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Provincial Property Investments (Aust) Pty Ltd (in Liquidation) ACN 074 099 424 (the “Company”)

Liquidator’s Report to Creditors

Monday, 28 May 2018

Michael Gerard McCann

Liquidator

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Introduction

I refer to my appointment as liquidator on 13 July 2017 and to my Statutory Report to Creditors dated 6 October 2017 in which I provided an update on the progress of the Liquidation.

The purpose of this report is to:

- Notify you that a meeting of creditors will be held at 10:30 am on Tuesday, 26 June 2018;
- Provide an update on the progress of the liquidation;
- Advise you of the likelihood of a dividend being paid in the liquidation;
- Advise you that the liquidation will be completed within 12 to 24 months.

I have relied on information provided from numerous sources to prepare this report, including:

- Discussions with the former Director of the Company, Richard Marlborough;
- Discussions with one of the Secured Creditors, Ramsden Lawyers;
- Discussions with the former liquidator, Jason Bettles of Worrells Solvency and Forensic Accountants (the "Former Liquidators");
- Review of the Former Liquidators files;
- Information available from public sources, such as, ASIC and the Personal Property Securities Register ("PPSR"); and
- A review of the Company's books and records provided to date.

Whilst I have no reason to doubt the accuracy of any information, I have not performed an audit and reserve the right to alter my conclusions, should the underlying data prove to be inaccurate or change materially from the date of this report.

Executive Summary

Executive Summary

Company background	<ul style="list-style-type: none"> • The Company was part of a group of companies known as the Members Alliance Group ("MAG"). • The Company owned the letting and management rights of roughly 200 different properties located throughout Australia. • Included within this was the letting of 57 apartments at a complex in Airlie Beach on behalf of a related entity Airlie Beach (MA) Pty Ltd, a company which is also under my control as liquidator.
Financial position	<ul style="list-style-type: none"> • On appointment, the Company's primary remaining asset was the letting rights business associated with the Airlie Beach development. This business was sold on 20 December 2017. • Due to the level of secured creditor claims and the significant costs incurred in realising the asset, there are no residual funds available from the transaction available to unsecured creditors. • Cash at bank and debtors totalling c\$45k have been recovered. Due to the financial position of the Company, there is not expected to be any return to any class of creditors.

Investigations	<ul style="list-style-type: none"> • A report pursuant to section 533 of the Corporations Act 2001 (Clth) (the "Act") has been lodged with ASIC. This report identified the following possible contraventions of the Act: <ul style="list-style-type: none"> ○ Director's failure to maintain adequate books and records; ○ Potential breaches of Director's duties; and ○ Possible insolvent trading. • ASIC has requested a supplementary section 533 report.
ASIC Assetless Administration ("AA") Funding	<ul style="list-style-type: none"> • An application to ASIC's AA funding has been submitted to facilitate the completion of a supplementary section 533 report, as requested by ASIC. • Considering the inter-relatedness of the MAG it is difficult to quantify the likely cost of the supplementary section 533 report. Remuneration of \$100,000 has therefore been requested. • Approval from creditors for funds being obtained from ASIC is required, prior to any remuneration being discharged.
Meeting of creditors	<ul style="list-style-type: none"> • A meeting of creditor is scheduled to be held on 10.30am on Tuesday, 26 June 2018. • During the meeting creditors will be asked to consider resolutions for the approval of the liquidator's remuneration: <ul style="list-style-type: none"> ○ Time incurred from 13 July 2017 to 18 May 2018 of \$33,075.50 (excl. GST); ○ Estimated time incurred from 19 May 2018 to 26 June 2018 of \$10,000 (excl. GST); and ○ Estimated time incurred from 27 June 2018 to finalisation of \$100,000 (excl. GST).

Company background

The Company is part of a group of companies known as the Members Alliance Group ("MAG"). The MAG operated a range of businesses, primarily throughout Queensland, including but not limited to, financial services, project marketing, construction and management and letting rights.

A group structure for the MAG is attached at **Appendix A** of this report.

Details of the Company's directors and shareholders are outlined in the following tables.

Directors	Start date	End date
Richard John Marlborough	03/04/2014	
Maighan Joy Elizabeth Brown	21/05/2015	20/01/2016
David Bruce Domingo	20/07/2015	20/01/2016
Trent Forrest MacVicar	20/08/2000	02/07/2015
Colin William MacVicar	03/04/2014	21/05/2015

Note: Further historic individuals held the position of director for the Company. The above includes all current individuals relevant to the MAG.

Shareholder name	ACN	Class and holding	Status
ACN 161 598 938 Pty Ltd (Formerly Iridium Holdings Pty Ltd)	161 598 938	ORD - 100%	Current
J.T. Prestige Pty Ltd	088 919 466	ORD - 100%	Former



Update on the progress of the liquidation

Circumstances leading to winding up

Commencing Friday, 22 July 2016 the directors of the MAG placed certain entities within it into voluntary administration and liquidation with the Former Liquidators.

On 13 July 2017, I replaced the Former Liquidators of the Company by order of the Supreme Court of Queensland.

The Company owned the letting and management rights of roughly 200 different properties located throughout Australia and collected fees in relation to the management of those properties. Of the 200 properties that were operated, 57 of those properties were managed in conjunction with a related company, Airlie Beach (MA) Pty Ltd ("ABMA"), which is also under my control as Liquidator.

Meetings held

No meeting of creditors for the liquidation of the Company has occurred since the second meeting of creditors for the voluntary administration process on 25 August 2016.

A meeting of creditors is to be held at 10:30 am on Tuesday, 26 June 2018. Further details are provided within this report.

During the meeting I will be requesting that you consider my detailed Remuneration Approval Report and a resolution to approve my remuneration at the meeting of creditors. My Remuneration Approval Report includes a request to approve both time incurred to date and estimated future time to be incurred.

As noted later in this report, the Australian Securities and Investments Commission ("ASIC") have requested that a supplementary section 533 report be completed and I have therefore applied to ASIC's Assetless Administration Fund for funding to complete further investigations and a supplementary report, as requested by ASIC.

I am required to obtain creditors' approval for remuneration for any funding received from ASIC's Assetless Administration Fund, prior to it being discharged. Being mindful of the integrated nature of the MAG, the current lack on information and documentation and the uncertainty on the volume of investigations required to complete the supplementary section 533 report, I am requesting approval for future remuneration of \$100,000. Creditors should note that remuneration will only be drawn to the extent that work is performed.

As previously advised, on Thursday, 13 July 2017 I replaced Jason Bettles and Raj Khatri (the "Former Liquidators") by order of the Supreme Court of Queensland. On 25 August 2016, during the second meeting of creditors of the voluntary administration of the Company, the Former Liquidators received approval for remuneration of \$38,896, for work completed to 6 October 2016. This amount remains unpaid. The Former Liquidators have submitted a further remuneration report seeking approval for fees relating to time incurred after 6 October 2016 to 10 October 2017 totalling \$74,568.69 and I will also be requesting creditors to consider a proposal relating to that remuneration at the meeting of creditors.

