust		102,400	108,521	108,438	108,438
Rodney Payne	(a)	7,590	-	-	-
Crayform Pty Ltd		240,625	240,000	-	-
Lenross Financial Group Pty Ltd		242,125	242,100	1,500	1,500
Peter Cossetto		479,771	480,104	50,354	50,354
Total		1,127,761	1,116,803	192,497	215,536

(a) As disclosed in my previous report, the debts claimed by the current Directors (or their associated corporate entities) are comprised as follows:

Creditor Name	ROCAP (\$)	POD (\$)	Administrator's ERV (\$)	
Rodney Payne				
Loan	7,590	-	-	-
Total	7,590	-	-	-
Crayform Pty Ltd				
Consulting fees	240,625	240,000	-	-
Total	240,625	240,000	-	-
Lenross Financial Group Pty Ltd				
Consulting fees	240,625	240,600	-	-
Expense reimbursements	1,500	1,500	1,500	1,500
Total	242,125	242,100	1,500	1,500
Peter Cossetto				
Consulting fees	429,750	429,750	-	-
Expense reimbursements	2,321	2,654	2,654	2,654
Unpaid share buy-back proceeds	47,700	47,700	47,700	47,700
Total	479,771	480,104	50,354	50,354
Total	970,511	962,204	51,854	51,854

Please refer to section 4 of this report for further discussion in relation to the application for judicial review in respect of the Directors' consulting fees.

I note my assessment of the other components of the Directors' claims has not changed since my previous report.

4. Judicial Review of Claims Relating to Consulting Fees

As creditors will recall from my previous report:

- PODs were submitted by Mr Cossetto, Lenross Financial Group Pty Ltd and Crayform Pty Ltd (collectively, "the Director-related Claimants") in respect of unpaid consulting fees;
- The potential claims arise under documented consulting agreements between the parties and the Company; and
- Assertions were made by numerous stakeholders that the Director-related Claimants are only entitled to equity in the Company in lieu of cash compensation under their respective consulting agreements. The assertions arise from alleged disclosures and / or representations made by the Directors or the Company.

Below, I provide a summary of the steps taken with respect to assessment of the claims for consulting fees up to 8 December 2020, being the date of the second meeting of creditors:

- I obtained independent legal advice with respect to the potential claims prior to the first meeting of creditors, following which, I formed the preliminary view that the Director-related Claimants were entitled to make their claims against the Company;
- I reviewed and considered the available evidence with respect to the claims located in the Company's books and records and provided following engagement with the Directors and creditors; and

- Upon consideration of further information obtained following the above enquiries, I obtained a second legal opinion from counsel which supported my original decision to admit the claims. The advice received also suggested that it may be appropriate to apply to the Court for judicial direction on the issue.

Creditors were advised in my previous report that my assessment of whether the Director-related Claimants were entitled to be treated as creditors in respect of unpaid consulting fees was essential in assessing the merits of the DOCA proposals received. Similarly, my admission of such creditors (or not) for voting purposes was likely to be determinative of which proposal (if any) was successful.

As a result, on 7 January 2021, I filed an application in the Federal Court of Australia seeking judicial directions with respect to the claims for consulting fees by the Director-related Claimants for the purposes of determining voting and dividend entitlements in the administration. The defendants in the proceedings were:

- The Director-related Claimants;
- Rous Investments Pty Ltd in its personal capacity and as trustee for Rous Investments Trust (“Rous”); and
- Remara Capital Pty Ltd (“Remara”).

The Director-related Claimants were joined to the proceedings to provide them with an opportunity to be heard by and give evidence to the Court in respect of the claims they had submitted against the Company. Similarly, Rous and Remara were joined to the proceedings to be heard by and give evidence to the Court given the active role they had taken in the administration and their contradictory view with respect to claims made by the Director-related Claimants.

I note that whilst I expressed a view as to the appropriate treatment of the consulting fees based on evidence and legal advice available to me, my position in commencing and throughout the proceedings was expressly agnostic as to the outcome.

The Director-related Claimants did not adduce evidence or play an active role in the proceedings. Rous and Remara actively participated in the proceedings by issuing requests for information, engaging with my legal representatives and providing submissions and evidence to the Court.

During the proceedings, I undertook further enquiries and investigations into the Company’s records and identified additional documents which were provided as evidence in the proceedings to assist the Court in considering the claims of the Director-related Claimants.

The final hearing took place on 8 February 2021 and judgment was handed down on 9 March 2021. The effect of the judgment is that I have been directed that I am not justified in permitting the Director-related Claimants to vote at the second meeting of creditors in respect of any amount claimed to be presently or contingently owed under their consulting agreements with the Company.

On 12 March 2021 Rous, Remara and I filed joint submissions to the Court in respect of the costs of the proceedings. Assuming Orders are made by the Court as contemplated by the joint submissions, I anticipate that the following legal costs will be met by the Company:

- The Administrator’s outstanding legal costs associated with the proceedings (in addition to costs already paid), to an upper cap of \$25,000 (excluding GST) – I note that this is a compromise on the actual outstanding costs of more than \$20,000; and
- Rous and Remara’s costs associated with the proceedings, to an upper cap of \$71,441.

The directions made in the proceedings were ultimately consistent with the position taken and submissions made by Rous and Remara. I consider that Rous and Remara's involvement in the proceedings was of assistance to the Court and the general conduct of the administration and as a result, agreed to submit to the Court that it was reasonable and appropriate that their costs be met from the Company's assets.

The administration is now able to proceed with the certainty of the directions made by the Court.

5. Historical Financial Analysis

Please refer to my previous report.

6. Directors' ROCAP

The Directors of the Company have jointly submitted a ROCAP as at the date of my appointment. The ROCAP shows the Company's assets and liabilities at the date of administration.

The following table summarises the Directors' ROCAP and my opinion as to the ERV of each asset category. The ERV is equivalent to an item's cash or liquidated value.

ROCAP as at 3 November 2020 (subject to costs of the external administration)	Report Ref	ROCAP ERV (\$)	Administrator's ERV (\$)		Realisation to Date (\$)
			Optimistic	Pessimistic	
Sundry Debtors	6.1	-	10,082	10,082	10,082
Cash on Hand / Cash at Bank		258,839	258,839	258,839	258,839
Plant & Equipment		-	-	-	-
Other Assets		-	-	-	-
Total Assets		258,839	268,921	268,921	268,921
Ordinary Unsecured Creditors	6.2	(1,655,464)	(658,872)	(701,161)	
Total Liabilities		(1,655,464)	(658,872)	(701,161)	
Net Asset Surplus / (Deficiency)		(1,396,625)	(389,951)	(432,240)	

The following commentary is provided in respect of the Directors' ROCAP along with my preliminary investigations to date.

6.1 Assets

Since my previous report, I have recovered a pre-appointment GST refund from the ATO in the sum of \$10,082. No further recoveries are expected from this source.

I was contacted by an interested party who made a nominal offer for certain alleged intellectual property assets of the Company. Having regard to the minimal consideration offered and the costs associated with entering into a sale transaction, neither creditors nor shareholders were expected to benefit in the event the offer was accepted. Following communication with the interested party, their offer was withdrawn.

There have been no changes with respect to my commentary in respect of the Company's assets since my previous report.

6.2 Unsecured Creditors

A summary of the estimated unsecured creditors of the Company at the date of my appointment is provided below. I note that the above figures are estimates and are subject to change pending the receipt and adjudication of final PODs from creditors.

Creditor Name	Notes	ROCAP (\$)	POD (\$)	Administrator's ERV (\$)	
				Optimistic	Pessimistic
Unrelated Unsecured Creditors		513,549	419,259	466,375	485,625
Related Entities – Former Directors		157,650	154,599	140,643	163,682
Related Entities – Current Directors – Debts Other Than Consulting Fees					
Rodney Payne	See previous report	7,590	-	-	-
Lenross Financial Group Pty Ltd		1,500	1,500	1,500	1,500
Peter Cossetto		50,021	50,354	50,354	50,354
Subtotal – Related Entities – Current Directors – Debts Other Than Consulting Fees		59,111	51,854	51,854	51,854
PF1 Obligations		14,154	-	-	-
Related Entities – Current Directors – Consulting Fees					
Crayform Pty Ltd	(a)	240,625	240,000	-	-
Lenross Financial Group Pty Ltd		240,625	240,600	-	-
Peter Cossetto		429,750	429,750	-	-
Subtotal – Related Entities – Current Directors – Consulting Fees		911,000	910,350	-	-
Grand Total		1,655,464	1,536,062	658,872	701,161

(a) Please refer to section 4 of the report with respect to the claims for consulting fees by the Director-related Claimants.

7. Offences, Insolvent Trading and Voidable Transactions

Please refer to my previous report for my detailed commentary with respect to preliminary investigations undertaken into the Company's business, property, affairs and financial circumstances as required by the Act.

As noted in my previous report, pursuant to section 438D of the Act I am required to report to ASIC as to the:

- Existence of offences committed by any past or present officers or members; and
- Existence of any misapplication, retention, liabilities, accountability, negligence, default, breach of duty or trust by persons who have taken part in the formation, promotion, administration, management or winding up of the Organisation.

I have submitted a report to ASIC pursuant to Section 438D of the Act. This report is subject to privilege and is not available to creditors. I note ASIC has advised that it does not intend to commence an investigation into the matters raised at this time.

Whilst I note that further investigations may be required should the Company be placed into liquidation, as noted in my previous report, at this stage my preliminary investigations have not identified any potential misconduct, voidable transaction or insolvent trading recoveries available to Liquidator that are likely to provide a material benefit to creditors.

8. Deed of Company Arrangement

As noted previously, shortly prior to the second meeting of creditors on 8 December 2020, I received communications from the DOCA proponents relating to amendments to their respective DOCA proposals and that due to time constraints, I had not had the opportunity to consider those proposals in detail prior to the meeting.

Since my previous report, I have engaged in discussions with the proponents who submitted further amendments to their proposals. The DOCA proposals for consideration by creditors at the upcoming meeting are as follows:

- Proposal for a DOCA from Peter Cossetto dated 17 December 2020 (“the Cossetto DOCA Proposal”); and
- Proposal for a DOCA from Rous Investments Pty Ltd ATF the Rous Investments Trust, Remara Capital Pty Ltd and Hargreaves Singapore Pte Ltd (“the Revised RRH DOCA Proposal”) dated 17 March 2021.

My analysis of the DOCA proposals is provided below.

I note that a DOCA shall contain such other terms and conditions as the Administrator may be advised, by a qualified legal advisor with experience and expertise in the preparation of DOCAs, to include in the DOCA for the better protection of those receiving distribution under the DOCA, provided such provisions do not conflict with any provision of the Proposal.

The matters to be addressed by such provisions may include, without limitation:

- Restrictions on dealing with Company property other than in the ordinary course of business;
- Provision for the replacement of the Deed Administrator;
- Restrictions on the appointment of other external administrators;
- Provisions regarding default and termination;
- Provision for liens over the DOCA Fund and the property of the Company in favour of the Administrator and Deed Administrator; and
- Provisions requiring the proponent and the Company to provide ongoing assistance and information to the Deed Administrator.

8.1. The Cossetto DOCA Proposal

A summary of the key terms of the Cossetto DOCA Proposal is provided below.