Assets and Liabilities of the Company

A Report as to Affairs ("RATA") was provided by the former Director of the Company on 19 October 2017. The RATA indicates the following:



Provincial Property Investments (Aust) Pty Ltd Report as to Affairs as at 19/10/2017	Directors' RATA		Liquidators'
	Book Value (\$)	ERV (\$)	ERV (\$)
Assets			
Interest in land	-	-	-
Sundry Debtors	-	-	29,864
Cash on Hand	-	-	-
Cash at Bank	-	-	-
Stock on hand	-	-	-
Work in Progress	-	-	-
Plant and Equipment	-	-	-
Other Assets	-	-	-
Sub Total	-	-	29,864
Assets subject to specific charges			
Less amounts owing to secured creditors	394,624	394,624	394,624
Total Estimated Realisable Value	(394,624)	(394,624)	(364,760)
Liabilities			
Amount payable in advance of secured creditors	-	-	-
Amounts owing for employee entitlements	-	-	-
Amounts owing and secured by debenture or floating charge over assets	-	-	-
Preferential claims ranking behind creditors as	-	-	-
Partly Secured Creditors	-	-	-
Unsecured Creditors	-	-	(2,571,715)
Total Amounts Claimed	(394,624)	(394,624)	(2,936,475)
Contingent Assets	-	-	-
Contingent Liabilities	(173,282)	(173,282)	-
Estimated Surplus/ (deficiency)	(567,906)	(567,906)	(2,936,475)

My investigations have identified one debtor that was not listed in the Director's RATA. The debtor was a company called Tusaba Pty Ltd that had previously purchased a rent roll associated with 36 properties located in Dalby, Qld. This outstanding debt of \$19,987 has been recovered in full.

The RATA includes a contingent liability due to the Australian Taxation Office ("ATO") of c\$173k. The records available to me identify a debt of c\$2.4m to the ATO. I understand that this debt arose due to a tax sharing agreement being in place for certain entities of the MAG, with those companies being jointly and severally liable for the debt to the ATO. The total liability identified to unsecured creditors is c\$2.8m.

I have also secured a trust account with c.\$40k held for the beneficiaries. The Company records do not provide any insight into the ownership of the funds and investigations in this regard are ongoing.

Receipts and Payments to date

Attached in **Appendix B** are the receipts and payments in the liquidation period from 13 July 2017 to 21 May 2018.

Actions since last report

Since my last report I have undertaken the following tasks:

- Issued correspondence to the Director of the Company requesting copies of books and records and a Report as to Affairs;
- Undertaken a review of the Former Liquidators' file notes, records and investigations completed prior to my appointment;
- Continued my investigations into matters affecting the Company and MAG generally;
- Received and responded to creditor queries regarding the liquidation of the Company and the MAG;
- Engaged with Tusaba Pty Ltd regarding outstanding rent roll payment;
- Realised outstanding assets of the Company;
- Reviewed and investigated asset sales prior to appointment;
- Responded to queries posed by statutory bodies including ASIC and the ATO;
- Investigated sources of funding and beneficiaries of Company trust account;
- Liaised with the Office of Fair Trade in relation to the operation of the Company's trust account;
- Review and responded to claims lodged with the Office of Fair Trade by creditors of the Company;
- Lodged a report to ASIC pursuant to section 533 of the Act; and
- Complied with my statutory obligations.

Asset Realisations

Dalby Rent Roll

In November 2017 the outstanding proceeds for the sale of the Dalby rent roll were collected, totalling \$19,987. The funds related to a sale of management and letting rights pertaining to a development of 36 properties in Dalby which was sold by the Company prior to entering administration. The sale was vendor financed over a 2 year period.

Summit Apartments, Airlie Beach

Since my last report, the management and letting rights of the Summit Apartments in Airlie Beach (the "ABMA Business") have been sold to XNZ Pty Ltd. As noted to creditors, the Company acted as a letting agent for ABMA for the Summit Apartments.

Due to the administration of ABMA, the Body Corporate had the ability to terminate the management agreement and it was therefore necessary to finalise the sale as expeditiously as possible to avoid any termination and to protect ABMA / PPI's primary asset.

Prior to the sale of the management and letting rights business a valuation was obtained which indicated that the Company would potentially be entitled to one third of any residual sales proceeds from the sale. Due to the level of secured creditor claims against the Company and the significant costs of sale associated with the transaction there are no residual funds available.

Realisation process relating to the ABMA Business

On appointment to ABMA the day-to-day operations of the Business was being operated by a company called Benchmark Private Wealth Pty Ltd ("Benchmark") through an agency agreement that was in place prior to my appointment.

Immediately on appointment my staff and I undertook the following actions to preserve the value and potential sale of the Business:

- Engaged with Benchmark regarding the ongoing management of the Business to ensure operations continued as normal;
- Engaged with and obtained approval from the Office of Fair Trade to continue to undertaking the Business of the Company;
- Engaged with the Body Corporate to ensure that no termination of the management deed occurred;

- Investigated sources of funding and beneficiaries of Company trust account;
- Engaged in discussions with the buyer of the Business, including
 - Negotiating and reducing the level of possible reductions to the contract price for the loss of units within the letting pool;
 - Negotiating the removal of clauses regarding the provision of historic documents which could not be located within the books and records of the Company;
 - Agreeing clauses relating to the liquidation of the Company to protect the sale;
 - Negotiating and agreeing due diligence clauses for the contract considering the lack of records available to the Liquidators; and
 - Reviewing and agreeing to schedules attaching to the contract relating to plant and equipment being included within the contract.
- Executed a contract for the sale of the Business.

On 3 November 2017, during the sale process, following an application by ASIC I was appointed as provisional liquidator of Benchmark. On my appointment as provisional liquidator, I engaged with the director of Benchmark (Liam Young) regarding the Business and the requirements to continue operating it to complete the sale. This included requesting the Company's books and records, access to the operating system used to operate the Business (called Console), and other general request such as copies of owner and tenant details, trust account reconciliations, etc. Mr Young advised he was unable to assist and advised us to contact Maighan Brown.

Ms Brown is the director of a related company to Benchmark called Benchmark Wealth Property Services Pty Ltd ("BWPS"). At the time of my appointment to Benchmark I was also appointed to BWPS as provisional liquidator. Ms Brown initially provided no assistance but did eventually provide a copy of the Console system (which was a number of weeks out of date). She has not provided assistance since.

Following obtaining a copy of the Console system I engage directly with a former employee of Benchmark who assisted with operating the Business until a sale could be completed. Due to the lack of assistance along with the Console system not being up to date, operating the Business was increasingly difficult.

I continued to pursue completion of the sale of the Business as expeditiously as possible, which included the following:

- Maintenance of the Business' trust account, distributing rent to owners of units at Airlie Summit and paying subcontractors for maintenance of the development;
- Responded to queries posed by the Buyer of the Business and assisted them with their due diligence process, including;
 - Providing bank statements for the Business;
 - Providing accounting records for the Business; and
 - Providing audit reports for the Business.(Creditors should note that due to the lack of books and records made available to me on appointment, assisting with the due diligence process required significant time)
- Provided documentation and updates to the Buyer upon request;
- Obtained documents and engaged in discussions with the Body Corporate to obtain approval for the sale of the management and letting rights;
- Reviewed the registered security interests against the Company and sought advice regarding those security interests prior to completing the sale of the business.
- Negotiated with secured creditors to ensure that the purchase of the management and letting rights could progress.

The sale completed on 20 December 2017.

A copy of the outcome statement for the sale has not been provided due to a confidentiality clause included within the contract for sale.

Creditors should note that as ABMA was the entity which had ownership of the Business which was sold, all time costs relating to the realisation were incurred through the liquidation of that entity and

the Liquidator's fees relating to the sale of the asset are subject to approval of the creditors of ABMA.

Secured Creditors

The following table details the claims lodged by the three secured creditors who received a distribution from the Business sale proceeds. The three creditors who received payment has security interests registered against the Company and ABMA. All payments were in full and final settlement of their claims.

Secured creditor - claims and payments

Secured creditor	Claim	Paid
Ramsden Lawyers	245,023	226,254
WMS Solutions	74,611	68,895
David Domingo / Mellow Brae Superannuation Fund	75,927	30,000
Total	395,561	325,149

The distributions to the secured creditors is outlined further below.

Ramsden Lawyers and WMS Solutions (the "Advisors")

The Advisors registered security interests on the Personal Properties Securities Register against the majority on entities included in the MAG, including the Company. The security interests secured the Advisors fees for professional services complete for the winding up of the MAG in its entirety.

Legal advice was sought in relation to the validity of the security interest and, on the face of it, it appeared that they may have been valid. Queries remain with regard to the quantum and commerciality of the amount claimed and further review are continuing in that regard. However, in order to facilitate the sale completing it was necessary for the Advisors' claim to be discharged to obtain the removal of the security interests.

David Domingo / Mellow Brae Superannuation Fund ("MBSF")

MBSF registered security interests against the Company, however, supporting information provided to substantiate the claim was lacking. Due to the complexities of the sale process, it was necessary to seek a commercial settlement of MBSF's claim and realise the Company's only asset. A settlement of \$30,000 was agreed and each of the Advisors agreed to reduce their distribution from the sale to facilitate the settlement with MBSF and settlement of the sale of the Business.

Other Debtor Collections

At the time of our appointment the Previous Liquidators held a bank account with c\$15K which was then placed into my control as Liquidator.

I have also received a payment from Arndell and Andtric Pty Ltd for an outstanding debt owing to the Company for \$9,877.



Possible recovery actions

As advised in my previous report to creditors, I have commenced my investigations into the affairs of the Company prior to my appointment and any potential recovery actions that may be available to me to pursue. My findings of these investigations have not been able to be significantly progressed due to the lack of information and company records available to me, however, an overview of my findings to date are detailed below.

Insolvent Trading

I have only been provided with limited financial information of the Company to June 2016. The information provided is insufficient to determine a definitive date of insolvency.

Voidable Transactions

Our investigations have identified a number of payments were made to related MAG companies (predominately MM Prime Investments Pty Ltd (in Liquidation)). That company is also in liquidation under my control as Liquidator and the director, Mr Richard Marlborough, is a bankrupt. Any potential recovery action is predicated on the financial position of the parties to meet such an action. Given the parties involved are either in liquidation or bankrupt, the current likelihood of any recovery is low.

Report to Australian Securities and Investment Commission (“ASIC”)

I have prepared and lodged my report to ASIC pursuant to section 533 of the Corporations Act. My report detailed, amongst others, the following concerns:

- Directors’ failure to maintain adequate books and records;
- Potential breaches of Director’s duties; and
- It was noted that an assessment of insolvent trading was unable to be accurately made due to the lack of financial records.

ASIC has since advised that it intends to commence an investigation into the Company and a supplementary 533 report has been requested.

Due to the lack of funds and assets available in the liquidation, an application for funding through ASIC’s Assetless Administration Fund has been submitted to enable further investigations into the Company’s failures and solvency and for the supplementary section 533 report to be submitted.

Dividends and Meeting to be Held

Likelihood of a dividend

Attached at **Appendix C** is an Estimated Outcome Statement which demonstrates that given current asset realisations, **no dividend to any class of creditor is likely**.

Cost of the liquidation

Attached at **Appendix D** is a detailed report on my remuneration, called a Remuneration Approval Report. I am unable to pay my remuneration without the approval of creditors or the court.

During the meeting of creditors I will be seeking creditors to approve the following remuneration:

Period	Amount (excl. GST)
Resolution 1: 03 May 2017 to 18 May 2018	\$ 33,077.50
Resolution 2: 19 May 2018 to 26 June 2018	\$ 10,000.00
Resolution 3: 27 June 2018 to finalisation	\$ 100,000.00
Total	\$ 143,077.50

The Former Liquidators currently have approved but unpaid remuneration outstanding of \$38,896, which is for work completed to 6 October 2016. The Former Liquidators have submitted a further remuneration report (attached at **Appendix E**) seeking approval for fees relating to time incurred after 6 October 2016 to 10 October 2017 totalling \$74,568.69. During the meeting of creditors I will be putting a resolution to creditor to consider the further fee request by the Former Liquidators.

Creditors should note that as the current funds on hand total c\$43k and as there is not expected to be any further realisations, there are insufficient funds available to discharge the Former Liquidators' and my remuneration in full. Legal advice obtain has indicated that remuneration incurred by the Former Liquidators and my staff should be discharged on a pro rata basis.

A meeting of creditors to consider this update and my remuneration will be held as follows:

Date: Tuesday, 26 June 2018
Time: 10:30 am
Address: King George Central, Level 18, 145 Ann Street, Brisbane, QLD 4000

Further meeting information including a notice of meeting and details of the information you are required to provide if you plan to attend the meeting are attached at **Appendix F**. To participate in this meeting, you may need to:

- Submit a proof of debt and information to substantiate your claim;
- Appoint a person – a “proxy” or person authorised under a power of attorney – to vote on your behalf at the meeting. This may be necessary if you are unable to attend the meeting, or if the creditor is a company; and
- You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Details of the resolutions to be put to the meeting of creditors for consideration are included within the Form 532 (Appointment of Proxy) within Appendix F.

Proof of debt and proxy forms are included with the notice of meeting. To facilitate the conduct of the meeting completed proof of debt and, if applicable, proxy forms must be returned to my office by post, fax or email by no later than Monday, 25 June 2018 at 4:00 pm.