Term	Details
Proponent	<ul style="list-style-type: none"> Peter Cossetto.
Control of the Company	<ul style="list-style-type: none"> At the request of Mr Cossetto, Mr McKinnon and / or Mr Payne will be removed as Directors by the Deed Administrator and one or two additional persons as nominated by Mr Cossetto would be appointed. The Deed Administrator will control the Company until effectuation of the DOCA. Upon effectuation, control of the Company will be returned to the Directors.
Deed Administrator	<ul style="list-style-type: none"> Chad Rapsey. I note that I am currently considering if I would or would not be willing to consent to act as Deed Administrator in respect of the Cossetto DOCA Proposal.
DOCA Fund	<ul style="list-style-type: none"> The DOCA Fund will consist of: <ul style="list-style-type: none"> Upon execution of the DOCA, a contribution towards the DOCA Fund of \$60,000 to be procured by Mr Cossetto; An indemnity for any independent expert report, capped at \$40,000 (excl. GST) required for the share transfer described below; and All debtors and cash at bank of the Company as at the date of execution of the DOCA. To the extent that there are any other remaining available assets, property or undertakings of the Company, including any intellectual property rights, they shall remain property of the Company after execution of the DOCA. It is envisaged that Mr Cossetto will be a party to the DOCA to bind him to same. Should the payment to the DOCA Fund not be made, the DOCA may need to be varied or terminated. I am not aware of any reason why Mr Cossetto would not be able to make the proposed contribution.
Share Transfer	<ul style="list-style-type: none"> All shares in the Company are to be transferred to Mr Cossetto, or his nominee, pursuant to s444GA of the Act or otherwise ("Share Transfer"). The Share Transfer is discussed in further detail below. If an independent expert report (IER) to procure the Share Transfer is required, Mr Cossetto will indemnify the Deed Administrator up to a capped amount of \$40,000 (excl. GST) to cover the Deed Administrator's costs of obtaining the IER. This sum shall be paid into the Deed Administrator's solicitors' trust account to secure Mr Cossetto's obligation in this regard.
Unsecured Creditors	<ul style="list-style-type: none"> There will be a moratorium on debts incurred prior to the appointment of the Administrator for the term of the DOCA. All unsecured participating creditors of the Company must accept their entitlement under the DOCA in full settlement of all claims against the Company as at 3 November 2020. All debts incurred prior to the appointment of the Administrator (with the exception of the non-participating creditors – see below) will be released and discharged

	automatically upon effectuation of the DOCA. The claims of the non-participating creditors will not be extinguished or affected by effectuation of the DOCA.
Non-participating Creditors	<ul style="list-style-type: none"> • The following related party creditors will be non-participating creditors in the DOCA. It will be a condition precedent of the DOCA that the non-participating creditors execute a deed of deferral to give effect to their agreement not to participate in the DOCA: <ul style="list-style-type: none"> ○ Lenross Financial Group Pty Ltd; and ○ Peter Cossetto.
Distribution of Deed Fund	<ul style="list-style-type: none"> • The proceeds realised during the DOCA will be applied in accordance with Section 556 of the Act (as if the Company were in liquidation and the Deed Administrator was the liquidator of the Company). All admitted unsecured creditors (other than priority creditors or non-participating creditors) rank equally for the purposes of a dividend.
Guaranteed creditors	<ul style="list-style-type: none"> • I am not aware of any creditors of the Company that hold personal guarantees against the Directors. Creditors holding guarantees which are not disclosed in this report are requested to contact my office to provide details as soon as possible.
Monitoring and reporting arrangements	<ul style="list-style-type: none"> • No mandatory requirements are proposed.
Remuneration of the Administrator / DOCA Administrator	<ul style="list-style-type: none"> • The Administrator's and Deed Administrator's remuneration are proposed to be fixed on a time cost basis in accordance with the Remuneration Approval Report included at Annexure F.

Share Transfer

The Cossetto DOCA Proposal requires the Deed Administrator to use his best endeavours to ensure that all shares in the Company are transferred to Mr Cossetto, or his nominee, pursuant to s444GA of the Act or otherwise. This is to occur as soon as reasonably practicable after execution of the DOCA, and in any event not later than two (2) months after the date of execution of the DOCA or such other further time as agreed in writing between the Deed Administrator and Mr Cossetto.

Section 444GA of the Act empowers a deed administrator as part of a DOCA to transfer shares either with the written consent of the owner of the shares or where the Court grants leave.

Where a transfer under s444GA will result in a person acquiring shares carrying voting power in a company of more than 20%, the acquisition will be prohibited unless ASIC grants relief pursuant to the takeovers prohibition in s606 of the Act. ASIC Consultation Paper 326 - *Chapter 6 relief for share transfers using s444GA of the Corporations Act* states that historically, ASIC have provided relief from s606 of the Act conditional on:

- Being provided with an IER;
- Shareholders being provided with an explanatory statement that explains the nature of the application and their right to object; and
- The Court making a s444GA order.

I have obtained preliminary cost estimates in relation to the Share Transfer. If written consent of the owners of the shares is not provided, the legal and independent expert costs associated with making an application to the Court for leave under s444GA and the legal costs of consulting with ASIC seeking an exemption from s606 are likely to be in the vicinity of \$85,000 - \$101,000 (excluding GST). This cost could change significantly if the proposed Court application under s444GA is contested. I consider that there is a strong likelihood that the application will be contested. If written consent of the owners is obtained for the Share Transfer and no Court application is required, the costs associated with consulting with ASIC seeking an exemption from s606 are likely to be in the vicinity of \$45,000 to \$48,000 (excluding GST), being the costs of an IER for an exemption from s606 and costs associated with consulting with ASIC seeking the exemption. I consider the likelihood of written consent for the Share Transfer being provided so low that I have not included this scenario in my calculations in assessing the Cossetto DOCA Proposal.

Creditors should note that if the Court does not grant relief under s444GA of the Act, then the DOCA will not be able to be effectuated and consequently, may need to be varied or terminated.

8.2. The Revised RRH DOCA Proposal

8.2.1. Key Terms

A summary of the key terms of the Revised RRH DOCA Proposal is provided below.

Term	Details
Proponents	<ul style="list-style-type: none"> • Rous Investments Pty Ltd ATF The Rous Investments Trust. • Remara Capital Pty Ltd. • Hargreaves Singapore Pte Ltd.
Control of the Company	<ul style="list-style-type: none"> • Mr McKinnon, Mr Cossetto and Mr Payne are to be removed as Directors of the Company. • David Verschoor, Andrew McVeigh and Danielle Verschoor will be appointed as Directors of the Company. • The removal of the current directors and the replacement with the new directors is to occur immediately prior to, and as a condition precedent for, effectuation of the DOCA. • It appears the Deed Administrator will control the Company until effectuation of the DOCA. Upon effectuation, control of the Company will be returned to the new Directors.
Deed Administrator	<ul style="list-style-type: none"> • The Proponents have provided a consent to act as Administrator or Deed Administrator and DIRRI from Alan Walker of Walker Advisory and Capital Solutions. Copies of those documents are included at Annexure D. • I understand that it is part of the Revised RRH DOCA Proposal that Mr Walker would replace me as Administrator from the second meeting of creditors to the execution of the DOCA, and would then act as Deed Administrator. • I note that I am not prepared to consent to act as Deed Administrator or Trustee of the Creditors' Trust in respect of the Revised RRH DOCA Proposal.
Creditors' Trust	<ul style="list-style-type: none"> • A Creditors' Trust will be established for the benefit of participating creditors. Please refer to section 8.2.2 of this report for further details with respect to creditors' trusts. • All participating claims of unsecured creditors will be released and compromised against the Company in exchange for a claim in the Creditors' Trust.

	<ul style="list-style-type: none"> • If there is no recovery from the claims against the Directors (see below) within twelve (12) months of creation of the Creditors' Trust, the Proponents will contribute \$15,000 to the Creditors' Trust.
DOCA Fund	<ul style="list-style-type: none"> • The DOCA Fund will consist of: <ul style="list-style-type: none"> ○ any proceeds realised during the DOCA or any cash remaining in the Company; ○ amounts owing to the Company from its wholly owned subsidiaries (such amounts to be reviewed and pursued by the Deed Administrator); and ○ a cash contribution to cover any residual costs up to the appointment of the Deed Administrator to ensure that the Company is in a net nil cash position. • Any intercompany receivable or other amount owing to the Company that is not recovered prior to effectuation will be preserved (i.e. excluded from the DOCA Fund and retained for the benefit of the Company post effectuation).
Share Issue	<ul style="list-style-type: none"> • Immediately prior to effectuation the claims for unpaid consulting fees charged by the Director-related Claimants are converted to equity, and those claims will be compromised and released on effectuation. Mr Cossetto, Mr McKinnon and Mr Payne will each receive 100 ordinary shares. • The Proponents are to be issued 300,000,000 ordinary shares in the Company by the Deed Administrator immediately prior to effectuation. The Proponent's lawyers will work with the Deed Administrator to seek any exemptions required for the issuance of shares or to hold a shareholder meeting to seek approval if applicable. The Proponents will bear the costs associated with preparing any exemption request by providing an indemnity for the Deed Administrator's verified legal costs.
Unsecured Creditors	<ul style="list-style-type: none"> • Ordinary unsecured creditors of the Company (excluding the Non-participating Creditors and the DOCA Proponents) are entitled to participate as creditors in the DOCA Fund, including for the avoidance of doubt Peter Cossetto for all amounts claimed as outstanding. • All pre-appointment claims and debts of the Participating and Non-participating Creditors will be forever released and discharged automatically upon effectuation of the DOCA.
Participating Creditors	<ul style="list-style-type: none"> • Unsecured creditors of the Company entitled to participate as creditors in the Deed Fund are ordinary unsecured creditors (excluding the non-participating creditors and the Proponents). • All admitted participating creditors rank equally for the purpose of a distribution under the Creditors' Trust.
Non-participating Creditors	<ul style="list-style-type: none"> • The Proponents will not participate as creditors in the Deed Fund however this does not prejudice their position to vote on the DOCA or any subsequent variations. • I understand that it is the intention of the Proponents that the Revised RRH DOCA Proposal has regard to the findings made by Justice Nicholas in the judgment delivered on 9 March 2021 with respect to amounts claimed to be owing under consultancy agreements, and that those claims would not be participating claims in the DOCA. I also understand from correspondence with the solicitors for the Proponents that the Revised RRH DOCA Proposal provides that the related parties may claim amounts separate to consultancy fees in the DOCA. I note Mr Payne has indicated to me on several occasions he does not intend to participate in any DOCA.

Effect on Creditors	<ul style="list-style-type: none"> • There will be a moratorium on all rights and claims associated with debts or claims incurred prior to the appointment of the Administrator for the term of the DOCA. • All pre-appointment claims and debts of the participating and non-participating creditors will be forever released and discharged in full upon effectuation of the DOCA.
Distribution of Deed Fund	<ul style="list-style-type: none"> • The DOCA Fund will be transferred to the Creditors' Trust on effectuation.
Distribution of Creditors' Trust	<ul style="list-style-type: none"> • There will be two distributions from the Creditors' Trust. • The first will occur within 2 months of creation of the Trust and will involve all money in the Trust except for \$1. This amount will be paid first to meet the Administrators' capped remuneration (referred to below), then the Deed Administrators' capped remuneration (referred to below) and finally to participating creditors parri passu. • The second distribution will occurred on the earlier of: <ul style="list-style-type: none"> ○ 12 months after the creation of the Creditors' Trust; ○ The outcome of any proceeding against the directors; or ○ As determined by the Trustee in its absolute discretion based on the information available about the potential case against the directors.
Proceeds of claims against the directors	<ul style="list-style-type: none"> • In the event that after execution of the DOCA the Company elects to pursue the former directors for claims associated with their conduct or the financial position of the Company immediately prior to the appointment of the Administrator then should the proceeds from such claim exceed \$500,000 then the Company will pay 25% of any amount recovered into the Creditors' Trust for the benefit of the participating creditors. • If there is no recovery from the claims against the Directors within twelve (12) months of creation of the Creditors' Trust, the Proponents will contribute \$15,000 to the Creditors' Trust.
Monitoring and reporting arrangements	<ul style="list-style-type: none"> • No mandatory requirements are proposed.
Remuneration of the Administrator / DOCA Administrator	<ul style="list-style-type: none"> • The Proponents propose that the Administrator's and Deed Administrator's remuneration: <ul style="list-style-type: none"> ○ Voluntary Administration fixed as follows; <ul style="list-style-type: none"> ▪ From 3 November 2020 to date of the second meeting of creditors - \$75,000 (plus GST); ▪ From second meeting of creditors to execution of the DOCA - \$5,000 (plus GST); and ○ Deed Administrator, establishment of Creditors' Trust and acting as the Trustee of Creditors' Trust covered by the Proponents by providing an indemnity for those costs. • I have informed the Proponents that if creditors vote in favour of the RRH Revised DOCA Proposal I would be agreeable to the fixed remuneration referred to above for the Voluntary Administration (although I otherwise reserve my rights in respect of my reasonable remuneration). • I understand that Mr Walker has agreed to the proposal for remuneration referred to above for acting as Deed Administrator, establishing the Creditors' Trust and acting as trustee of the Creditors' Trust.