Further enquiries to be undertaken

I am required to continue our investigations into the potential allegations as set out above.

I am continuing to make enquiries as to the Company's books and records as I have not received appropriate records to date.

I expect that the liquidation will be finalised within 12 to 24 months.

What happens next?

I will proceed with the liquidation, including:

- Holding a meeting of creditors;
- Recovering any further available property;
- Completing my investigations into the Company's affairs; and
- Completing my reporting to the corporate insolvency regulator, the ASIC.

I may write to you again with further information on the progress of the liquidation.

Compliance with best practice

I confirm that this report complies with the requirements in the Insolvency Practice Rules ("IPR"), as well as the statements of best practice issued by the Australian Restructuring Insolvency and Turnaround Association ("ARITA").

Where can you get more information?

ARITA provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA's website at arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au.

Should you have any queries with respect to the above, you may also contact Colm Dolan of my office on 07 3222 4306 or via email on colm.dolan@au.gt.com. There is also information about this liquidation on firm's website.

Dated: 28 May 2018



Michael Gerard McCann

Liquidator

Appendix A – Group Structure
Appendix B – Liquidator's Receipts and payments
Appendix C – Estimated Outcome Statement
Appendix D – Remuneration Approval Report
Appendix E – Former Liquidators' Remuneration Approval Report
Appendix F – Notice of Meeting and Other Meeting Information



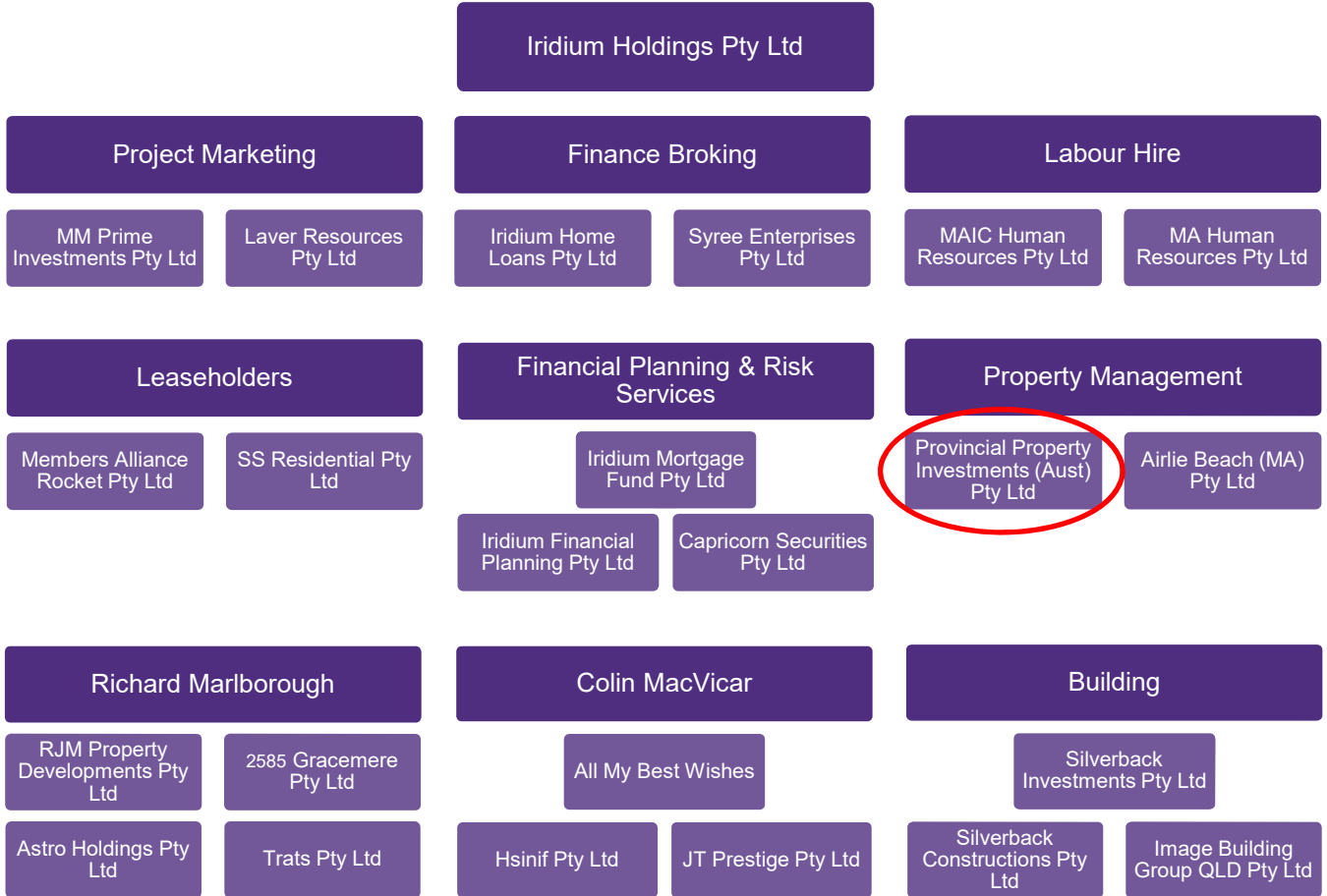
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Appendix A

Group Structure

Members Alliance Group – Group Structure



Appendix B

Liquidators' Receipts and Payments

Provincial Property Investments (Aust) Pty Ltd (in Liquidation)		\$
ACN 074 099 424		
As at 18 May 2018		
Receipts		
Cash at bank		15,406
Collection of Debtors		9,877
Dalby Rent Roll		19,987
Total Receipts		45,270
Payments		
Storage costs		2,256
Total Payments		2,256
Net Receipts/ (Payments)		43,014

Appendix C

Estimated Outcome Statement

Provincial Property Investments (Aust) Pty Ltd (in Liquidation) ACN 074 099 424 as at 18 May 2018		
	€	€
	Optimistic	Pessimistic
Cash at bank	43,014	43,014
Estimated future costs		
Grant Thornton liquidation remuneration - 13/07/17 to 18/05/18	27,115	27,115
Grant Thornton liquidation remuneration - 19/05/17 to 26/06/18	7,500	10,000
Grant Thornton liquidation remuneration - 27/06/18 to finalisation	80,000	100,000
Grant Thornton liquidation disbursements incurred	955	955
Grant Thornton estimated future liquidation disbursements	1,000	3,000
Worrells liquidation remuneration - 24/08/16 to 06/10/2016 (approved by creditors)	38,896	38,896
Worrells liquidation remuneration - 06/10/16 to 10/10/2017	74,569	74,569
Total estimated costs	222,535	244,535
Remaining Funds	(179,521)	(201,521)

Appendix D

Remuneration Approval Report

Remuneration Approval Report

PROVINCIAL PROPERTY INVESTMENTS (AUST) PTY LTD (IN LIQUIDATION) A.C.N. 074 099 424 (“the Company”)

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the Liquidation of the Company.

This report has the following information included:

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3.2 Total remuneration reconciliation.....	4
3.3 Likely impact on dividends	4
To date there has been no remuneration recovered from any external sources.....	5
Part 4: Disbursements.....	5
4.1 Internal disbursement claim	5
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Part 5: Queries	6
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Schedule A – Resolution 1: Table of major tasks for remuneration.....	7
Schedule B – Resolution 2: Table of major tasks for remuneration.....	7

What do you need to do next?

You should read this report and the other documentation that I have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. 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.

Information about the meeting of creditors is provided at part 6 of this report.

If you have any questions or need any assistance, please contact Benjamin Sanders on (07) 3222 0429 or via email on benjamin.sanders@au.gt.com.

Part 1: Declaration

I, Michael McCann of Grant Thornton Australia Limited have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

Part 2: Executive Summary

2.1 Remuneration Resolutions

The total remuneration for this appointment is estimated to be \$143,077.50 (excluding GST). To date, no remuneration has been approved and paid during this liquidation. This remuneration report details approval sought for the following fees:

Period	Amount (excl. GST)
Resolution 1: 13 July 2017 to 18 May 2018	\$33,077.50
Resolution 2: 19 May 2018 to 26 June 2018	\$10,000.00
Resolution 2: 27 June 2018 to finalisation	\$100,000.00
Total	\$143,077.50

Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Resolution 1: 13 July 2017 – 18 May 2018

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 13 July 2017 to 18 May 2018 to be fixed at \$33,077.50 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 2: 19 May 2018 – 26 June 2018

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 19 May 2018 to 26 June 2018 to be fixed at \$10,000 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn within four weeks of the resolution being passed.”

Resolution 3: 27 June 2018 – finalisation

“That the future remuneration of the Liquidators from 27 June 2018 is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated in accordance with the Liquidators' firm's hourly rates that will be increased at a rate of 7.5% at 1 July each year, up to a capped amount of \$100,000.00 exclusive of GST and outlays, and that the Liquidators can draw the remuneration on a monthly basis or as required, from assets of the Company.”

2.2 Disbursement Resolutions

The total amount of disbursements is estimated to be \$1,955.14 (excl. GST). To date, no internal disbursements have been approved and paid in this liquidation. This remuneration report details approval sought for the following disbursements.

Period	Amount (excl. GST)
Disbursements 1: 13 July 2017 to 18 May 2018	\$955.14
Disbursements 2: 19 May 2018 to finalisation	\$1,000.00
Total	\$1,955.14

Approval for the disbursements sought is based on an estimate of the internal disbursements necessary for the completion of the liquidation.

Resolution 4: Disbursements 13 July 2017 to 18 May 2018

"The disbursements of the Liquidator from the period 13 July 2017 to 18 May 2018 to be fixed at the amount of \$955.14 (excl. GST). Approval is given for such amounts approved to be drawn from the assets of the Company."

Resolution 5: Disbursements: 19 May 2018 to finalisation

"Future disbursements from 19 May 2018 to finalisation of the liquidation provided will be charged to the liquidation on the following basis and that the Liquidators can discharge those disbursements from the assets of the Company."

Internal disbursements	Rate (excl. GST)
Courier	At cost
Postage (large)	\$1.91 / page
Postage (small)	\$0.99 / page
Fax (interstate)	\$2 / page
Fax (local)	\$1 / page
Staff vehicle use	\$0.66 / km
Rates applicable for financial year ending 30 June 2018	

Approval of the payment of these disbursements at the above rates is being sought from creditors at the meeting of creditors.

Part 3: Remuneration

3.1 Details of remuneration

I will be seeking approval of the following resolutions to approve my remuneration. Details to support these resolutions are included in section 3.2 and in the attached Schedules.

Resolution 1: 13 July 2017 to 18 May 2018

The below table sets out time charged to each major task area by staff members working on the liquidation for the period 13 July 2017 to 18 May 2018 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule A.

Employee	Position	\$/Hr (excl. GST)	Total Hours	Total Cost excl. GST (\$)	IPAA Tasks												
					Admin		Assets		Creditors		Employees		Investigations		Statutory		
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
Michael McCann	Partner	600	0.4	240	0.1	60										0.3	180
Colm Dolan	Manager	455	41.8	19,019	5.2	2,366	8.3	3,777	14.1	6,416			4.9	2,230	9.3	4,232	
Toby Carrigan	Associate	275	35.2	9,680	8.1	2,228	0.5	138	13.2	3,630			5.6	1,540	7.8	2,145	
Samuel Therkelsen	Associate	275	0.8	220	0.8	220											
Kegan Nash	Associate	220	0.3	66	0.3	66											
Benjamin Sanders	Associate	220	7.2	1,584	7.2	1,584											
Benjamin Sanders 1	Associate	200	1.3	260	0.0	0			0.6	120					0.7	140	
Tanya Brown	EA/PA	195	7.6	1,482	6.6	1,287			0.3	59					0.7	137	
Jena Fraser	Operational	135	3.9	526	3.9	526											
			98.5	33,078	32.2	8,337	8.8	3,914	28.2	10,224			10.5	3,770	18.8	6,833	

Resolution 2: 19 May 2018 to 26 June 2018

The below table sets out the expected costs for the major tasks likely to be performed by the liquidator and his staff for the period 19 May 2018 to 26 June 2018 which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule B.

	Task Area						
		Admin	Assets	Creditors	Employees	Investigations	Dividends
Total estimate (excl GST)	\$10,000	\$2,000		\$8,000			
GST	\$1,000	\$200		\$800			
Total (Incl. GST)	\$11,000	\$2,200		\$8,800			

Resolution 3: 27 June 2018 to finalisation

The below table sets out the expected costs for the major tasks likely to be performed by the liquidator and his staff for the period 27 June 2018 to finalisation which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule C.

	Task Area						
		Admin	Assets	Creditors	Employees	Investigations	Dividends
Total estimate (excl GST)	\$100,000	\$10,000		\$15,000		\$75,000	
GST	\$10,000	\$1,000		\$1,500		\$7,500	
Total (Incl. GST)	\$110,000	\$11,000		\$16,500		\$82,500	

3.2 Total remuneration reconciliation

In preparing this remuneration approval report, I have made my best estimate at what I believe the Liquidation will cost to complete and I do not anticipate that I will have to ask creditors to approve any further remuneration. However, should the Liquidation not proceed as expected, I will advise creditors and I may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and cost of the Liquidation include:

- The complexity of completing my investigations into the Company's affairs;
- Completing a supplementary section 533 report to the ASIC;
- Completing any further investigations required by the ASIC;
- The potential requirement for a public examination; and
- Dealing with creditor queries and concerns.

Due to the nature of my appointment, no discussions were held with the director prior to my appointment and therefore no estimate of costs was provided prior to my appointment.

3.3 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives 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.