Effectuation	<ul style="list-style-type: none"> • Effectuation is to take place immediately following: <ul style="list-style-type: none"> ○ The conversion of non-participating creditor claims into equity of the Company; ○ The issuing of shares to the Proponents; ○ The creation of the Creditors' Trust; ○ The transfer of all claims of unsecured creditors to the Creditors' Trust and release and compromise of all creditor claims against the Company; and ○ The removal and appointment of Directors.
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Share Issue

The Revised RRH DOCA Proposal requires the Deed Administrator to issue certain shares immediately prior to effectuation. Assuming that the share issue is completed as contemplated, the share structure of the Company will be as follows:

Shareholder	Reference	Number of Shares After Proposed Issue	% of Shares After Proposed Issue
The Proponents	(a)	300,000,000	97.45
Mr McKinnon	(b)	100	0.00
Mr Cossetto		100	0.00
Mr Payne		100	0.00
Current Shareholders	3.2.1	7,865,421	2.55
Total Shares		307,865,421	100.00%

(a) Shares to be Issued to the Proponents

The proposed share issue to the Proponents under the Revised RRH Proposal will result in contravention of the 20% takeovers threshold in s606 of the Act discussed at section 8.1 of this report. As a result, the transaction will be prohibited unless:

- One of the exemption criteria set out in s611 of the Act apply; or
- ASIC grants relief.

The Proponents have advised that their lawyers will work with the Deed Administrator and their counsel to seek any exemptions required for the issuance of shares or to hold a shareholder meeting to seek approval, if applicable.

The Proponents have advised that their proposal envisages that a shareholder meeting will be called to approve the issue of shares (Item 7 in s611 of the Act) and that in the event the meeting is incapable of being held or the required resolution not likely, that an application to ASIC will be made. The Proponents have advised that they will meet the costs of preparing the exemption request to ASIC by providing an indemnity for the Deed Administrator's verified legal costs.

Item 7 in s611 of the Act contains disclosure requirements to ensure that members are able to make an informed decision about whether or not to approve the acquisition. ASIC Regulatory Guide 74 contains detailed information about disclosures required in connection with exemptions sought by way of Item 7 in s 611, including where independent expert's reports are required, or alternatively, where a director's report would be sufficient, and the standards that ASIC would require in respect of a director's report. The ASIC Regulatory Guide does also refer to some exceptional circumstances where an IER or detailed directors' report may not be necessary (see: RG 74.40 to

74.42 and *LV Living Limited* [2005] ATP 5 at [103]), including in a turn-around situation where independent shareholders' interests may be materially damaged by the delay or expense of an IER.

I have obtained preliminary cost estimates for the role of the Deed Administrator in connection with the share issue. I consider it to be likely that the Deed Administrator, acting properly, would incur legal and other costs associated with this process. The estimate I have obtained indicates the legal and independent expert costs associated with undertaking the Share Issue are likely to be in the vicinity of \$45,000 - \$48,000 (excluding GST). The Proponents have included as part of their proposal an indemnity for any such costs.

I note that I am not in a position to express a view on whether the members will resolve to accept the Share Issue or if ASIC will grant relief in respect of same. Creditors should note that if the Share Issue is not able to be completed, then the DOCA will not be able to be effectuated and consequently, may need to be varied or terminated.

(b) Shares to be Issued to the Directors

The Revised RRH Proposal provides that the unpaid consulting fees of the Director-related Claimants will be converted to equity and otherwise compromised and released on effectuation. Each of Mr Cossetto, Mr McKinnon and Mr Payne will receive 100 ordinary shares under the proposal.

I made enquiries with the Proponents in respect of the basis for the calculation of the number of shares to be issued to the Directors, noting that, at [41], the Court expressed a view as to the appropriate issue price for any issuance of shares in respect of consulting fees. In response, the Proponents' lawyers have simply indicated that the Proponents do not intend to provide the basis at this stage.

I have serious concerns about this aspect of the proposal and it may be that the affected parties would seek to challenge the DOCA due to this aspect of it.

8.2.2. Creditors' Trust

A creditors' trust is a mechanism used to accelerate a company's exit from external administration. A creditors' trust provides for a trust to be formed to deal with the claims of creditors while allowing the return of the company back to its Board of Directors and being able to operate without the term "Subject to Deed of Company Arrangement" after the company's name.

Under a DOCA, creditors' rights are regulated by both the terms of the DOCA and the provisions of the Act (which deal with such matters as the right of creditors to appeal against a rejection of a proof of debt). Under a creditors' trust, the rights of creditors will transform into the rights of a beneficiary under the terms of the trust instrument with any additional rights under the relevant trust legislation such as the *Trustee Act 1925 (NSW)*.

ASIC Regulatory Guide 82 - External administration: Deeds of company arrangement involving a creditors' trust (RG 82) states:

"DOCAs involving a creditors' trust create special risks for creditors. Once the creditors' trust has been constituted and the DOCA terminates, the arrangement is no longer governed by Pt 5.3A of the Corporations Act 2001 (Corporations Act) and the protective mechanisms of that part—including the supervisory and remedial jurisdiction of the courts—cease to apply. Administrators recommending a creditors' trust bear a heavy burden of explaining to creditors the implications of adopting such a proposal."

A copy of RG 82 can be downloaded from the ASIC website (www.asic.gov.au), or can be provided to creditors upon request to my office.

I note that I have requested a copy of the draft DOCA and draft trust deed from the Proponents. The Proponents' lawyer has advised they have not been instructed to draft the relevant documents until the Revised RRH DOCA Proposal has been approved.

RG 82 provides a summary of the material information an administrator is required to disclose to creditors in circumstances where a creditors' trust is proposed. I am not in a position to provide all relevant material outlined in RG 82 as the Proponent has not provided a draft DOCA and trust deed for consideration by the Administrator and creditors. Notwithstanding, I provide a summary of my understanding of the proposed Creditors' Trust below:

Information for creditors	Details
Reasons the DOCA Proposal involves a Creditors' Trust	<ul style="list-style-type: none"> • The Proponents have disclosed that the reason the DOCA involves a Creditors' Trust is so that creditors can share in the upside arising from future litigation against the former Directors and so that the Company can emerge from formal insolvency as quickly as possible. • The Proponents have advised that the proposed directors have developed a business plan and are working through a transaction that is anticipated to provide value back to shareholders of the Company following effectuation. I note I have not received details of the business plan or transaction. • The proposal refers to claims against the Directors "<i>associated with their conduct or the financial position of the Company immediately prior to the appointment of the Administrator</i>". The proposal provides that should the Company elect to pursue such claims, if the proceeds of recovery exceed \$500,000, 25% will be paid by the Company into the Creditors' Trust. The Company agrees to keep the Trustee informed of any steps it intends to take and outcome of any negotiations or proceedings. • If there is no recovery from the claims against the Directors within twelve (12) months of creation of the Creditors' Trust, the Proponents will contribute \$15,000 to the Creditors' Trust. • It is envisaged that the Proponents would be a party to the DOCA and Creditors' Trust to bind them to same. It is unclear what rights will arise should the Proponents not make the payment as proposed. I am not aware of any reason why the Proponents would not be able to make the proposed contribution. • The Proponents have been requested to provide certain information in relation to the potential claim against the Directors to enable me to assess the likely impact on creditors. The information provided by the Proponents is below: <ul style="list-style-type: none"> ○ Description of the action / claim – Insufficient information has been provided by the Proponents at this time. ○ Funding – to be funded by the Company under its new management and equity structure. The Proponents have advised that they will not fund a liquidator to pursue such claims. ○ Quantum of the claim – Insufficient information has been provided by the Proponents at this time. ○ Prospects of success – Insufficient information has been provided by the Proponents at this time.

	<ul style="list-style-type: none"> • The Proponents have informed me that the above requested information will not be provided given the individuals the subject of the claims will receive this report. • Given the lack of information provided, I am not able to express a view in relation whether creditors are expected to benefit from this potential claim. As noted earlier in this report, at this stage my preliminary investigations have not identified any potential recoveries available against the Directors that are likely to provide a material benefit to creditors. Further investigations would be required by a Liquidator in this regard. • I note that in the event that the claim relates to a breach of duties claim under the Act, I do not consider that it is likely that a claim of this nature would be resolved within the twelve (12) month period provided by the proposal.
Key events	<ul style="list-style-type: none"> • Execution of the DOCA – it is anticipated that this would occur within 15 business days of the creditors’ meeting. Creditors’ claims will be subject to the DOCA until such time as the Creditors’ Trust is created. • Creation of the Creditors’ Trust – the claims of the unsecured creditors will be released and compromised against the Company in exchange for a claim in the Creditors’ Trust. • Termination of the DOCA – the Company will return to the control of the new Directors. It is unclear when this is likely to occur, given the Company’s ability to meet the terms to effectuate the DOCA are unclear. • Receipt of the Creditors’ Trust fund by the Trustee – the DOCA Fund will be transferred to the Creditors’ Trust fund on creation of the Creditors’ Trust. It is anticipated that Creditors’ Trust fund would be received in full by no later than twelve (12) months following formation of the Creditors’ Trust. • Distribution to creditors/beneficiaries – no distribution to creditors/beneficiaries is expected.
Return to creditors/beneficiaries	<ul style="list-style-type: none"> • The proposal states that there will be two distributions from the Creditors’ Trust. The first will occur within 2 months of creation of the Trust and will involve all money in the Trust except for \$1. This amount will be paid first to meet the Administrators’ capped remuneration, then the Deed Administrators’ remuneration and finally to participating creditors parri passu. The second distribution will occurred on the earlier of: <ul style="list-style-type: none"> • 12 months after the creation of the Creditors’ Trust; • The outcome of any proceeding against the directors; or • As determined by the Trustee in its absolute discretion based on the information available about the potential case against the directors.
Trustee particulars	<ul style="list-style-type: none"> • The DOCA Proponents have nominated Mr Walker to be the Deed Administrator and Trustee in this regard. • I note that I am not prepared to consent to act as Deed Administrator or Trustee of the Creditors’ Trust in respect of the Revised RRH DOCA Proposal.
Remuneration	<ul style="list-style-type: none"> • The proposal provides for payment of the remuneration of the Administrator, Deed Administrator and Trustee to be paid in priority.

	<ul style="list-style-type: none"> • The proposal provides that the Deed Administrator’s and Trustee’s remuneration is covered by the Proponents by way of an indemnity. • It is unclear what rights that beneficiaries would have to approve and/or challenge fees charged by the trustee (including what law and courts would decide those rights), compared with the rights they would have as creditors of a company subject to a DOCA.
Indemnities	<ul style="list-style-type: none"> • Other than the indemnities referred to elsewhere in this report, I am not aware of any further indemnities.
Powers	<ul style="list-style-type: none"> • No details setting out the proposed powers of the Trustee of the Creditors’ Trust have been provided by the Proponents. As a result, I am unable to make comment as to the differences between the powers of a Deed Administrator under the Act the Trustee of the Creditors’ Trust.
Claims	<ul style="list-style-type: none"> • The Revised RRH DOCA Proposal states that all admitted participating creditors rank equally for the purposes of a distribution under the Creditors’ Trust. • Whilst I am not aware of any claims in respect of employee entitlements that would receive priority ahead of ordinary unsecured creditors under s556 of the Act in a liquidation, the proposal does not appear to provide such claims (if any) with any form of priority in the Creditors’ Trust.
Other creditor/beneficiary differences	<ul style="list-style-type: none"> • Creditors’ rights in an external administration are set out in the Act. Beneficiaries of a Creditors’ Trust do not have equivalent rights under the Act. Rather, as mentioned above their rights are governed by the Trust Deed and the Trustees Act 1925 (NSW). While courts can provide relief under the general law of trusts, the safeguards available to creditors under Pt 5.3A of the Act are not available to beneficiaries of a trust. • In a DOCA, creditors have the right to request a meeting of creditors or apply to Court to seek orders to amend or terminate the DOCA pursuant to the Act. They also have certain rights to challenge decisions, actions and omissions of the Deed Administrator and to be informed about the progress of the external administration. Further, creditors can lodge a complaint with ASIC about the conduct of the Deed Administrator. Beneficiaries of a Creditors’ Trust do not have such rights under the Act. • As I have not been provided with a copy of the draft trust deed, I am not able to provide further comment.
FEG	<ul style="list-style-type: none"> • FEG is only available to eligible employees in a liquidation scenario. • I note that I am not aware of any employee claims which may fall under FEG in a liquidation scenario. As a result, it appears that the proposed Creditors’ Trust would have no impact in this regard.
Compliance opinion	<ul style="list-style-type: none"> • As I have not been provided with a copy of the draft DOCA and trust deed, I am not in a position to express an opinion as to whether the terms of the draft DOCA and trust deed are capable of being met.