Any dividend to creditors will also be impacted by the amount of assets that I am able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees. The monies recovered and realised in the Liquidation to date are insufficient to cover the expected liquidation costs.

Further, as noted previously, an application for funding to the ASIC Assetless Administration Fund has submitted to facilitate the costs of further investigations and the completion of a supplementary section 533 report. Funding provided by the ASIC Assetless Administration Fund would not be available to creditors for a distribution.

3.4 Remuneration recovered from external sources

To date there has been no remuneration recovered from any external sources.

As mentioned above, I have applied to the ASIC Assetless Administration Fund for funding to complete further investigations and a supplementary section 533 report as requested by ASIC. This will facilitate ASIC's further requested work being completed and assist with discharging my remuneration going forward.

Part 4: Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

I have undertaken a proper assessment of disbursements claimed for the Company in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.

I will be seeking creditor approval to pay my internal disbursements from creditors.

4.1 Internal disbursement claim

The following internal disbursements have been claimed by my firm for the period from 13 July 2017 to 18 May 2018. Approval of these disbursements from creditors in the amount of \$955.14 is being sought at a meeting of creditors:

Disbursements claimed to 19 May 2018	Basis	Total (\$) (excl. GST)
Company search	4 searches	165.68
Mail redirection	Redirection of company mail	527.18
Travel reimbursement	Staff travel	123.42
Postage	Issue of correspondence	138.86
Total		955.14

4.2 Future basis of internal disbursements

Future disbursements provided by my firm will be charged to the administration on the following basis:

Internal disbursements	Rate (excl. GST)
Courier	At cost
Postage (large)	\$1.91 / page
Postage (small)	\$0.99 / page
Fax (interstate)	\$2 / page
Fax (local)	\$1 / page
Staff vehicle use	\$0.66 / km
Rates applicable for financial year ending 30 June 2018	

Part 5: Queries

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

Contact name: Benjamin Sanders
Contact number: 07 3222 0429
Email: Benjamin.Sanders@au.gt.com

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 "insolvency information sheets").

Part 6: Approval of remuneration and internal disbursements

A meeting of creditors to consider the liquidation and our remuneration will be held as follows:

Date: Tuesday, 26 June 2018
Time: 10:30am
Address: Level 18, 145 Ann St, Brisbane QLD 4000

Further meeting information, including a notice of meeting and details of the information you are required to provide if you plan to attend the meeting are in **Appendix E** of the Report to Creditors. To participate in this meeting, you may need to:

- Submit a proof of debt and information to substantiate your claim.
- Appoint a person – a "proxy" or person authorised under a power of attorney – to vote on your behalf at the meeting. This may be necessary if you are unable to attend the meeting, or if the creditor is a company.
- You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Proof of debt and proxy forms are included with the notice of meeting. To facilitate the conduct of the meeting, completed proof of debt and, if applicable, proxy forms must be returned to our office by post, fax or email by 4:00pm Monday, 25 June 2018.

Schedule A – Resolution 1: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 13 July 2017 to 18 May 2018.

Task Area	General Description	Includes
Assets 8.8 hours \$3,914.00	Sale of Business as a Going Concern	Internal meetings to discuss/review offers received
	Sale of Real Property	Liaising with valuers, agents, and strata agent Attendance at auction
	Assets subject to specific charges	All tasks associated with realising a charged asset
	Debtors	Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors
	Other Assets	Tasks associated with realising other assets
Creditors 28.2 hours \$10,224.00	Creditor Enquiries, Requests & Directions	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting Considering reasonableness of creditor requests Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Retention of Title Claims	Search to the PPSR register Notify PMSI creditors identified from PPSR register
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports	Preparing Report by Liquidator
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	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. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting

	Shareholder enquiries	Initial day one letters ITAA Section 104-145(1) declarations Responding to any shareholder legal action
Investigation 10.50 hours \$3,769.50	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration 32.2 hours \$8,337.00	Correspondence	
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS

	Completing group certificates
Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
Planning / Review	Discussions regarding status of administration
Books and records / storage	Dealing with records in storage Sending job files to storage

Schedule B – Resolution 2: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 19 May 2018 to 26 June 2018.

Task Area	General Description	Includes
Creditors \$8,000.00	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting Considering reasonableness of creditor requests Obtaining legal advice on requests Documenting reasons for complying or not complying with requests or directions Compiling information requested by creditors
	Creditor reports	Preparing Statutory Report by Liquidator
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting 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. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Administration \$2,000.00	Correspondence	
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BAS
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage

Schedule C – Resolution 3: Table of major tasks for remuneration

The below table provides a description of the work undertaken in each major task area for the period from 27 June 2018 to finalisation.

Task Area	General Description	Includes
Creditors \$15,000.00	Creditor Enquiries, Requests & Directions	<p>Receive and respond to creditor enquiries</p> <p>Maintaining creditor request log</p> <p>Review and prepare initial correspondence to creditors and their representatives</p> <p>Documenting</p> <p>Considering reasonableness of creditor requests</p> <p>Obtaining legal advice on requests</p> <p>Documenting reasons for complying or not complying with requests or directions</p> <p>Compiling information requested by creditors</p>
	Secured creditor reporting	<p>Notifying PPSR registered creditors of appointment</p> <p>Preparing reports to secured creditor</p> <p>Responding to secured creditor's queries</p>
	Creditor reports	Preparing Statutory Report by Liquidator OR Voluntary Administrator's report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	<p>Receipting and filing POD when not related to a dividend</p> <p>Corresponding with OSR and ATO regarding POD when not related to a dividend</p>
	Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Forward notice of meeting to all known creditors</p> <p>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.</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p>
	Shareholder enquiries	<p>ITAA Section 104-145(1) declarations</p> <p>Responding to any shareholder legal action</p>
Investigation \$75,000.00	Conducting investigation	<p>Collection of company books and records</p> <p>Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs</p> <p>Reviewing company's books and records</p> <p>Review and preparation of company nature and history</p> <p>Conducting and summarising statutory searches</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Liaising with directors regarding certain transactions</p>

		Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required
	Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration \$10,000.00	Correspondence	
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS Completing group certificates
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration

	Books and records / storage	Dealing with records in storage Sending job files to storage
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Appendix E

Former Liquidators' Remuneration Approval
Report

Remuneration Approval Report

Part 1: Declaration

We, Jason Bettles and Raj Khatri, of Worrells Solvency and Forensic Accountants, have undertaken a proper assessment of this remuneration claim for our appointment in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work and properly performed in the conduct of the liquidation.

Part 2: Executive Summary

To date, remuneration totaling \$38,896 has been approved in this liquidation however, no remuneration has been paid in this liquidation. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (GST inc)
Past remuneration approved: 24 August 2016 to 6 October 2016		\$38,896.00
Total past liquidators' remuneration approved		\$38,896.00
Liquidation		
Resolution: 6 October 2016 to 10 October 2017	Part 3b	\$74,568.69
		\$113,464.69 total

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

This differs to the estimate of costs provided in our Initial Advice to Creditors dated 27 July 2016, which estimated a cost to conduct the administration of \$40,000 (excluding GST), for the following reasons:

- Oversight of rent roll and management of properties;
- Oversight and reconciliation of company's Trust Account;
- Correspondence with landlords and real estate agents regarding properties managed by the company;
- Correspondence with creditors, stakeholders and regulatory bodies;
- Correspondence regarding the company's licensing requirements;
- Liaising with solicitors regarding shareholding in of Airlie Beach MA Pty Ltd;
- Liaising with solicitors regarding sale of management rights and property management;
- Requirements to facilitate change of appointed liquidators.

No internal disbursements have been claimed or paid in this administration after 1 September 2017.

Part 3a: Explanation of Time Based/Hourly Rates method

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. These rates are known as the 'Solvency Management Rates'. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Our work practices ensure that staff at the appropriate level of experience does the appropriate work. Our quality control procedures ensure that appropriate time costing is billed for each work task.

Title	Description	Hourly Rate Ex GST
Partner	Partners are either appointed on the file, or a liquidator or registered trustee with the conduct of the file.	\$570.00
Manager	Managers will usually have more than 6 years of insolvency experience, be undertaking or have completed the ARITA education course, have full control of all but the most complex files, and report directly to their Partner. They control and train a production team and have a sound knowledge of insolvency law.	\$490.00
Supervisor	Supervisors will usually have between 2 and 6 years experience. They are responsible for the supervision and training of one or more File Accountants and	\$365.00

	control most aspects of a file. They will generally have completed or be in the final phase of their CAANZ or CPA studies, or may have commenced their ARITA education course studies.	
Senior File Accountant	Senior File Accountants are graduates with about 12 to 24 months of insolvency experience. They would be undertaking their CAANZ or CPA studies and be able to demonstrate a very sound knowledge and application of general insolvency principles. They may also be partially responsible for the training of graduate file accountants.	\$305.00
File Accountant	File Accountants are undergraduates or graduates with limited experience in insolvency. They would be completing their accounting studies (if they have not already done so) and commence their CAANZ or CPA studies.	\$235.00
Support	Support Staff are non-professionals who undertake the clerical tasks on the file as required.	\$95.00
Financial Assistant	Financial Assistants are non-qualified Accountants with bookkeeping experience who undertake limited clerical and procedural tasks on insolvency files where required.	\$170.00
These rates are applicable from 1/07/2017		

The Worrells Solvency Management Rates, upon which our remuneration is based, may change from time to time. Our current Rates are always available on the firm's web site. Creditors are encouraged to review the firm's web site for any changes.

Part 3b: Description of work completed

Resolution 1: 6 October 2016 to 10 October 2017 (actual past remuneration)

Task Area	General Description	Includes
Assets Time: 101.6 hours Fees: \$41,549.16	Other Assets	Reviewing asset listings Tasks associated with realising other assets Liaising with valuers, auctioneers and interested parties
Creditors Time: 74.2 hours Fees: \$18,350.76	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Secured creditor reporting	Notifying PPSR registered creditors of appointment Responding to secured creditor's queries
	Creditor reports	Preparing report, investigation, meeting and general reports to creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors	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. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Investigation Time: 30.15 hours Fees: \$11,170.16	Conducting investigation	Collection of company books and records Reviewing company's books and records Conducting and summarising statutory searches Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Correspondence with ASIC regarding investigation file and possible offences
Dividend Time: 0.22 hours Fees: \$45.28	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register

Administration Time: 9.15 hours Fees: \$3,453.33	Correspondence	
	Document review/checklist	maintenance/file First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying creditors of finalisation Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Other professional services provided by the Firm	Nil	Nil

Part 3c: Likely impact on dividends

The former liquidators are seeking to have their remuneration approved by creditors under section 60-10 of the *Insolvency Practice Schedule 2016 (Corporations)*. The proposed resolution outlines the terms for that approval. The Remuneration Approval Report provides detail of the former liquidators' proposed remuneration.

Liquidators' remuneration is paid in priority to unsecured creditors in accordance with the priorities provided by section 556 of the *Corporations Act 2001*. If the proposed resolution is passed it will allow the former liquidators to draw their fees from the funds either presently held or funds recovered in the future. This may reduce the pool of funds available for distribution to non-priority unsecured creditors.

Part 4: Statement of remuneration claim

The following resolution will be put to creditors for their approval:

Resolution

That the remuneration of Messrs Jason Bettles and Raj Khatri as former liquidators of the company from 25 August 2016 to 10 October 2017 is determined at a sum equal to the costs of time spent by the former liquidators, their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and fixed in the amount of \$74,568.69 inclusive of GST.

Part 5: Remuneration recoverable from external sources

The former liquidators have not been indemnified in relation to this appointment and have not received any up-front payments in respect of our remuneration or disbursements. The former liquidators have not obtained funding from any external sources.

Part 6: Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internally provided non-professional costs such as photocopying and document storage. These disbursements, if charged to the liquidation, would generally be charged at cost; though some expenses, such as photocopying, storage, printing and telephone calls may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We have undertaken a proper assessment of the disbursements claimed in accordance with the law and professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been paid by the administration to our firm. Where amounts have been paid to my firm for externally provided services and costs, that is in reimbursement of a cost previously paid by our firm either due to a lack of funds in the administration at the time the payment was due or the direct invoicing of our firm by the supplier. All of the below transactions appear in the receipts and payments listing attached. Note: The amounts below are shown inclusive of GST.

Where payments to third parties are paid directly from the Administration bank account, they are only included in the attached listing of receipts and payments.

Disbursement	Description	Rate	Total
Internal			
Cheque Printer Costs	per cheque	\$0.55	\$5.50
External Professional			
no outlays			
External Non-Professional			
Advertising		\$0.00	\$459.00
Storage		\$0.00	\$50.52
Outsourced Printing		\$0.00	\$34.14
Searches		\$0.00	\$86.94
Travel & Accommodation		\$0.00	\$333.96
			\$970.06

The following amounts have been incurred by our firm but have not yet been reimbursed from the administration. These amounts will be paid if and when funds become available in the administration.