Solvent statement	<ul style="list-style-type: none"> It is my preliminary opinion that the Company will become solvent at the date of effectuation of the DOCA on the terms proposed due to the release and discharge of liabilities on formation of the Creditors' Trust.
Tax issues for the Company and Trust	<ul style="list-style-type: none"> A Creditors' Trust may create the potential for some taxation issues when compared to a distribution received from a DOCA. Any taxation liabilities that may arise with the administration of the Creditors' Trust will reduce the funds available to creditors.
Tax (creditor beneficiary)	<ul style="list-style-type: none"> Creditors are advised to seek their own taxation advice as there may be some implications for creditors receiving a distribution from a trust rather than a distribution from a company subject to DOCA. I am unable to provide any advice regarding this issue.
Other	<ul style="list-style-type: none"> No other material aspects or implications have been identified at this stage.

Creditors are advised that if they are unsure of their position in relation to the proposed Creditors' Trust, they should seek their own legal advice prior to the second meeting of creditors.

9. Estimated Return to Creditors

The calculation of the estimated return to creditors under the DOCA and liquidation scenarios is included at **Annexure E**, and summarised below:

	Liquidation		Cossetto DOCA Proposal		Revised RRH DOCA Proposal	
	High	Low	High	Low	High	Low
Estimated return to ordinary unsecured creditors	Nil	Nil	Nil	Nil	4.9c/\$	3.8c/\$
Estimated timing of final dividend to creditors (from date of liquidation / DOCA)	N/A				12 - 14 months	

Creditors should note that the figures contained in the above tables are **estimates** only. The calculation, estimated return and timing of that return may change due to a number of factors such as:

- The final amount claimed by creditors once PODs are received, adjudicated upon or disputed;
- The value of assets ultimately realised (for example, debtors failing to pay due to disputes or on other grounds);
- Costs of any litigation (for example, in recovering assets, seeking approval from the Court for VA remuneration (if required), debtors and voidable transactions, defending any legal action taken by a third party); and
- Costs of the administration increasing resulting from additional issues arising that I am not able to predict.

10. Administrator's Recommendation

Creditors are required to vote on one (1) of three (3) motions relating to the Company's future.

Pursuant to Section 72-225(b)(i) – (iv) of the IPRs, I am obliged to provide a statement detailing my opinion on these resolutions and, in particular, whether it would be in creditors interests that:

- the Administration end; or
- the Company execute a DOCA; or
- the Company be wound up.

For each of the alternatives, I provide my opinion as follows:

10.1. Administration to End

Creditors may resolve that the administration should end if it appears the Company is solvent or, for some other reason, control of the Company should revert to the Directors.

Based on my preliminary investigations, the Company is insolvent. There appears to be no valid commercial reason why control of the Company should revert to the Directors.

Therefore, it **is not my opinion** that the Administration should end.

10.2. Company to Execute a Deed of Company Arrangement

10.2.1. Cossetto DOCA Proposal

It **is not my opinion** that creditors should resolve to execute the Cossetto DOCA Proposal for the following reasons:

- The DOCA involves significant complexity, uncertainty, cost and litigation risk, particularly in relation to the proposed Share Transfer. It is unclear whether the Company's available assets, or the Indemnity and Deed Contribution proposed by Mr Cossetto are sufficient to cover the costs of administering the DOCA (including adverse costs risk, should the s444GA application be unsuccessful).
- No dividend is expected to be paid.

10.2.2. Revised RRH DOCA Proposal

It **is not my opinion** that creditors resolve to execute the Revised RRH DOCA Proposal for the following reasons:

- Whilst I have requested that the Proponents provide a draft DOCA and trust deed, the Proponents' lawyer has advised at this stage they are not instructed to draft the relevant documents until such time that they know their proposal is approved. Because of the additional complexity of creditors' trust arrangements, I do not consider that a broad outline of the proposed DOCA and proposed creditors' trust deed is sufficient. In practical terms, it is unrealistic that I am able to satisfy my disclosure obligations to creditors unless a draft DOCA and a trust deed have been prepared and provided to creditors. I have endeavoured to provide as much material information to enable creditors to understand the proposal and creditors' trust given the limitations of the information available and time constraints of the VA.
- The principal reason for the inclusion of the Creditors' Trust appears to be to provide participating creditors with the benefit of the proceeds of a recovery action against the Directors. I have requested specific details of the quantum and / or prospects of any claim from the Proponents to enable me to independently assess the merits of such an action and the likely benefits (if any) that creditors may receive from same. Insufficient information has been provided by the Proponents at this time. I note that to the extent any such claim exists, it would also be available to a liquidator at full value for the benefit of creditors, subject to funding being available.

- Whilst there is a likely to be a return under this proposal, the dividend and overall benefit to creditors is negligible, especially when the complexity of the structure and disclosure issues referred to in the first bullet point above are taken into account.

10.3. Company to be Wound Up

It **is my opinion** that creditors should resolve that the Company be wound up for the following reasons:

- A winding up will allow the appointed liquidator to conduct further investigations in relation to the affairs of the Company and pursue any recoveries available, if appropriate.
- There have been allegations of misconduct and potential claims against the Directors. A Liquidator has the power to publicly examine persons of interest pursuant to Sections 596A or 596B of the Act. These powers are not readily available in a DOCA/Creditors' Trust scenario and may assist in identifying and pursuing potential recoveries.
- Also, a Liquidator has a broad range of litigation funding options and is also able to sell / assign his or her right to sue under section 100-5 of the Schedule.

11. Remuneration

At the upcoming meeting, creditors will be asked to consider and approve the remuneration of the Administrator and the future remuneration of the Deed Administrator, Trustee of the Creditors' Trust or Liquidator, if appointed.

Please refer to my Remuneration Approval Report at **Annexure F** for details of the key tasks undertaken or proposed to be undertaken for the above periods.

My remuneration can only be fixed by resolution of a COI (if appointed), the Company's creditors, or by application to the Court. In accordance with IPR 70-35 and the ARITA Code of Professional Practice, an Initial Remuneration Notice was provided to creditors with my initial communication and tabled at the First Meeting of Creditors.

ARITA has issued an information sheet titled "Approving remuneration in external administrations" which provides general information for creditors on the approval of an Administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website (www.arita.com.au).

12. Receipts and Payments

A summary of receipts and payments since my appointment is included as **Annexure G**. Creditors are advised:

- Pursuant to Section 70-5 of Schedule 2 to the Act – an Annual Administration Return will be lodged with ASIC within three (3) months of each anniversary of my appointment; and
- Pursuant to Section 70-6 of Schedule 2 to the Act – an End of Administration Return will be lodged with ASIC within one (1) month of the finalisation of the external administration.

13. Disclaimer

This report has been prepared from the books and records of the Company in my possession and other information provided by the Directors.

In these circumstances creditors must appreciate the limitations in the information provided. Whilst I have used my best endeavours, I am unable to warrant the accuracy, completeness or reliability of the information provided. The

statement of financial position recorded earlier in this report and the commentary regarding potential dividends to creditors is an estimate only based on information available at the date of this report.

Many factors affect the estimated outcome to creditors. The data used in this report may change as further information becomes available and after all matters in the administration are finalised.

If there is any additional material information received in the administration then it will be presented to creditors as soon as practicable.

Should creditors have any queries, please do not hesitate to contact Daniel Hoawerth on (02) 4926 8800 or email DanielH@rgia.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chad Rapsey', written in a cursive style.

Chad Rapsey
Administrator

ANNEXURE A

Notice of Meeting

NOTICE OF RESUMED MEETING OF CREDITORS OF COMPANY

**AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ACN 615 711 772
(the "Company")**

Notice is given that the meeting of the creditors of the Company which was adjourned on 8 December 2020 will resume as follows:

Date: 1 April 2021
Time: 2:00PM
Address: Rapsey Griffiths Turnaround + Advisory, Level 5, 55-57 Hunter Street NEWCASTLE NSW 2300

Agenda

The purpose of the meeting is to:

1. Consider and if thought fit determine the remuneration of the Administrator.
2. Consider the report and statement of the Administrator and any other matters raised relating to the Company's future and then to resolve either that:
 - (a) the company execute a deed of company arrangement;
 - (b) the administration should end; or
 - (c) the company be wound up.
3. If it is resolved that the Company execute the Cossetto DOCA Proposal:
 - (a) to determine the future remuneration of the Administrator
 - (b) to determine the remuneration of the Deed Administrator;
 - (c) to consider the appointment of a Committee of Inspection.
4. If it is resolved that the Company execute the Revised RRH DOCA Proposal:
 - (a) To consider a resolution that Chad Rapsey be removed as Administrator of the Company and replaced by Alan Walker of Walker Advisory and Capital Solutions.
5. If it is resolved that the Company be wound up:
 - (a) to determine the remuneration of the Liquidator;
 - (b) to consider the appointment of a Committee of Inspection; and
 - (c) to consider authorising the Liquidator to dispose of the books and records of the company after finalisation, subject to obtaining ASIC approval
6. To discuss any other relevant business which may arise.

Attending and voting at the meeting

Creditors are invited to attend the meeting, however they are not entitled to participate and vote at a meeting unless:

- **Proof of debt for voting purposes:** They have lodged with the Administrator particulars of the debt or claim and the claim has been admitted, wholly or in part, for voting purposes by the Administrator. If a proof of debt for voting purposes has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on entitlement to vote.
- **Proxies or attendance:** They are either present in person or by electronic facilities (if being made available) or validly represented by proxy, attorney or an authorised person under s250D of the Corporations Act. If a corporate creditor or representative, a proxy form, power of attorney or evidence of appointment of a company representative pursuant to Section 250D of the *Corporations Act 2001* ("the Act") must be validly completed and provided to the Administrator at or before the meeting. A proxy is only valid for a particular meeting and will need to be resubmitted even if previously provided.

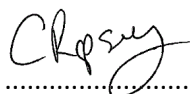
To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Daniel Hoawerth at DanielH@rgia.com.au or PO Box 613 NEWCASTLE NSW 2300 by no later than 4:00PM on the business day prior to the meeting. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Virtual meeting

Teleconference facilities will be made available at the meeting. If you or the person you have appointed is intending on accessing the meeting virtually, please contact my office by no later than 4:00PM on the business day prior to the meeting to obtain instructions on how to access the meeting.

Any queries should be directed to Daniel Hoawerth at DanielH@rgia.com.au or (02) 4926 8800.

Dated 24 March 2021



.....
Chad Rapsey
Administrator

Rapsey Griffiths Turnaround + Advisory - Level 5, 55-57 Hunter Street NEWCASTLE NSW 2300

Note 1: Entitlement to vote and completing proofs

IPR (Corp) 75-85 Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or

- (d) a debt the value of which is not established; unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

- (7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - (a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - (b) has been assigned a debt; and
 - (c) is present at the meeting personally, by telephone, by proxy or attorney; and
 - (d) is voting on the resolution;is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

ANNEXURE B

Form 535 – Formal Proof of Debt or Claim

FORM 535 – FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)Subregulation 5.6.49(2) -
Corporations Act 2001AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ACN 615 711 772 ("the Company")**PART A – INSTRUCTIONS**

This form provides information about what you believe the Company owes you as a creditor.

Please complete Parts B and C of this document and return to the Administrator with any documents to support your debt.

PART B – CREDITOR INFORMATION / DETAILS OF DEBT

1. This is to state that the Company was, on 3 November 2020 and still is, justly and truly indebted to the creditor named below for the amount stated below:

Name of Creditor _____

Address of Creditor _____

Contact Name _____ Telephone No _____

Email Address _____ Amount of Debt (\$) _____

I nominate to receive any future reports and correspondence office via email to the above email address Yes NoPlease confirm whether you are a related creditor of the Company. If yes, provide details of the relationship below. Yes No**Particulars of the debt are:**

Date	Consideration (state how the debt arose e.g. goods / services provided, type of entitlement, loan etc.)	Amount (\$)	GST (\$)	Remarks (include details of vouchers substantiating payment)

I have attached the following documents in support of the above claim (tick all of the relevant boxes that apply):

Invoice/s	<input type="checkbox"/>	Statement/s	<input type="checkbox"/>	Guarantee/s	<input type="checkbox"/>
Credit / Supply agreement/s	<input type="checkbox"/>	Loan / other agreement/s	<input type="checkbox"/>	Security document/s	<input type="checkbox"/>
Itemised calculations	<input type="checkbox"/>	Judgement/s	<input type="checkbox"/>	Other evidence	<input type="checkbox"/>

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 separate schedule setting out the date, drawer, acceptor, amount and due date).

3. 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. Tick the applicable box sets out your authority to complete/execute this document on behalf of the creditor (only one box in Part C below).

PART C – AUTHORITY**Basis of Authority to Complete/Execute this Document (tick one)**I am employed by the creditor and authorised in writing by the creditor to make this statement. I am the creditor's agent authorised in writing to make this statement in writing. I am the creditor personally

Signature _____ Date Signed _____

NAME IN BLOCK LETTERS _____ Position _____

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. An annexure to a form must have an identifying mark; be endorsed with the words "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 be signed by each person signing the form to which the document is annexed. The pages in an annexure must be numbered consecutively. If a form has a document annexed the following particulars of the annexure must be written on the form: the identifying mark; and the number of pages. A reference to an annexure includes a document that is with a form

ANNEXURE C

Appointment of Proxy

APPOINTMENT OF PROXY

Insolvency Practice Rules, 75-25 - Corporations Act 2001

AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ACN 615 711 772 ("the Company")

PART A – INSTRUCTIONS

This form enables you to appoint a representative to attend the below meeting on your behalf. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised. A proxy is required for any corporate creditor wishing to participate in the meeting.

Please complete Parts B, C, D and E of this document and return to my office by no later than 4:00pm on the business day prior to the meeting. You must also ensure that you have also submitted a proof of debt with any documents to support your debt. Your claim against the Company must be admitted for the purposes of voting by the Administrator for your vote to count.

PART B – CREDITOR'S DETAILS

Name of Creditor _____

Address of Creditor _____

Contact Name _____ Telephone No _____

Email Address _____

PART C – APPOINTMENT OF PROXY

I/We, a creditor of the Company hereby appoint _____ or in his/her absence _____ as my/our proxy to vote at the below meeting of creditors of the Company, or at any adjournment of same:

Meeting Date: 1 April 2021

Meeting Time 2:00PM

Meeting Address: Rapsey Griffiths Turnaround + Advisory, Level 5, 55-57 Hunter Street, NEWCASTLE NSW 2300

PART D – VOTING (TICK ONLY ONE BOX - EITHER GENERAL OR SPECIFIC)

This proxy is to be used as a **General Proxy** to vote on all matters arising at the meeting.

OR

This proxy is to be used as a **Specific Proxy** to vote on the following matters as specifically indicated below. The proxy is authorised to vote as a general proxy on resolutions other than those specified below.

#	Resolution	For	Against	Abstain
1	<i>"That the remuneration of the Administrator, their partners and staff, for the period from 3 November 2020 to 21 March 2021, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 5 November 2020, is approved for payment in the amount of \$65,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<i>"That the future remuneration of the Administrator for the period from 22 March 2021 to 1 April 2021, is determined at a sum equal to the cost of time spent by the Administrator and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$10,000.00 exclusive of GST, and that the Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<i>"That, pursuant to Section 439C of the Corporations Act 2001, the Company execute the Deed of Company Arrangement proposed by Mr Peter Cossetto as detailed in the Administrator's report to creditors dated 24 March 2021."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Should creditors resolve for the Company to execute the DOCA proposed by Mr Peter Cossetto <i>"That the future remuneration of the Administrator for the period from 2 April 2021 to the date of execution of the DOCA, is determined at a sum equal to the cost of time spent by the Administrator and his partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$5,000.00 exclusive of GST, and that the Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Should creditors resolve for the Company to execute the DOCA proposed by Mr Peter Cossetto <i>"That the future remuneration of the Deed Administrator for the period from the date of execution of DOCA to its completion, is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$30,000.00 exclusive of GST, and that the Deed Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6	Should creditors resolve for the Company to execute the DOCA proposed by Mr Peter Cossetto <i>"That a Committee of Inspection be established for the Deed of Company Arrangement and the appointed members will be (list names):</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	<i>"That, pursuant to Section 439C of the Corporations Act 2001, the Company execute the Deed of Company Arrangement proposed by Rous Investments Pty Ltd ATF the Rous Investments Trust, Remara Capital Pty Ltd and Hargreaves Singapore Pte Ltd as detailed in the Administrator's report to creditors dated 24 March 2021 and that Alan Walker of Walker Advisory and Capital Solutions be appointed Deed Administrator."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Should creditors resolve for the Company to execute the DOCA proposed by Rous Investments Pty Ltd ATF the Rous Investments Trust, Remara Capital Pty Ltd and Hargreaves Singapore Pte Ltd <i>"That Chad Rapsey be removed as Administrator of Australasian Mortgage Finance Limited (Administrator Appointed) and that Alan Walker of Walker Advisory and Capital Solutions be appointed to act as Administrator of Australasian Mortgage Finance Limited (Administrator Appointed)"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	<i>"That the Company be wound up."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Should creditors resolve that the Company be wound up <i>"That the future remuneration of the Liquidator for the period from the commencement of the liquidation to its completion, is determined at a sum equal to the cost of time spent by the Liquidator and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$15,000.00 exclusive of GST, and that the Liquidator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Should creditors resolve that the Company be wound up <i>"That a Committee of Inspection be established for the Company and the appointed members will be (list names):</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Should creditors resolve that the Company be wound up <i>"That the creditors direct the Liquidator to apply to ASIC when appropriate or upon finalisation of the liquidation for consent to destroy books within the retention period in accordance with IPS 70-35."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	<i>"That the administration end."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART E – AUTHORITY

Basis of Authority to Complete/Execute this Document (tick one)

I am employed by the creditor and authorised in writing by the creditor to make this statement.

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

I am the creditor personally

Signature _____

Date Signed _____

NAME IN BLOCK LETTERS _____

Position _____

ANNEXURE D

Consent to Act and Declaration of Independence, Relevant Relationships and Indemnities of Mr Alan Walker of Walker Advisory & Capital Solutions

CONSENT OF ADMINISTRATOR TO ACT

AUSTRALASIAN MORTGAGE FINANCE LIMITED (ADMINISTRATOR APPOINTED)
(ACN 615 711 772)
("THE COMPANY")

I, Alan Walker, registered liquidator and chartered accountant, of Walker Advisory and Capital Solutions, Level 11, 90 Arthur Street, North Sydney, NSW 2055, hereby consent to act, if appointed, as administrator of the Company or administrator of a deed of company arrangement executed by the Company under Part 5.3A of the *Corporations Act 2001* (Cth) (the **Act**) or such a deed as varied and in force from time to time (**DOCA**). I am not aware of any conflict of interest or duty that would make it improper for me to act as administrator of the Company or of a DOCA.

To the best of my knowledge, I am not disqualified by reason of section 448C of the Act from acting as administrator of the Company or of a DOCA.

A handwritten signature in black ink, consisting of stylized initials 'AW' followed by a long horizontal line extending to the right.

Alan Walker

Date: 23 March 2021

Australasian Mortgage Finance Limited (Administrator Appointed)
ACN 615 711 772 (the Company)

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

The purpose of this document is to assist creditors with understanding any relevant relationships that I have and any indemnities or upfront payments that have been provided to me. None of the relationships disclosed in this document are such that my independence is affected.

This information is provided to enable you to make an informed assessment about my independence. In the event you do not have trust and confidence in my independence, you may act to remove and replace me if you wish.

This declaration is made in respect of Alan Walker, and my firm Walker Advisory & Capital Solutions.

A. INDEPENDENCE

I, Alan Walker of Walker Advisory & Capital Solutions have undertaken an assessment of the threats to my independence prior to accepting the appointment as Deed Administrator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential threats to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

B1. Circumstances of appointment

This appointment was referred to me by Hamilton Locke (Referrer) who acted as an external legal advisor to the Deed Proponent. The Referrer has previously referred other insolvency-related appointments and engagements to me in the past two years.

I believe that this referral does not result in a conflict of interest or duty because:

- (a) Neither me nor my firm has undertaken work for, or provided advice to, the Referrer in respect of the Company.
- (a) There is no expectation, agreement or understanding with the Referrer regarding the conduct of this appointment, nor any arrangements in place that restrict the proper exercise of my judgement and duties in this appointment.
- (b) Referrals received from business advisors and professionals, including persons such as solicitors and accountants, are normal and common in professional service businesses. The presence of a referral does not inherently affect my independence or the carrying out of my duties in this appointment.
- (c) Whilst the Referrer has previously referred work to me, neither this appointment nor the receiving of referrals from the Referrer is considered material to the financial viability and operations of my firm. My firm receives work from various sources and is not reliant upon any single referral source.

On 23 March, Alan Walker received a telephone call from Nicholas Edwards of Hamilton Locke to request I provide a consent to act as Deed Administrator and to discuss the background to the administration generally.

The purposes of these telephone conference calls were to:

- obtain sufficient information about the Company and the proposal for a Deed of Company Arrangement and Creditors Trust
- to consider providing a consent to act as Deed Administrator.

No remuneration was received for the above matters.

In my opinion, these matters do not affect my independence for the following reasons:

- the Courts and relevant professional bodies specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment
- the nature of the discussions is such that it would not be subject to review and challenge during the course of this appointment
- no advice has been given to any directors or former directors regarding their personal circumstances
- the pre-appointment discussions will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with this appointment in an objective and impartial manner.

I have provided no other information or advice to the Company, its directors or its advisors prior to our appointment beyond that outlined in this declaration.

B2. Prior Professional Services to the Insolvent

Neither I, nor my firm, have provided any professional services to, or in relation to, the Company in the previous 24 months.

B3. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of the Company's property that should be disclosed.

B4. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of the Company's property that should be disclosed.

C. INDEMNITIES AND UPFRONT PAYMENTS

I have not been indemnified in relation to this appointment other than any indemnities that we may be entitled to under statute. I have not received any upfront payments in respect of my remuneration or disbursements.

Dated this 24th day of March 2021



.....
ALAN WALKER

ANNEXURE E

Estimated Return to Creditors Calculation

AustralAsian Mortgage Finance Limited (Administrator Appointed)

Estimated Position Statement as at

24/03/2021

	Notes / Report Ref	Liquidation (\$)		Cossetto DOCA Proposal (\$)		Revised RRH DOCA Proposal (\$)	
		High	Low	High	Low	High	Low
Assets							
Sundry Debtors	(a)	10,082	10,082	10,082	10,082	10,082	10,082
Cash at Bank	(a)	258,839	258,839	258,839	258,839	258,839	258,839
Other Assets	(a)	-	-	-	-	-	-
Total Asset Realisations		268,921	268,921	268,921	268,921	268,921	268,921
Costs of Voluntary Administration / Priority Payments							
Voluntary Administrator's Remuneration	(b)	(75,000)	(75,000)	(80,000)	(80,000)	(80,000)	(80,000)
Voluntary Administrator's Expenses and Disbursements	(c)	(4,514)	(5,014)	(4,514)	(5,014)	(4,514)	(5,014)
Legal Fees	(d)	(110,461)	(115,461)	(115,461)	(120,461)	(110,461)	(115,461)
Defendants' Costs of Judicial Review Application	(e)	(71,441)	(71,441)	(71,441)	(71,441)	(71,441)	(71,441)
Total Costs of Voluntary Administration / Priority Payments		(261,416)	(266,916)	(271,416)	(276,916)	(266,416)	(271,916)
Assets Available / (Shortfall of Assets) at Conclusion of Voluntary Administration		7,505	2,005	(2,495)	(7,995)	2,505	(2,995)
Recoveries and Costs - DOCA and Liquidation							
Voidable Transactions / Insolvent Trading / Liquidator's Recoveries	(f)	-	-	-	-	-	-
DOCA Contribution to Cover Shortfall at Conclusion of Voluntary Administration Period	(g)	-	-	-	-	-	2,995
DOCA / Creditors' Trust Contribution	(h)	-	-	60,000	60,000	15,000	15,000
Indemnity Towards Costs Associated with Independent Expert Report	(i), (j)	-	-	40,000	40,000	-	-
Costs Associated with Nominated Share Issue / Transfer Process	(j)	-	-	(85,000)	(101,000)	-	-
Deed Administrator's Remuneration	(k)	-	-	(30,000)	(30,000)	-	-
Trustee of Creditors' Trust Remuneration	(l)	-	-	-	-	-	-
Liquidator's Remuneration	(m)	(15,000)	(20,000)	-	-	-	-
Net Recoveries and Costs - DOCA and Liquidation		(15,000)	(20,000)	(15,000)	(31,000)	15,000	17,995
Funds Available for Distribution		-	-	-	-	17,505	15,000
Unsecured Creditors							
Unrelated Unsecured Creditors	(n)	(466,375)	(485,625)	(466,375)	(485,625)	(274,967)	(294,217)
Related Entities (Former Directors)	(n)	(140,643)	(163,682)	(140,643)	(163,682)	(32,205)	(55,244)
Related Entities (Current Directors - Other Than Consulting Fees)	(n)	(51,854)	(51,854)	-	-	(50,354)	(50,354)
Related Entities (Current Directors - Consulting Fees)	(n)	-	-	-	-	-	-
Total Unsecured Creditors		(658,872)	(701,161)	(607,018)	(649,307)	(357,526)	(399,815)
Estimated Surplus / (Shortfall)		(666,367)	(719,156)	(624,513)	(688,302)	(340,021)	(384,815)
Rate of Return to Unsecured Creditors		0.0%	0.0%	0.0%	0.0%	4.9%	3.8%

Notes

- (a) Please refer to section 6.1 of my report to creditors dated 24 March 2021.
- (b) My proposed remuneration as Voluntary Administrator is calculated in accordance with the Remuneration Approval Report included at Annexure F.
- (c) Provision for external administrator's disbursements including search fees, obtaining computer / IT backups of the Company's data and a nominal provision for other expenses.
- (d) Legal fees associated with the external administration include dealing issues relating to with creditor and shareholder requests for information, allegations regarding the appointment of the Administrator, dealing with creditor proofs of debt and meetings and related party claims, dealing with DOCA proposals, reviewing related-party transactions and other potential Liquidator recoveries, reporting to creditors and considering DOCA Proposals, dealing with the application for judicial review and general legal advice relating to the Administration. Additional costs under the Cossetto DOCA Proposal relate to costs associated with preparing and entering into a DOCA.
- (e) Please refer to section 4 of my report to creditors dated 24 March 2021.
- (f) Please refer to section 6 of my report to creditors dated 30 November 2020 and section 7 of my report to creditors dated 24 March 2021.
- (g) Under the Revised RRH DOCA Proposal, the Proponents have undertaken to provide a "Cash contribution to AMFL to cover any residual costs up to appointment of deed administrator to get AFML to a net nil cash position".
- (h) The Cossetto DOCA Proposal provides for a cash contribution of \$60,000 on execution of the DOCA. The Revised RRH DOCA Proposal provides that should the Company elect to pursue claims against the Directors, if the proceeds of recovery exceed \$500,000, 25% will be paid by the Company into the Creditors' Trust. If is no recovery from the claims against the Directors within twelve (12) months of creation of the Creditors' Trust, the Proponents will contribute \$15,000 to the Creditors' Trust. Insufficient information has been provided to me by the Proponents for me to express a view in relation to whether creditors are expected to benefit from the potential claim. For the purposes of assessing the likely returns to creditors, I have assumed that the Proponents will contribute \$15,000 at the conclusion of the twelve (12) month period following creation of the Creditors' Trust.
- (i) As noted at section 8.1 of my report to creditors dated 24 March 2021, Mr Cossetto will indemnify the Deed Administrator up to a capped amount of \$40,000 (excl. GST) to cover the Deed Administrator's costs of obtaining the IER under the Cossetto DOCA Proposal. As noted at section 8.2 of my report to creditors dated 24 March 2021, under the Revised RRH DOCA Proposal, I understand that the Proponents will provide an indemnity to the Deed Administrator and Trustee of the Creditors' Trust with respect to remuneration and expenses.
- (j) Please refer to section 8.1 for details of the estimated costs of the Share Transfer process under the Cossetto DOCA Proposal. Under the Revised RRH Proposal, the impact of any costs of the Deed Administrator and Trustee of the Creditors' Trust on the return to creditors is nil given the indemnity discussed at note (j) above.
- (k) My proposed remuneration as Deed Administrator under the Cossetto DOCA Proposal is calculated in accordance with the Remuneration Approval Report included at Annexure F. Under the Revised RRH DOCA Proposal, the Proponents have agreed to indemnify the remuneration to the Deed Administrator and Trustee of the Creditors' Trust. As a result, the impact of the remuneration of the Deed Administrator and Trustee of the Creditors' Trust on the return to creditors is nil.
- (l) Under the Revised RRH DOCA Proposal, the Proponents have agreed to indemnify the remuneration to the Deed Administrator and Trustee of the Creditors' Trust. As a result, the impact of the remuneration of the Deed Administrator and Trustee of the Creditors' Trust on the return to creditors is nil.
- (m) My proposed remuneration as Liquidator is calculated in accordance with the Remuneration Approval Report included at Annexure F.
- (n) Please refer to section 6.2 of my report to creditors dated 24 March 2021.

ANNEXURE F

Remuneration Approval Report

24 March 2021

Remuneration Approval Report (“RAR”)

AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ACN 615 711 772
(the “Company”)

1. Summary

I am asking creditors to approve the following remuneration:

	Remuneration (\$) (excluding GST)		
	If Creditors Resolve that the Company be Placed into Liquidation	If the Cossetto DOCA Proposal is Accepted	If the Revised RRH DOCA Proposal is Accepted
Voluntary Administration	75,000.00	80,000.00	75,000.00
DOCA	-	30,000.00	-
Creditors’ Trust	-	-	-
Liquidation	20,000.00	-	-
Total	95,000.00	110,000.00	75,000.00

If creditors resolve that the Revised RRH DOCA Proposal be executed, I am not prepared to consent to act as Deed Administrator or Trustee of the Creditors’ Trust. In circumstances where I will not be appointed in respect of the DOCA or Creditors’ Trust, I do not propose to seek approval of my remuneration relating to those appointments from creditors.

Details of the remuneration sought can be found in section 3 of this RAR.

Creditors will be asked to pass resolutions at the meeting on 1 April 2021.

I estimate that the actual cost of the Voluntary Administration to 1 April 2021 will be approximately \$114,854.10 (excluding GST). This figure is inclusive of the 10% reduction in hourly rates ordinarily charged by my Firm as agreed with the Directors prior to my appointment. I have voluntarily discounted the amount of remuneration approval to be sought from creditors for the VA period to \$75,000.00 (excluding GST) if the Company is placed into liquidation or \$80,000.00 (excluding GST) if a DOCA is accepted by creditors as shown in the following table.

Period	Excl GST (\$)
3 November 2020 to 21 March 2021	
Actual remuneration incurred	110,949.00
Less: 10% Discount	(11,094.90)
Less: Further Discount	(34,854.10)
Approval Sought to 3 November 2020 to 21 March 2021	65,000.00
22 March 2021 to 1 April 2021	10,000.00
2 April 2021 to Date of Execution of the DOCA	5,000.00
Total Approval Sought - VA	80,000.00

This has increased from the previous estimate provided to creditors of \$65,000.00 to \$70,000.00 (excluding GST) because of:

- The volume and nature of enquiries, including requests for information, by creditors and shareholders has resulted in more time being spent than was originally anticipated;
- Multiple DOCA proposals have been received and correspondence with proponents has been greater than originally anticipated. The DOCAs proposed are more complex than previously anticipated and have been varied on numerous occasions;
- My previous estimate did not seek approval for time associated with filing the application for judicial review and participating in the proceedings;
- The second meeting of creditors was adjourned, requiring me to prepare a supplementary report to creditors and convene the resumed meeting – those costs were not included in the previous estimate; and
- The general complexity of the administration has been greater than anticipated.

Whilst I consider that the time incurred is reasonable and necessary, on a purely voluntary and commercial basis, at the upcoming meeting of creditors, I do not propose to seek approval from creditors for:

- My time costs associated with the application for judicial review. These costs total \$17,552.00 (excluding GST); and
- Further time costs for the period 3 November 2020 to 21 March 2021 in the sum of \$17,302.10 (excluding GST).

Should creditors not approve the remuneration sought, I reserve the right to apply to the Court to fix the full sum of remuneration incurred (less the 10% discount agreed with the Directors prior to my appointment).

Subject to the variables noted at section 3 of this RAR which may have a significant effect on this estimate, I do not expect to seek further approval of remuneration from creditors, however reserve the right to do so if necessary.

2. Declaration

I have reviewed the work in progress (WIP) report and undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. I am satisfied that the remuneration and disbursements claimed are necessary and proper and have ensured that any necessary adjustments to the WIP have been made.

3. Remuneration Sought

The remuneration I am asking creditors to approve is as follows. I will only seek approval of resolutions for the DOCA if creditors agree to the respective proposal offered. Similarly, I will only seek approval of the resolution for the liquidation if creditors vote to place the Company into liquidation.

For	Period	Amount (excl GST)	Rates to apply	When it will be drawn
Resolution 1 - Work I have already done	3 November 2020 to 21 March 2021	\$65,000.00	Refer to my Initial Remuneration Notice dated 5 November 2020 ("IRN")	Immediately, or as funds become available
Resolution 2 - Future work to meeting date	22 March 2021 to 1 April 2021	\$10,000.00		
VOLUNTARY ADMINISTRATION TOTAL		\$ 75,000.00 (excl GST)		

If creditors resolve that the Company execute the Cossetto DOCA Proposal

Resolution 3 - Future work from meeting to execution of DOCA	2 April 2021 to execution of the DOCA	\$5,000.00	Refer to my IRN	As time is incurred on a monthly basis or as funds become available
VOLUNTARY ADMINISTRATION TOTAL		\$ 80,000.00 (excl GST)		
Resolution 4 – Future work – Cossetto DOCA	Execution of the DOCA to finalisation of the DOCA	\$30,000.00	Refer to my IRN	As time is incurred on a monthly basis or as funds become available
COSSETTO DOCA PROPOSAL TOTAL		\$ 30,000.00 (excl GST)		
Resolution 5 – Future work – Liquidation	Commencement of the liquidation to finalisation of the liquidation	\$20,000.00	Refer to my IRN	As time is incurred on a monthly basis or as funds become available
LIQUIDATION TOTAL		\$ 20,000.00 (excl GST)		

Details of the above work and any resolutions being put to creditors are included at:

- **Schedule 1 and 2** – for the Voluntary Administration. **Schedule 2** includes a breakdown of time spent by staff members on each major task for work I have already done.
- **Schedule 3** – for the Voluntary Administration from the date of the meeting to execution of the DOCA and the Cossetto DOCA Proposal.
- **Schedule 4** – for the Liquidation

The estimate of remuneration sought for future work is subject to a number of variables which may have a significant effect on this estimate, including:

Administration Type	Variables
Voluntary Administration	<ul style="list-style-type: none"> • Whether creditors resolve for the Company to be placed into liquidation or to execute a DOCA; • Whether any amendments to the DOCA proposals, or additional DOCA proposals, are received; • If complexities are encountered with respect to drafting or executing a DOCA; • If additional information is forthcoming that is relevant to creditors’ decision regarding the future of the Company that requires further investigation by the Administrator; • High volumes and complexity of creditor and shareholder enquiries; • Whether disputes or litigation arise; and • Dealing with any other unexpected, unforeseen, undisclosed or unknown complexities, difficulties or issues which may arise during the course of the administration.
DOCA	<ul style="list-style-type: none"> • High volumes and complexity of creditor and shareholder enquiries; • The number, nature and complexity of claims received from creditors requiring adjudication; • Complexities or disputes arising with respect to proceedings or obtaining any exemptions associated with share issues / transfers; • Whether difficulties or delays are encountered with respect to satisfying certain conditions precedent to effectuation of the DOCA; • Whether disputes or litigation arise; and • Dealing with any other unexpected, unforeseen, undisclosed or unknown complexities,

	difficulties or issues which may arise during the course of the DOCA.
Liquidation	<ul style="list-style-type: none"> • Whether subsequent investigations undertaken in a liquidation scenario identify possible voidable transaction recoveries or misconduct and whether those matters are pursued; • High volumes and complexity of creditor and shareholder enquiries; • The number, nature and complexity of claims received from creditors requiring adjudication; • Whether disputes or litigation arise; and • Dealing with any other unexpected, unforeseen, undisclosed or unknown complexities, difficulties or issues which may arise during the course of the liquidation.

4. Disbursements Sought

I am not required to seek creditor approval for costs paid to third parties or where I am recovering a cost incurred on behalf of the administration, but I must provide details to creditors. Please refer to section 9 of this RAR for details of any receipts and payments.

I am required to obtain creditors' consent for the payment of a disbursement where I, or one of my related entities, may directly or indirectly obtain a profit. For more information about disbursements, please refer to my IRN.

I do not intend to claim any disbursements where there may be a profit and as such do not intend to seek creditor approval at this stage, however reserve the right to do so in the future if necessary.

Details of disbursements incurred are provided below.

Disbursement type	Disbursements incurred as at 21 March 2021	
	Basis	Amount (Excl GST) (\$)
Advertisements	At cost	63.00
Searches		1,647.42
Postage		67.85
Teleconference Costs		27.96
Total Disbursements Incurred		1,806.23
Less: Disbursements Paid		-
Outstanding Disbursements		1,806.23

5. Previous Remuneration Approvals

I note that no previous remuneration approvals have been obtained during the appointment.

6. Likely Impact on Dividends

The Corporations Act sets the order for payment of claims against the Company and it provides for my remuneration to be paid in priority to other claims. This ensures that when there are sufficient funds, I receive payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve my remuneration, this does not guarantee that I will be paid, as I am only paid if sufficient assets are recovered.

As a consequence, my remuneration will reduce the pool of funds remaining for distribution amongst other creditors. I note that:

- Funds would only be available for distribution as a consequence of the work necessarily undertaken by the Administrator, Deed Administrator or Liquidator; and
- Any distributions ultimately available will be impacted not just by my remuneration and disbursements, but also by the realisations achieved by the Administrator, Deed Administrator or Liquidator and the value of creditors' claims that are eligible to receive a distribution.

7. Funding Received for Remuneration and Disbursements

- **Voluntary Administration and Liquidation** – I do not expect to receive any funding for my remuneration and disbursements from external sources during the administration.
- **Cossetto DOCA Proposal** – please refer to section 8.1 of my report to creditors dated 24 March 2021 for details of funding proposed by the Proponent which may be available to cover remuneration and disbursements during the appointment.

8. Report on Progress of the Administration

Creditors are referred to the report to creditors with which this RAR is provided.

9. Summary of Receipts and Payments

A summary of the receipts and payments for the administration is included at **Annexure G**.

10. Queries

If you have any queries in relation to the information in this report, please contact my office.

You can also 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 INFO 85).

Further supporting documentation for my remuneration claim can be provided to creditors on request.



Chad Rapsey
Administrator

SCHEDULE 1 – DETAILS OF WORK AND RESOLUTIONS SOUGHT – VOLUNTARY ADMINISTRATION

		Resolution 1 - Work already done (excl GST)			Resolution 2 - Future work (excl GST)	
Period	3 November 2020 to 21 March 2021				22 March 2021 to 1 April 2021	
Resolution for Creditor Approval	<p><i>“That the remuneration of the Administrator, their partners and staff, for the period from 3 November 2020 to 21 March 2021, calculated at the hours spent at the rates detailed in the Initial Remuneration Notice dated 5 November 2020, is approved for payment in the amount of \$65,000.00, exclusive of GST, to be drawn from available funds immediately or as funds become available.”</i></p>				<p><i>“That the future remuneration of the Administrator for the period from 22 March 2021 to 1 April 2021, is determined at a sum equal to the cost of time spent by the Administrator and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$10,000.00 exclusive of GST, and that the Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i></p>	
Area / General Description	Tasks			Tasks		
Assets	Cash at bank	<ul style="list-style-type: none"> • Notifications to financial institutions in search of bank accounts in the name of the Company • Organise transfer of funds held in pre-appointment account into administration account and liaise with pre-appointment financial institution with regard to transfers 			<ul style="list-style-type: none"> • N/A 	
	Sundry debtors	<ul style="list-style-type: none"> • Liaise with the ATO in relation to pre-appointment GST refund • Confirm receipt of funds from the ATO 				
	Shares	<ul style="list-style-type: none"> • Conduct search of share registries 				
	Other assets	<ul style="list-style-type: none"> • Discussions and emails with interested party regarding interest / offer for certain intellectual property that may be owned by the Company 				
	Total – Assets	Hours	4.10	Amount (\$)		848.69
Creditors	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receive and respond to creditor enquiries • Consider information requests from creditors and complying with those information requests • Review of creditor listings provided by the Directors and compare against Xero 			<ul style="list-style-type: none"> • Receive and respond to creditor enquiries • Consider information requests from creditors and complying with those information requests 	
	DOCA Proposal	<ul style="list-style-type: none"> • Assess DOCA proposals received • Liaise with DOCA proponents • Liaise with Directors • Compare DOCA likely outcome with liquidation 			<ul style="list-style-type: none"> • Assess DOCA proposals received • Liaise with DOCA proponents regarding proposals • Calculation of estimated returns to creditors 	
	Reports to creditors	<ul style="list-style-type: none"> • Prepare and issue initial notice to creditors • Prepare and issue s75-225 report to creditors and annexures • Drafting supplementary s75-225 report to creditors and annexures • Lodged report to creditors with ASIC 			<ul style="list-style-type: none"> • Finalise supplementary s75-225 report to creditors and annexures 	
	Dealing with Proofs of debt	<ul style="list-style-type: none"> • Receipting and filing POD when not related to a dividend • Obtain and consider advice regarding related party proofs of debt • Liaise with lawyers regarding creditor claims and consider debt vs equity issues 			<ul style="list-style-type: none"> • Receipting and filing POD when not related to a dividend 	
	Meetings of Creditors	<ul style="list-style-type: none"> • Preparation of meeting notices, proxies and advertisements • Forward notice of meeting to all known creditors • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. • Liaise with creditors/attendees regarding meetings of creditors • Adjudicate proofs received for voting purposes 			<ul style="list-style-type: none"> • Forward notice of meeting to all known creditors • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. • Attendance and meeting of creditors • Adjudicate proofs received for voting purposes 	

		<ul style="list-style-type: none"> Preparation and lodgement of minutes of meetings with ASIC 					
	Shareholder enquiries	<ul style="list-style-type: none"> Notification to shareholders of appointment of Administrator Receive and respond to shareholder enquiries Liaise with Directors regarding shareholders Process share transfers and record on member register 			<ul style="list-style-type: none"> N/A 		
	Judicial Review	<ul style="list-style-type: none"> Liaise with lawyers regarding judicial review application Review / drafting affidavits and exhibits Drafting notices to creditors regarding judicial review application and orders made Investigation into books and records and compliance with requests for documentation / information Liaise with auditor regarding consulting fees Attendance at case management and final hearings Consider decision / judgement from Court and way forward Liaise with defendants regarding costs of proceedings 			<ul style="list-style-type: none"> Finalise issues in relation to the costs of the proceedings 		
	Total – Creditors	Hours	160.50	Amount (\$)	31,856.73	Amount (\$)	7,000.00
Investigation	Conducting investigation	<ul style="list-style-type: none"> Collection of company books and records Liaise with advisors to the Company to obtain books and records Obtain backup of IT data and liaise with IT professionals regarding same Conducting and summarising statutory searches Reviewing company's books and records Review and preparation of company nature and history Preparation of comparative financial statements and analysis of same Review of specific transactions and prepare file notes regarding same Liaise with lawyers regarding investigations Requests for information and liaise with the Directors to assist in undertaking insolvency and voidable transactions review Review of general purpose financial report General ledger review Conduct detailed bank statement review Historical creditor analysis and insolvency assessment Preparation of investigation file Complete investigation checklists Prepare and submit report to ASIC under s438D 			<ul style="list-style-type: none"> N/A 		
	Total – Investigation	Hours	40.00	Amount (\$)	11,128.58	Amount (\$)	-
Administration	Correspondence	<ul style="list-style-type: none"> Incoming and outgoing correspondence 			<ul style="list-style-type: none"> Incoming and outgoing correspondence 		
	Appointment	<ul style="list-style-type: none"> Dealing with allegations regarding the validity of and potential challenges to the Administrator's appointment 			<ul style="list-style-type: none"> N/A 		
	Directors	<ul style="list-style-type: none"> Receipt and review of ROCAP (Part A x1, Part B x3) Discussions with Directors Lodge ROCAP with ASIC 			<ul style="list-style-type: none"> Liaise with Directors 		
	DOCA Proposal	<ul style="list-style-type: none"> Assess DOCA proposals received Liaise with DOCA proponents and their representatives Receipt of and consider amendments to DOCA proposals Liaise with Directors 			<ul style="list-style-type: none"> Assess DOCA proposals received Liaise with DOCA proponents and their representatives Receipt of and consider amendments to DOCA proposals Compare DOCA likely outcome with liquidation 		

	<ul style="list-style-type: none"> • Liaise with parties to obtain cost estimates associated with meeting DOCA conditions • Communication with ASIC regarding s606 and s444GA applications • Compare DOCA likely outcome with liquidation 					
Document maintenance, file review, checklist	<ul style="list-style-type: none"> • Prepare day one checklist • Filing of documents • Updating job checklist / IPS diary • Prepare voluntary administration timeline 				<ul style="list-style-type: none"> • Filing of documents • Updating job checklist / IPS diary 	
Insurance	<ul style="list-style-type: none"> • Notification of appointment to insurance broker 				<ul style="list-style-type: none"> • N/A 	
Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence opening bank account • Preparing bank reconciliations • Processing receipts and payments 				<ul style="list-style-type: none"> • Preparing bank reconciliations • Processing receipts and payments 	
ASIC forms and lodgements	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 531 etc • Advertisement of appointment with ASIC 				<ul style="list-style-type: none"> • Lodge report to creditors with ASIC 	
ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment to various statutory / utility / and other authorities • Prepare and lodge BAS 				<ul style="list-style-type: none"> • N/A 	
Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration and task allocations within team • Review WIP 				<ul style="list-style-type: none"> • Discussions regarding status of administration and task allocations within team 	
Total- Administration	Hours	72.10	Amount (\$)	21,166.00	Amount (\$)	3,000.00
Grand Total	Hours	276.70	Amount (\$)	65,000.00	Amount (\$)	10,000.00

AUSTRALASIAN MORTGAGE FINANCE LIMITED (Administrator Appointed)
ACN 615 711 772

SCHEDULE 2 - Time Summary for the period 3 November 2020 to 21 March 2021

Staff	Position	Hourly Rate \$	Total Hours	Total Value \$	Assets		Creditors		Investigation		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$
Chad Rapsey	Appointee	620	32.40	20,088.00	-	-	17.90	11,098.00	1.30	806.00	13.20	8,184.00
Mitchell Griffiths	Partner	620	1.40	868.00	-	-	1.40	868.00	-	-	-	-
Daniel Hoawerth	Associate	550	63.10	34,705.00	1.20	660.00	31.10	17,105.00	6.60	3,630.00	24.20	13,310.00
Craig Newell	Senior Manager	500	3.70	1,850.00	-	-	3.40	1,700.00	0.30	150.00	-	-
Casey Hammond	Manager	465	0.50	232.50	-	-	0.50	232.50	-	-	-	-
Daniel Hoawerth	Manager	465	73.90	34,363.50	-	-	45.80	21,297.00	15.30	7,114.50	12.80	5,952.00
Daniel Hoawerth	Intermediate	295	2.30	678.50	-	-	2.30	678.50	-	-	-	-
Matthew Brennan	Intermediate	295	24.70	7,286.50	-	-	15.30	4,513.50	9.40	2,773.00	-	-
Alpha Samocino	Secretary	180	1.90	342.00	-	-	1.20	216.00	-	-	0.70	126.00
Blanca Ancheta	Secretary	180	0.10	18.00	-	-	0.10	18.00	-	-	-	-
Daniel Hoawerth	Secretary	180	7.90	1,422.00	-	-	6.70	1,206.00	-	-	1.20	216.00
Karisa Olmos	Secretary	180	19.10	3,438.00	1.70	306.00	4.60	828.00	3.30	594.00	9.50	1,710.00
Loren Angel	Secretary	180	1.90	342.00	-	-	1.80	324.00	-	-	0.10	18.00
Olivia Parrey	Secretary	180	0.50	90.00	-	-	0.50	90.00	-	-	-	-
Casey Outram	Paraprofessional	190	1.20	228.00	-	-	-	-	-	-	1.20	228.00
Cassie Burton	Paraprofessional	190	12.10	2,299.00	0.90	171.00	8.30	1,577.00	2.40	456.00	0.50	95.00
Chad Rapsey	Paraprofessional	190	3.80	722.00	-	-	3.80	722.00	-	-	-	-
Daniel Hoawerth	Paraprofessional	190	10.40	1,976.00	0.30	57.00	9.40	1,786.00	0.70	133.00	-	-
Cassie Burton	Nil charge	0	1.80	-	-	-	0.50	-	0.30	-	1.00	-
Chad Rapsey	Nil charge	0	3.50	-	-	-	1.00	-	-	-	2.50	-
Craig Newell	Nil charge	0	0.40	-	-	-	0.10	-	0.30	-	-	-
Daniel Hoawerth	Nil charge	0	9.20	-	-	-	4.30	-	0.10	-	4.80	-
Karisa Olmos	Nil charge	0	0.20	-	-	-	-	-	-	-	0.20	-
Matthew Brennan	Nil charge	0	0.70	-	-	-	0.50	-	-	-	0.20	-
Total			276.70	110,949.00	4.10	1,194.00	160.50	64,259.50	40.00	15,656.50	72.10	29,839.00
Less: 10% Discount as Per Initial Remuneration Advice				(11,094.90)		(119.40)		(6,425.95)		(1,565.65)		(2,983.90)
Gross WIP less 10% Discount				99,854.10		1,074.60		57,833.55		14,090.85		26,855.10
Less: Discount Relating to Judicial Review				(17,552.00)		-		(17,497.00)		-		(55.00)
Less: Further Discount				(17,302.10)		(225.91)		(8,479.82)		(2,962.27)		(5,634.10)
Net Approval Sought				65,000.00		848.69		31,856.73		11,128.58		21,166.00
GST				6,500.00								
Total including GST				71,500.00								
Average Hourly Rate (Excl. GST)				234.91		207.00		198.48		278.21		293.56

SCHEDULE 3 – DETAILS OF WORK AND RESOLUTION SOUGHT – DATE OF MEETING TO EXECUTION OF THE DOCA AND COSSETTO DOCA PROPOSAL

		Resolution 3 - Future work from meeting to execution of DOCA (excl GST)		COSSETTO DOCA PROPOSAL Resolution 4 - Future work – DOCA (excl GST)	
Period		2 April 2021 to Execution of the DOCA		Execution of the DOCA to Finalisation of the DOCA	
Resolution for Creditor Approval		<p><i>“That the future remuneration of the Administrator for the period from 2 April 2021 to the date of execution of the DOCA, is determined at a sum equal to the cost of time spent by the Administrator and his partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$5,000.00 exclusive of GST, and that the Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i></p>		<p><i>“That the future remuneration of the Deed Administrator for the period from the date of execution of DOCA to its completion, is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$30,000.00 exclusive of GST, and that the Deed Administrator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i></p>	
Area / General Description		Tasks		Tasks	
Assets	DOCA Fund	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Transfer funds from VA to DOCA Enter into Deed of Indemnity relating to IER costs Call on DOCA Contribution and Indemnity from the proponent 	
	Total - Assets	Amount (\$)	-	Amount (\$)	1,500.00
Creditors	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries Consider information requests from creditors and complying with those information requests 		<ul style="list-style-type: none"> Receive and respond to creditor enquiries Consider information requests from creditors and complying with those information requests 	
	Reports to creditors	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Issue report to creditors regarding execution of DOCA Report to creditors regarding effectuation of DOCA 	
	Dealing with Proofs of debt	<ul style="list-style-type: none"> Receipting and filing POD when not related to a dividend 		<ul style="list-style-type: none"> Receipting and filing POD when not related to a dividend 	
	Meetings of creditors	<ul style="list-style-type: none"> Finalisation and lodgement of minutes of creditors meeting 		<ul style="list-style-type: none"> N/A 	
	Shareholder enquiries	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Receive and respond to shareholder enquiries 	
Total - Creditors	Amount (\$)	2,000.00		Amount (\$)	5,000.00
Dividend	Processing proofs of debt (POD)	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication 	
	Dividend procedures	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Preparation of correspondence to creditors advising of intention to declare dividend Obtain clearance from the ATO Advertisement of intention to declare dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend 	

	Total - Dividend	Amount (\$)	-	Amount (\$)	6,500.00
Administration	Correspondence	<ul style="list-style-type: none"> Incoming and outgoing correspondence 		<ul style="list-style-type: none"> Incoming and outgoing correspondence 	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> Filing of documents Updating checklists 		<ul style="list-style-type: none"> Filing of documents Updating checklists 	
	Directors	<ul style="list-style-type: none"> N/A 		<ul style="list-style-type: none"> Correspondence with the Directors Return of control of Company to the Directors at the conclusion of the DOCA 	
	DOCA	<ul style="list-style-type: none"> Discussions with Directors, lawyers and proponents regarding DOCA DOCA drafting and review Obtain and review legal advice in respect to DOCA Execute DOCA 		<ul style="list-style-type: none"> Removal and replacement of Directors Review of and entry into deferral deed with non-participating creditors Instruct preparation of IER and liaise with lawyers and expert regarding same Attend to s444GA application and associated affidavits, exhibits, Court attendances and communications with shareholders Prepare exemption application to ASIC Liaise with ASIC with regard to the exemption application 	
	Bank account administration	<ul style="list-style-type: none"> Bank account transacting and reconciliation 		<ul style="list-style-type: none"> Bank account transacting and reconciliation 	
	ASIC forms and lodgements	<ul style="list-style-type: none"> Preparing and lodging ASIC forms to finalise VA 		<ul style="list-style-type: none"> Preparing and lodging ASIC forms 	
	ATO and other statutory reporting	<ul style="list-style-type: none"> Preparing BAS 		<ul style="list-style-type: none"> Preparing BAS 	
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Updating ABN / GST / PAYG registration Completing checklists 		<ul style="list-style-type: none"> Notifying ATO of finalisation Updating ABN / GST / PAYG registration Completing checklists 	
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration 		<ul style="list-style-type: none"> Discussions regarding status of administration 	
	Total- Administration	Amount (\$)	3,000.00		Amount (\$)
Grand Total	Amount (\$)	5,000.00		Amount (\$)	30,000.00

SCHEDULE 4 – DETAILS OF WORK AND RESOLUTION SOUGHT – LIQUIDATION

		Resolution 5 - Future work – Liquidation (excl GST)	
Period	Commencement of the Liquidation to Finalisation of the Liquidation		
Resolution for Creditor Approval	<i>“That the future remuneration of the Liquidator for the period from the commencement of the liquidation to its completion, is determined at a sum equal to the cost of time spent by the Liquidator and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 5 November 2020, up to a capped amount of \$15,000.00 exclusive of GST, and that the Liquidator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”</i>		
Area / General Description		Tasks	
Asset	Debtors	<ul style="list-style-type: none"> • Issue demand to PF1 and AFN regarding related party debts due • Receipt of response and consider options for recovery 	
	Total - Assets	Amount (\$)	500.00
Creditors	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone, post and email • Maintaining creditor enquiry register • Review and prepare correspondence to creditors and their representatives via facsimile, email and post 	
	Reports to creditors	<ul style="list-style-type: none"> • Prepare and issue first report to creditors regarding liquidation • Prepare and issue 3-month Statutory Report by Liquidator and lodge with ASIC 	
	Dealing with PODs	<ul style="list-style-type: none"> • Receipting and filing POD when not related to a dividend 	
	Shareholder enquiries	<ul style="list-style-type: none"> • Provide update to shareholders • Receive and respond to shareholder enquiries 	
	Total - Creditors	Amount (\$)	6,500.00
Investigation	Conducting investigation	<ul style="list-style-type: none"> • Conduct further investigations into matters identified in the Administrator’s detailed report to creditors • Completion of investigation file • Lodgement of investigation with ASIC • Liaise with ASIC regarding statutory report 	
	Total - Investigation	Amount (\$)	4,500.00
Administration	Correspondence	<ul style="list-style-type: none"> • Incoming and outgoing correspondence 	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists 	
	Insurance	<ul style="list-style-type: none"> • Finalise insurance requirements 	
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Bank account reconciliations • Processing receipts and payments 	
	ASIC forms and lodgements	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 531, 5601, EX01, 5603 etc 	
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Preparing BAS 	
	Finalisation	<ul style="list-style-type: none"> • Tasks associated with finalisation of the administration 	
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration 	
Total- Administration	Amount (\$)	3,500.00	
Grand Total	Amount (\$)	15,000.00	

ANNEXURE G

Summary of Receipts and Payments

Summarised Receipts & Payments

AUSTRALASIAN MORTGAGE FINANCE LIMITED

(Administrator Appointed)

Transactions From 03 November 2020 To 24 March 2021

Account	Net	GST	Gross
Sundry Debtors (B)	10,082.44	0.00	10,082.44
Cash at Bank	258,838.94	0.00	258,838.94
Bank Interest	1.06	0.00	1.06
GST Clearing Account	3,334.00	0.00	3,334.00
Total Receipts (inc GST)	\$272,256.44	\$0.00	\$272,256.44
Bank Charges	1.65	0.00	1.65
Legal Fees (1)	73,460.90	7,346.09	80,806.99
Legal Fees - No GST	7,000.00	0.00	7,000.00
Costs of Securing Books and Records	1,058.00	105.80	1,163.80
Total Payments (inc GST)	\$81,520.55	\$7,451.89	\$88,972.44
Balance in Hand			\$183,284.00