Disbursement	Total
Internal	
no outlays	
External Professional	
no outlays	
External Non-Professional	
Storage	\$7.42
	\$7.42

Part 7: Summary of Receipts and Payments as at 10 October 2017

Account Name	Amount
Receipts	
Sale of Assets	\$73,803.70
Interest Earned	\$339.62
Receipt - Debtors	\$1,648.86
Collection of Cash Balances	\$8,584.21
Refunds and Sundry Receipts	\$59.68
Trading Receipts	\$79,812.00
GST Collected	\$11,765.34
Total Receipts	\$176,013.41
Payments	
Accountancy Fees	\$6,515.00
Advertising Costs	\$459.00
Agents Charges, Commissions & Stamp Duty	\$79,812.00
Bank Charges	\$5.00
Lease & Rental Payments	\$1,236.36
Legal Costs & Outlays	\$24,807.00
Appointees Remuneration	\$33,331.42
Transfer Between Administrations	\$17,066.53
Printing, Stationery & Postage	\$39.64
Searches	\$86.94
Storage Costs	\$50.52
Travel Expenses	\$333.96
GST Paid	\$12,270.04
Total Payments	\$176,013.41

Part 8: Information Sheet

The Australian Securities & Investments Commission (ASIC) and the Australian Restructuring Insolvency & Turnaround Association (ARITA) have released several guides to assist directors, shareholders, creditors and employees of companies in external administration. In particular ASIC has released a remuneration information guide for creditors - *INFO 85 Approving fees: a guide for creditors*.

Creditors can obtain a copy of this information sheet from ASIC's website at www.asic.gov.au/insolvencyinfosheets and ARITA's website at www.arita.com.au.

ARITA's website also contains its Code of Professional Practice for Insolvency Professionals which applies to ARITA members. Partners of Worrells are members of ARITA and the firm conforms with the code.

Appendix F

Notice of Meeting and Other Meeting Information

FORM 529

Subregulation 5.6.12(3)

Corporations Act 2001

NOTICE OF MEETING OF MEMBERS AND CREDITORS

**PROVINCIAL PROPERTY INVESTMENTS (AUST) PTY LTD (IN LIQUIDATION)
ACN 074 099 424**

Notice is hereby given that pursuant to section 75 (10) of the Act, a meeting of the members and creditors of the Company will be held at King George Central, Level 18, 145 Ann Street, Brisbane, QLD, 4000 on Tuesday, 26 June 2018 at 10:30 am.

The purpose of this meeting is to consider:

1. A report from the Liquidator.
2. The Report as to Affairs submitted by the directors.
3. A summary of the receipts and payments of the Liquidator.
4. To fix or determine the remuneration of the Liquidator.
5. To fix or determine the future remuneration of the Liquidator.
6. Authorise the Liquidator to destroy the books and records of the Company within a period of six (6) months after dissolution of the Company.
7. Any other business.

Dated 28 May 2018



MICHAEL GERARD MCCANN
JOINT LIQUIDATOR

FORM 532

Regulation 5.6.29

Corporations Act 2001

APPOINTMENT OF PROXY

**PROVINCIAL PROPERTY INVESTMENTS (AUST) PTY LTD (IN LIQUIDATION)
ACN 074 099 424**

I/We (Note 1) _____ (name of member/creditor)
of _____ (address of member/creditor)

A member/creditor of Provincial Property Investments (Aust) Pty Ltd (In Liquidation) hereby appoint

_____ (name of proxy) (Note 2)

or in his absence, _____ (name of alternative proxy)

As my/our special/general (Note 3) proxy to vote at the meeting of members/creditors to be held in the above matter on Wednesday, 11 April 2018 at or at any adjournment thereof.

If special proxy please select ONE of the following:

1. To vote on all matters arising from the meeting

AND/OR ALTERNATIVELY

2. To vote specifically in the following manner:

FOR

AGAINST

ABSTAIN

Resolution 1

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 13 July 2017 to 18 May 2018 to be fixed at \$33,077.50 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn on a monthly basis or as required, from assets of the Company.”

Resolution 2

“The remuneration of the Liquidator and any of the Liquidator’s partners or employees in performance of services performed from 19 May 2018 to 26 June 2018 to be fixed at \$10,000 (excluding GST) plus any out of pocket expenses incurred. Approval is given for such amounts approved to be drawn on a monthly basis or as required, from assets of the Company.”

Resolution 3

“That the future remuneration of the Liquidators from 27 June 2018 is determined at a sum equal to the costs of time spent by the Liquidators and their partners and staff, calculated in accordance with the Liquidators' firm's hourly rates that will be increased at a rate of 7.5% at 1 July each year, up to a capped amount of \$100,000.00 exclusive of GST and outlays, and that the Liquidators can draw the remuneration on a monthly basis or as required, from assets of the Company.”

Resolution 4

“The disbursements of the Liquidator from the period 13 July 2017 to 18 May 2018 to be fixed at the amount of \$955.14 (excl. GST). Approval is given for such amounts approved to be drawn from the assets of the Company.”

Resolution 5

“Future disbursements provided by my firm will be charged to the liquidation on the following basis and that the Liquidators can discharge those disbursements from the assets of the Company:”

Internal disbursements Rate (excl. GST)

Courier	At cost
Postage (large)	\$1.91/page
Postage (small)	\$0.99/page
Fax (interstate)	\$2/page
Fax (local)	\$1/page
Staff vehicle use	\$0.66/km

Rates applicable for financial year ending 30 June 2018

Resolution 5

“That the Liquidator be authorised to destroy the books and records of the Company six months after the date of its deregistration subject to the consent of the Regional Commissioner of the Australian Securities & Investments Commission in accordance with Section 542(4) of the Corporations Act 2001.”

Resolution 6

“That the remuneration of Messrs Jason Bettles and Raj Khatri as former liquidators of the company from 6 October 2016 to 10 October 2017 is determined at a sum equal to the costs of time spent by the former liquidators, their partners and staff, calculated by applying the Worrells Simplified Solvency Management Rates currently set by the firm and fixed in the amount of \$74,568.69 inclusive of GST”

DATED this day of 2018

Signature _____(Note 4)

CERTIFICATE OF WITNESS (NOTE 5)

I, _____ of _____, certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this _____ day of _____ 2018

Signature of Witness _____

Description _____

Place of Residence _____

NOTES:

- 1) If a firm, strike our "I" and set out the full name of the firm.
- 2) Insert the name, address and description of the person appointed.
- 3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.
- 4) The signature of the creditor, contributory, debenture holder or member must not be attested by the person nominated as proxy.
- 5) This certificate is to be completed only where the person giving the proxy is blind or incapable of writing.

Proxy forms should have been completed and returned by no later than 4:00 PM on Tuesday, 8 May 2018.

RETURN TO: Provincial Property Investments (Aust) Pty Ltd (In Liquidation)
Care of: Grant Thornton Australia Limited
Address: GPO Box 1008, Brisbane QLD 4001
Phone: (07) 3222 0200
Fax: (07) 3222 0446

FORM 535

Subregulation 5.6.49(2)

Corporations Act (2001)

**FORMAL PROOF OF DEBT OR CLAIM
(GENERAL FORM)**

To the Liquidator of Provincial Property Investments (Aust) Pty Ltd (In Liquidation)

1. This is to state that the company was on, 13 July 2017 (*date of court order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up*), and still is, justly and truly indebted to:

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

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: (*insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form*).

Date	Drawer	Acceptor	Amount \$c	Due Date

- *3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- *4. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

.....
Dated
Signature
Occupation:
Address:

