

SHAFSTON AVENUE CONSTRUCTION GROUP OF COMPANIES

REPORT TO CREDITORS BY VOLUNTARY ADMINISTRATORS PURSUANT TO
SECTION 75-225 OF THE INSOLVENCY PRACTICE RULES (CORP) 2016 &
SECTION 439A OF THE CORPORATIONS ACT 2001

26 APRIL 2023

STRICTLY PRIVATE & CONFIDENTIAL

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TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

Shafston Avenue Construction Group of Companies

I refer to my previous correspondence regarding the Voluntary Administration of the Group.

Please find enclosed a second report to creditors dated 26 April 2023, issued pursuant to Section 75-225 of the IPR and Section 439A of the Act.

This report includes information on:

- ▶ The second concurrent meeting of creditors to be held on 4 May 2023;
- ▶ The conduct of the Administrations to date;
- ▶ The Report on the Companies' Activities and Property;
- ▶ The Administrators' preliminary investigations;
- ▶ Estimated return to creditors;
- ▶ Option available to creditors and Administrators' recommendation on the future of the Companies; and
- ▶ The Administrators' remuneration report.

At the second meeting, creditors will be entitled to vote on whether:

1. The Companies should be wound up;
2. The Companies should enter a Deed of Company Arrangement; or
3. The Administrations should end.

In the absence of a DOCA proposal being received, the Administrators recommend that the Companies be wound up. However, the Administrators have been notified by the proposed Deed Proponent that a DOCA proposal is forthcoming and this may result in a better outcome for creditors than if the Companies were wound up. The Administrators' therefore intend to adjourn the Second Meeting of Creditors to a date to be notified by the Administrators within a period of up to 45 business days. This time is required for the proposed DOCA to be advanced to a form suitable for creditors to formally consider. A supplementary report addressing these matter and containing the Administrator's recommendation to creditors will be issued when the second meeting is reconvened.

Meeting of Creditors

The meeting for creditors to decide on the Companies' futures has been convened for:

Date: 4 May 2023

Time: 10:00 AM (AEST)

Venue: Level 11, 1 Margaret Street, Sydney NSW 2000

If there any questions that you wish to have answered at the meeting of creditors, please submit them in writing to Nathan Moxey of my office at nathan.moxey@bdo.com.au prior to the meeting. There will also be an opportunity for questions during the course of the meeting.



Proofs of Debt and Proxy Forms

To participate in the decision meeting, you will need to:

- ▶ Submit a proof of debt and information to substantiate your claim (if not previously submitted); and
- ▶ 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.

To facilitate the conduct of the meeting, completed proofs of debt and proxy forms must be returned to my office no later than 4:00pm (AEDT) on the business day prior to the date of the meeting (3 May 2023). Please return the completed forms to:

- ▶ Post: Level 11, 1 Margaret St, Sydney NSW 2000
- ▶ Email: nathan.moxey@bdo.com.au

If you have any queries in relation to the report, please contact Nathan Moxey of my office on (02) 9240 9987 or email nathan.moxey@bdo.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Duncan Clubb', written in a cursive style.

Duncan Clubb

Joint and Several Administrator

DISCLAIMER

BDO, its affiliates (present or future), Duncan Clubb and Jeffrey Marsden and their employees and agents ('the Administrators') hereby advise that in the time available to us, we have undertaken the following to prepare this report and formulate our opinion:

- ▶ Had discussions with the Companies' Director regarding the status of the Companies and their assets and liabilities;
- ▶ Had discussions regarding any property owned by the Companies;
- ▶ Undertaken searches of databases such as ASIC, Transport Departments, Land Titles records, ATO and other statutory agencies as necessary;
- ▶ Engaged solicitors to assist with the Administrations as required; and
- ▶ Reviewed available books and records.

We have received the following information to assist with our review of the Companies' financial positions:

- ▶ Externally prepared financial statements for the financial years ended FY18 and FY19;
- ▶ MYOB Management accounts for the periods FY18-FY22 and FY23 YTD. A summary of these financial statements is provided in **Section 8**;
- ▶ Listing of the Companies' trade debtors and trade creditors;
- ▶ Bank statements for the twelve-month period to 21 March 2023; and
- ▶ Secured creditor facility and security agreements.

The Director provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Creditors should be aware that we have relied upon the above sources of information in preparing our report. We have done so in good faith in the belief that such statements, records and opinions are not false and misleading. Consequently, the report's accuracy and reliability are dependent on the quality of the information produced by these parties.

Whilst the Administrators have endeavoured to verify the accuracy or otherwise of the records, the financial accounts and other documentation pertaining to the Companies' affairs and the advice of the Companies' Director, in the amount of time available under the Act, the Administrators give no warranty as to the accuracy, completeness or reliability of same.

The Administrators have not conducted an audit of the books and records, financial accounts and other documentation pertaining to the Companies' affairs.

The Administrators undertake no responsibility arising in any way whatsoever to any person for errors or omissions however caused by way of this report or accompanying documents.

The Administrators reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to them between the date of this report and the date of the Second Meeting of Creditors.

GLOSSARY

Glossary of key terms

Term	Definition
The Act	Corporations Act 2001 (Cth)
Administrators	Duncan Clubb and Jeffrey Marsden of BDO
AEST	Australian Eastern Standard Time
AIIPAP	All Present and After Acquired Property
ARITA	Australian Restructuring, Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
ATO	Australian Taxation Office
BDO	BDO Business Restructuring Pty Ltd
c.	Circa
COI	Committee of Inspection
Companies or Shafston Group of Companies	Shafston Avenue Construction Pty Ltd (ACN 169 409 705) Shafston Avenue Construction 2 Pty Ltd (ACN 622 201 183) Lincoln Street Construction Pty Ltd (ACN 603 876 651) 28 Baxter Street Construction Pty Ltd (ACN 611 160 215) 80 Settlement Road Construction Pty Ltd (ACN 611 447 100)
The Unit Trust Companies	Shafston Avenue Pty Ltd ATF the Shafston Avenue Unit Trust Lincoln Street Pty Ltd ATF the Lincoln Street Unit Trust 28 Baxter Street Pty Ltd ATF the Baxter Street Unit Trust 80 Settlement Road Pty Ltd ATF the Settlement Road Unit Trust
Director	William Rhodes
DPN	Director Penalty Notice
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement

Term	Definition
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
FEG	Fair Entitlements Guarantee
FY	Financial Year Ended 30 June
IPR	Insolvency Practice Rules (Corp) 2016
IPS	CORPORATIONS ACT 2001 - SCHEDULE 2 - Insolvency Practice Schedule (Corporations)
k	Thousands
m	Millions
NPBT	Net Profit Before Tax
PILN	Payment in Lieu of Notice
PMSI	Purchase Money Security Interest
POD	Proof of Debt
PPSA	Personal Property Securities Act
PPSR	Personal Property Securities Register
ROCAP	Report on Company's Affairs and Property
ROT	Retention of Title
Secured Creditors	The Unit Trust Companies The Trustee for AEP DEP IPO Trust Ian John Edwards
Shareholder	Murray John Thornton
YTD	Year to Date

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SECTION 1

EXECUTIVE SUMMARY





EXECUTIVE SUMMARY

Appointment

Duncan Clubb and Jeffrey Marsden were appointed Joint and Several Administrators of the Company on 21 March 2023 pursuant to Section 436A of the Act.

First Meeting of Creditors

The first meeting of the creditors of the Company was held on 30 March 2023. Minutes of this meeting were lodged with ASIC on 12 April 2023.

The purpose of this meeting was to consider the appointment of a Committee of Inspection (COI) for the Voluntary Administration as well as consider the replacement of the appointed Administrators.

No nominations were received to form a COI for the Companies.

There were no nominations for an alternative Administrator, therefore, Duncan Clubb and Jeffrey Marsden remain appointed as Administrators of the Companies.

Conduct of the Administration

Our role as Administrators has included:

- ▶ Undertaking an urgent assessment of the position of the Companies;
- ▶ Liaising with the Companies' creditors in relation to the administration process and queries;
- ▶ Seeking DOCA proposals for the Companies;
- ▶ Holding first meeting of creditors;
- ▶ Undertaking investigations into the Companies' affairs;
- ▶ Providing this report to creditors, including formulating our recommendation to creditors; and
- ▶ Convening the second meeting of creditors to decide on the future of the Companies.



EXECUTIVE SUMMARY

Second Meeting of Creditors

The meeting for creditors to decide on the Companies' future has been convened for:

- ▶ Date: 4 May 2023
- ▶ Time: 10:00 AM (AEST)
- ▶ Venue: Level 11, 1 Margaret St, Sydney NSW 2000

Creditors will decide on the Companies' future and may vote for one of three options outlined below, together with our recommendation on each:

Creditors' Options	Administrators' Recommendation
The Administrations should end and control returned to the Director.	No, as the Companies are insolvent.
The Companies go into liquidation.	Yes, as the Companies are insolvent. However, the Administrators intend to adjourn the second meeting for up to 45 business days to allow for further time which is necessary for the intended Deed Proposal to put forward a suitable DOCA.
The Companies execute a Deed of Company Arrangement.	No, as no DOCA proposal has been received.

To attend the meeting, you will need to complete the proxy form and a proof of debt form which are *attached* to this report. The proxy form and proof of debt form will need to be returned to this office by 4:00PM on 3 May 2023.

If you have previously submitted a proof of debt with supporting documentation, you do not need to submit a new proof of debt. However, proxy forms for the first meeting are not valid for the upcoming meeting. You are required to submit a new proxy form for the upcoming meeting.

This meeting will concurrently be held online, via Zoom. You will need to register your interest to attend the meeting with Nathan Moxey of our office to obtain a specific link to the online meeting. If you do not have access to Zoom, and wish to attend by phone, please provide a telephone number we can call you on for the meeting.



EXECUTIVE SUMMARY

Frequently Asked Questions

Question	Position
Does the Director still have any powers?	No, they are suspended.
Who is in control of the Companies?	The Administrators, Duncan Clubb and Jeffrey Marsden, from 21 March 2023.
Are the Companies still trading?	The Director advised us that the Companies' ceased trading on 21 March 2023, prior to our appointment.
What happens to creditors' claims prior to 21 March 2023?	A debt moratorium is in place, meaning creditor claims are frozen pending the outcome of the Administration process. The estimated dividend to creditors is dependent upon the outcome of the second meeting of creditors.
Is there a proposal to repay creditors through a DOCA?	No. A DOCA for the Company has not yet been proposed, the legal representative of the proposed DOCA Proponent has indicated that a DOCA will be proposed but not in time for it to be considered in this report.
Is there a secured creditor?	Yes, the The Unit Trust Companies, The Trustee for AEP DEP IPO Trust and Ian John Edwards have registered General Security Agreements over some or all of the Companies. A listing of the parties with security interests in the Companies is provided in Appendix B.
What is the position in relation to outstanding employee entitlements as at 21 March 2023?	There were no employees of the Companies.
What is the estimated return to creditors?	A key objective of a DOCA is to ensure that unsecured creditors receive a dividend that exceeds the dividend that they would receive if the Company was wound up. We estimate a return of zero cents in the dollar if creditors resolve to wind up the Companies however, it is believed that should a DOCA proposal be put forward this would result in a better outcome for creditors.
Administrators' recommendation	In the absence of a DOCA proposal being received, the Administrators recommend that the Companies be wound up. However, the Administrators have been notified by the proposed Deed Proponent that a DOCA proposals is forthcoming and this may result in a better outcome for creditors than if the Companies were wound up. The Administrators' intend to adjourn the Second Meeting of Creditors to a date to be notified by the Administrators within a period of up to 45 business days. This time is required for the proposed DOCA to be advanced to a form suitable for creditors to formally consider. A supplementary report addressing these matter and containing the Administrator's recommendation to creditors will be issued when the second meeting is reconvened.



SECTION 2

INTRODUCTION





INTRODUCTION

Overview

Duncan Clubb and Jeffrey Marsden were appointed Joint and Several Administrators of the Companies on 21 March 2023 by the Director, pursuant to section 436A of the Act.

The Companies operated as construction entities for various development projects.

Following our appointment, we took control of the Companies and commenced an urgent assessment of the financial position. During the period of appointment, the Administrators are in control of the Companies with the director's powers suspended and creditors' claims put on hold.

At the forthcoming meeting, creditors will decide the Companies' future from one of three options:

1. the Companies be wound up;
2. the Companies execute a DOCA; or
3. the Administrations should end and control of the Companies returns to the Director.

If creditors do not wish to make an immediate decision, they may also resolve to adjourn the Second Meeting for up to 45 business days. The Chairperson may also elect to adjourn the Second Meeting without a resolution of creditors, where they form the view this is in the interests of creditors as a whole.

This report has been prepared to provide you with sufficient information to make an informed decision about the above options and the Companies future, including:

- ▶ Background information and reasons for failure;
- ▶ Financial position;
- ▶ Results of our investigations;
- ▶ Estimated return to creditors;
- ▶ Creditors' options and the Administrators' opinion;
- ▶ Administrators' remuneration; and
- ▶ Meeting of creditors.

A creditors meeting to consider each of the options will be held on 4 May 2023 at 10:00 AM (AEST) at Level 11, 1 Margaret St, Sydney NSW 2000.

Creditors who wish to vote and/or attend should ensure they complete the attached proxy and proof of debt forms and return them to Nathan Moxey of this office at nathan.moxey@bdo.com.au by 4:00PM (AEST) on 3 May 2023.

If you have already completed a Proof of Debt Form, you are not required to complete another proof of debt form, unless you wish to amend your claim.

Further information in relation to the meeting is provided in **Section [X]**.



INTRODUCTION

Purpose of this Report and DIRRI

Purpose of this Report to Creditors pursuant to IPR 75-225

In accordance with Section 439A of the Act, the Administrators of a company are required to hold a second meeting of creditors within five business days before or after the end of the convening period. The convening period is twenty five business days after the commencement of the administration in accordance with Section 439A(5)(a) of the Act, unless an extension is granted by the Court prior to the conclusion of the convening period.

Pursuant to IPR 75-225, we are required to provide:

- ▶ A statement setting out the Administrators' opinion as to which course of action is in the best interest of creditors;
- ▶ A statement dealing with the reasons behind the Administrators' opinion;
- ▶ A statement specifying whether there are any transactions that appear to be voidable transactions in respect of money, property or other benefits which may be recoverable by a liquidator under Part 5.7B of the Act; and
- ▶ Although IPR 75-225 provides that the statements of opinion must specify whether there are any voidable transactions, we have also addressed other potential claims against the Director in this report, such as insolvent trading, breaches of fiduciary duty and claims under section 197 of the Act.

The primary purpose of the second meeting is to enable creditors to decide the future of the Companies by choosing one of the following available options:

- ▶ the Companies be wound up;
- ▶ the Companies execute a DOCA; or
- ▶ the Administration should end and control of the Companies returned to the Director.

This report is prepared from the Administrators' investigations into the Companies' affairs.

Declaration of Independence, Relevant Relationships and Indemnities

We refer to our DIRRI contained in our first report to creditors and advise no changes have been made. The Administrators remain of the view that their prior professional relationships as outlined in the DIRRI do not create or give rise to any potential conflict of interest.



SECTION 3

BACKGROUND OF COMPANIES & REASONS FOR FAILURE





BACKGROUND OF COMPANIES & REASONS FOR FAILURE

History of Companies

History of Companies

A summary of the incorporation dates of the Companies are detailed in the table below:

Company	Incorporation Date
Shafston Avenue Construction Pty Ltd	6 March 2014
Shafston Avenue Construction 2 Pty Ltd	11 October 2017
28 Baxter Street Construction Pty Ltd	7 March 2016
80 Settlement Road Construction Pty Ltd	22 March 2016
Lincoln Street Construction Pty Ltd	27 January 2015

Further corporate details of the Companies can be found at Appendix A and details of the funding relationship of the entities is laid out on the following page.

Trading History

Set out below is a timeline of the ownership and trading history of the business:

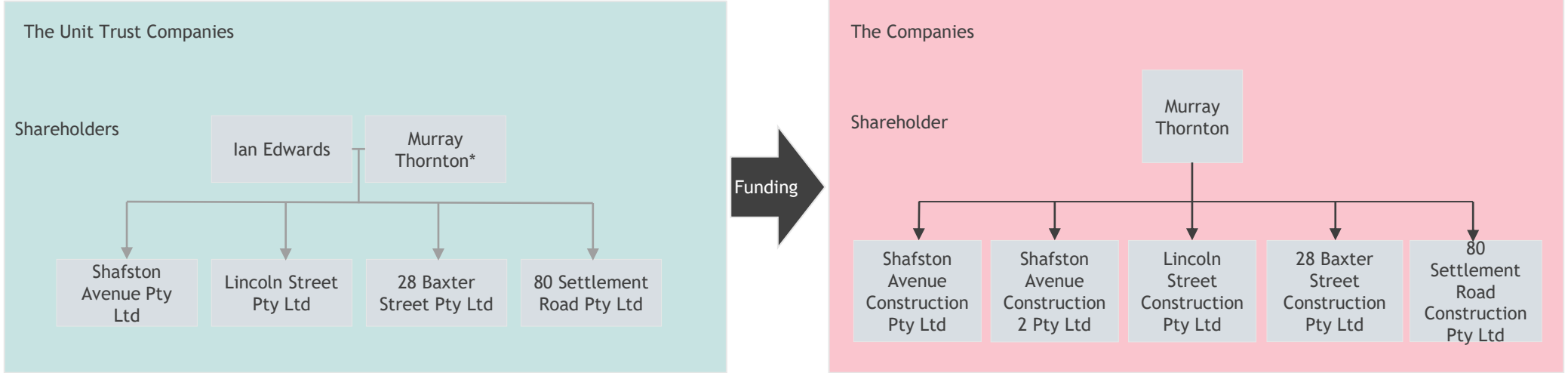
Date	Event
2014 - Appointment	The Unit Trust Companies (refer to page 6) engaged the Companies to complete construction projects.
18 May 2021	Former Director, Murray Thornton, resigns as director of the Companies. William Rhodes is subsequently appointed as director on that same day.

Date	Event
June - September 2022	The ATO contacted some of the Companies regarding their historical tax debts and began discussions to put payment plans in place to address them. A payment plan for 80 Settlement Road Construction Pty Ltd was created in July 2022.
9 September 2022	The Companies executed a Deed of Forbearance with the Unit Trust Companies and set-off part of their secured loans by raising invoices for the outstanding Work in Progress on the Companies' balance sheets.
October 2022	The Director was issued a penalty notice warning from the ATO regarding outstanding GST liabilities of the Companies.
6 March 2023	The Director was issued a Director Penalty Notice in regard to the outstanding ~\$2m liability owing from Lincoln Street Construction Pty Ltd.
20 March 2023	The Companies executed a Deed of Forbearance between The Unit Trust Companies, Aust Equity F Pty Ltd as trustee for AEP DEP IPO Trust and Ian Edwards. All parties acknowledged any outstanding amounts owing to the Companies related to unpaid invoices would be set-off against the corresponding loans of the secured creditors.
21 March 2023	Administrators appointed over the Companies.

BACKGROUND OF COMPANIES & REASONS FOR FAILURE

History of Companies

Ownership Structure and Flow of Funds



- Further funding was provided by Ian Edwards and Aust Equity F Pty Ltd as trustee for AEP DEP IPO Trust



BACKGROUND OF COMPANIES & REASONS FOR FAILURE

History of Companies

Background

The Unit Trust Companies engaged the Companies to provide construction management services in relation to the ongoing development projects of sites owned by The Unit Trust Companies.

The projects were funded by The Unit Trust Companies who provided funds by way of secured loans which enabled the Companies to meet the ongoing development costs of the projects.

The Companies generated income by invoicing The Unit Trust Companies for their management services. This process raised significant GST liabilities from the associated sales invoices.

In mid 2022 the Companies received several notifications from the ATO in relation to the outstanding GST liabilities of the Companies.

A payment plan for 80 Settlement Road Construction Pty Ltd was entered into in July 2022 and 8 payments totalling \$346k were made towards the plan.

Whilst the Companies were managing their outstanding GST liabilities to the ATO, in September 2022 the Companies realised the outstanding Work in Progress in their accounts by providing sales invoices to The Unit Trust Companies. They then raised further sales invoices in December 2022 which further increased the Companies' GST liabilities.

Shafston Avenue Construction 2 Pty Ltd entered into discussions with the ATO in regards to a payment plan in respect of the outstanding GST liability of ~\$3m. Attempts were made to request a "payment holiday" for six months from the ATO in order for funding to be arranged. However, this proposal was rejected and in December 2022 a payment plan was agreed between the parties.

Requests were made for payment plans to be entered into for both Lincoln Street Construction Pty Ltd and Shafston Avenue Construction Pty Ltd in October 2022 however these requests were denied as certain tax lodgements were outstanding.

Further pressure was applied by the ATO and on 3 March 2023 the Director was issued with a DPN in relation to Lincoln Street Construction Pty Ltds ATO debts which exceeded \$2m. This prompted the Director to seek advice regarding the solvency of the Companies and subsequently placed them into Administration.

Deeds of Forbearance

On 9 September 2022, the Companies entered into a Deed of Forbearance ("the Deed") with The Unit Trust Companies who had provided secured loans of ~\$149m to the Company.

The Deed acknowledged that the Companies had un-invoiced WIP amounts totalling ~\$71m for works completed in relation to the development costs of the construction projects. The Deed instructed the Companies to invoice the outstanding WIP and to set it off against the amounts owing to The Unit Trust Companies. The resulting effect brought down the loan balance to ~\$78m. Presented in the below table is a summary of the effect of The Deed on the Companies balance sheet:

Shafston Group of Companies	Balance owing to The Unit Trust Companies at 9/09/22 \$	Amount owing to the Companies at 9/09/22 \$	Amount owing to The Unit Trust Companies after set-off \$
Shafston Avenue Construction Pty Ltd	30,686,139	11,097,104	19,589,035
Shafston Avenue Construction 2 Pty Ltd	56,449,466	40,299,295	16,150,171
80 Settlement Road Construction Pty Ltd	11,118,322	8,992,038	2,126,284
28 Baxter Street Construction Pty Ltd	15,655,449	2,883,243	12,772,206
Lincoln Street Construction Pty Ltd	35,750,149	7,917,265	27,792,884
Total	149,619,525	71,188,946	78,430,579

Following the execution of the Deed dated 9 September 2022 a further Set Off and Forbearance Deed ("the Second Deed") was drafted and executed on 20 March 2023 by the Companies, The Unit Trust Companies, Aust Equity F Pty Ltd as trustee for AEP DEP IPO Trust and Ian Edwards.

The Second Deed outlined that all parties acknowledged that as at 20 March 2023 a further ~\$60m of invoices were issued to The Unit Trust Companies in December 2022 for development costs of the construction projects. However, the Second Deed suggested that "should any of these amounts be determined to be owing either in full or in part, then they would be set-off against the remaining The Unit Trust Companies loan balance". Therefore at the date of appointment, the total debt owing to The Unit Trust Companies may be closer to \$17,574,299 in respect of these outstanding loans.



BACKGROUND OF COMPANIES & REASONS FOR FAILURE

Reasons for Failure and Statutory Records

Director's Opinion on Reasons for Failure

We wrote to the Director to request that they submit a ROCAP and questionnaire for the Companies.

On 29 March 2023, the Director returned the questionnaire and ROCAP.

The Director attributes the failure of the Companies to:

- ▶ Unwillingness of the financiers to fund ATO accrued debts; and
- ▶ Funds not being advanced by the financier to meet other liabilities.

Administrators' Opinion on Reasons for Failure

Whilst we concur with the above reasons, we are of the opinion that the following factors contributed to the failure of the Companies:

- ▶ Poor financial/strategic planning;
- ▶ Poor accounts receivable / work in progress management;
- ▶ Failure of the Companies to pay historical GST;
- ▶ Poor management of statutory creditors; and
- ▶ The ATO issuing Director Penalty Notices.

Statutory Records

The statutory information about the Company is detailed in the table attached as **Appendix A**.

The information has been sourced from searches of the ASIC national database and the PPSR at the time of our appointment.



BACKGROUND OF COMPANIES & REASONS FOR FAILURE

PPSR Registrations

PPSR Registrations

According to the PPSR, at the date of appointment there were 15 security interests registered against the Companies in favour of 6 different parties. Please refer to **Appendix B** for details of the security interests registered on the PPSR for the Company.

On appointment, we wrote to all secured parties requesting details of their security interests.

Set out below is our commentary regarding the PPS registrations.

General Security Interest Registrations

- ▶ According to the PPSR, the following creditors hold a General Security Agreement over all present and after acquired property (All PAP) of the Companies:
 - Shafston Avenue Pty Ltd;
 - 80 Settlement Road Pty Ltd;
 - Lincoln Street Pty Ltd;
 - 28 Baxter Street Pty Ltd;
 - Ian Edwards; and
 - The Trustee for AEP DEP IPO Trust.

Non-Circulating PMSI Registrations

Non-circulating PMSI registrations relate to fixed plant and equipment that is directly encumbered to a financier.

The registrations relate to:

- ▶ Motor vehicle leases; and
- ▶ Other leased equipment such as photocopiers and forklifts.

No non-circulating PMSI registrations have been identified by the Administrators.

Retention of Title Registrations

Suppliers who wish to claim retention of title for unpaid goods supplied are required to have a valid registration on the PPS. Any supplier that has a retention claim however does not have a valid registration, has an unperfected interest and is not eligible to claim unpaid goods back.

Only items still held by the Companies can be claimed back. Where a customer has already received the goods or the customer has paid for their goods ordered in full to the Companies then title has passed and cannot be returned to the supplier.

Subject to confirming the validity of the security interests, upon request, items unpaid for but still in the Administrators' possession have been released back to the suppliers or the Administrators are required to pay amounts due to the supplier if their goods have been sold during the Administration.



SECTION 4

BOOKS AND RECORDS





BOOKS AND RECORDS

Section 286 of the Act prescribes that a Company:

“...must keep written financial records that:

- 1. correctly record and explain its transactions and financial position and performance; and*
- 2. would enable true and fair financial statements to be prepared and audited.”*

We have been provided with the following records and financial statements:

- ▶ Externally prepared financial statements for the financial years ended 2018 and 2019;
- ▶ Management accounts for the period FY19 - YTD FY23. A summary of these financial statements is provided in **Section 8**;
- ▶ Listing of the Companies’ trade debtors and trade creditors;
- ▶ Bank statements for the period 2014 - appointment;
- ▶ Secured creditor facility, deeds of forbearance and security agreements; and
- ▶ Other financial information as required.

From our review of the books and records received, we consider the Director has failed complied with their obligations under Section 286 of the Act.



SECTION 5

CONDUCT OF THE ADMINISTRATION





CONDUCT OF THE ADMINISTRATION

From the date of appointment, the Administrators assumed control of the Companies' business and assets.

Following our appointment, we conducted an investigation into the Companies' affairs and the conduct of the Director in order to compile this report.

In particular, we have undertaken the following tasks (this is not an exhaustive list):

- ▶ Undertook an urgent assessment of the position of the Companies;
- ▶ Secured and catalogued the books and records of the Companies;
- ▶ Convened and held the first creditors' meeting on 30 March 2023;
- ▶ Prepared and lodged minutes of the first creditors' meeting;
- ▶ Notified parties with security interests on the PPSR;
- ▶ Corresponded with trade creditors regarding the Companies' business and their outstanding claims;
- ▶ Corresponded with creditors regarding claims and the administration process;
- ▶ Liaised with the secured creditor in relation to its finance arrangements and security;
- ▶ Undertook investigations into the validity of security interests registered on the PPSR, in particular, the AllPAP registrations;
- ▶ Liaised with creditors in relation to their PPSR registrations;
- ▶ Liaised with our legal advisors in relation to various issues, including the claims of the secured parties;
- ▶ Undertook investigations into the affairs of the Companies; and
- ▶ Prepared this report pursuant to section s439A of the Act and IPR 75-225.



SECTION 6

REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY





REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY (ROCAP)

SHAFSTON AVENUE CONSTRUCTION PTY LTD

ROCAP - SHAFSTON AVENUE CONSTRUCTION PTY LTD

Account	Note	Director's Estimate \$	Administrators' Estimate \$
<i>Assets</i>			
Cash	A	10	10
Total assets		10	10
<i>Liabilities</i>			
Secured creditors	B	(19,608,317)	TBC
Unsecured creditors	C	(1,132,941)	(1,182,826)
Total liabilities		(20,741,258)	TBC
Estimated net position		(20,741,248)	TBC

Commentary

A Director is required to submit a ROCAP as at the date of our appointment. The Directors provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Set out below is a summary of the ROCAP provided by the Directors.

A	Cash	<ul style="list-style-type: none"> ▶ Immediately following our appointment, we notified the major banks of our appointment. ▶ One bank account was identified by NAB. The bank account had a balance of \$10 at the date of our appointment. ▶ The funds from the account have been requested to be remitted to the Administrators' bank account and the account closed.
B	Secured Creditors	<ul style="list-style-type: none"> ▶ The Director identified debts totalling \$19.5m and \$19k, secured by an AllPAP in favour of Shafston Avenue Pty Ltd and The Trustee for AEP DEP IPO Trust respectively. ▶ The Administrators have received proofs of debt from Shafston Avenue Pty Ltd and The Trustee for AEP DEP IPO Trust for \$21.2m and \$19k respectively. Claims have not yet been adjudicated on.
C	Unsecured Creditors	<ul style="list-style-type: none"> ▶ To date, we have received 5 proofs of debt totalling \$1.2m from unsecured creditors. ▶ A review of the books and records of the Company did not identify any unsecured creditors at the date of our appointment. ▶ The differences between the books and records and the proofs of debt submitted are: <ul style="list-style-type: none"> ▶ The books and records not capturing the liability owing to the ATO at appointment. ▶ We have not adjudicated on any of the claims received (other than for voting purposes) or verified any of the information contained in the books and records to date.



REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY (ROCAP)

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD

ROCAP - SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD

Account	Note	Director's Estimate \$	Administrators' Estimate \$
<i>Assets</i>			
Cash	A	35,000	35,000
Total assets		35,000	35,000
<i>Liabilities</i>			
Secured creditors	B	(16,413,955)	TBC
Unsecured creditors	C	(10,150,289)	(11,572,157)
Total liabilities		(26,564,244)	TBC
Estimated net position		(26,529,244)	TBC

Commentary

A Director is required to submit a ROCAP as at the date of our appointment. The Directors provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Set out below is a summary of the ROCAP provided by the Directors.

A	Cash	<ul style="list-style-type: none"> ▶ Immediately following our appointment, we notified the major banks of our appointment. ▶ One bank account was identified by NAB. The bank account had a balance of \$35,000 at the date of our appointment. ▶ The funds from the account have been requested to be remitted to the Administrators' bank account and the account closed.
B	Secured Creditors	<ul style="list-style-type: none"> ▶ The Director identified debts totalling \$16.1m and \$264k, secured by an ALLPAP in favour of Shafston Avenue Pty Ltd and The Trustee for AEP DEP IPO respectively. ▶ The Administrators have received proofs of debt from Shafston Avenue Pty Ltd, The Trustee for AEP DEP IPO Trust and Ian John Edwards for \$62.3m, \$264k and \$2.5m respectively. Claims have not yet been adjudicated on.
C	Unsecured Creditors	<ul style="list-style-type: none"> ▶ To date, we have received 5 proofs of debt totalling \$11.5m from unsecured creditors. ▶ A review of the books and records of the Company identified 9 trade creditors at the date of our appointment. However, as some of the creditors balances were negative, the overall balance of the creditor position was negative at appointment as it would appear their debts have not been recorded correctly. ▶ The main differences between the books and records and the proofs of debt submitted are: <ul style="list-style-type: none"> ▶ The books and records not capturing the liability owing to the ATO at appointment. ▶ We have not adjudicated on any of the claims received (other than for voting purposes) or verified any of the information contained in the books and records to date.



REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY (ROCAP)

28 BAXTER STREET CONSTRUCTION PTY LTD

ROCAP - 28 BAXTER STEET CONSTRUCTION PTY LTD

Account	Note	Director's Estimate \$	Administrators' Estimate \$
<i>Assets</i>			
Cash	A	10	10
Total assets		10	10
<i>Liabilities</i>			
Secured creditors	B	(27,832,373)	TBC
Unsecured creditors	C	(342,673)	(370,772)
Total liabilities		(28,175,046)	TBC
Estimated net position		(28,175,036)	TBC

Commentary

A Director is required to submit a ROCAP as at the date of our appointment. The Directors provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Set out below is a summary of the ROCAP provided by the Directors.

A	Cash	<ul style="list-style-type: none"> ▶ Immediately following our appointment, we notified the major banks of our appointment. ▶ One bank account was identified by NAB. The bank account had a balance of \$10 at the date of our appointment. ▶ The funds from the account were remitted to the Administrators' bank account and the account closed.
B	Secured Creditors	<ul style="list-style-type: none"> ▶ The Director identified debts totalling \$27.79m and \$39k, secured by an AllPAP in favour of 28 Baxter Street Pty Ltd and The Trustee for AEP DEP IPO Trust respectively. ▶ The Administrators have received proofs of debt from 28 Baxter Street Pty Ltd, The Trustee for AEP DEP IPO Trust and Ian Edwards for \$30m, \$39k and \$2.7m respectively. Claims have not yet been adjudicated on.
C	Unsecured Creditors	<ul style="list-style-type: none"> ▶ To date, we have received 5 proofs of debt totalling \$371k from unsecured creditors. ▶ A review of the books and records of the Company identified trade creditors totalling \$78,717 at the date of our appointment. ▶ The main differences between the books and records and the proofs of debt submitted are: <ul style="list-style-type: none"> ▶ The books and records not capturing the liability owing to the ATO at appointment. ▶ We have not adjudicated on any of the claims received (other than for voting purposes) or verified any of the information contained in the books and records to date.



REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY (ROCAP)

80 SETTLEMENT ROAD CONSTRUCTION PTY LTD

ROCAP - 80 SETTLEMENT ROAD CONSTRUCTION PTY LTD

Account	Note	Director's Estimate \$	Administrators' Estimate \$
<i>Assets</i>			
Cash	A	10	10
Total assets		10	10
<i>Liabilities</i>			
Secured creditors	B	(2,481,581)	TBC
Unsecured creditors	C	(2,308,681)	(2,576,465)
Total liabilities		(4,790,262)	TBC
Estimated net position		(4,790,252)	TBC

Commentary

A Director is required to submit a ROCAP as at the date of our appointment. The Directors provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Set out below is a summary of the ROCAP provided by the Directors.

A	Cash	<ul style="list-style-type: none"> ▶ Immediately following our appointment, we notified the major banks of our appointment. ▶ One bank account was identified by NAB. The bank account had a balance of \$10 at the date of our appointment. ▶ The funds from the account were remitted to the Administrators' bank account and the account closed.
B	Secured Creditors	<ul style="list-style-type: none"> ▶ The Director identified debts totalling \$2.1m and \$355k, secured by an AllPAP in favour of 80 Settlement Road Pty Ltd and The Trustee for AEP DEP IPO Trust respectively. ▶ The Administrators have received proofs of debt from 80 Settlement Road Pty Ltd, The Trustee for AEP DEP IPO Trust and Ian John Edwards for \$15m, \$355k and \$3.5m respectively. Claims have not yet been adjudicated on.
C	Unsecured Creditors	<ul style="list-style-type: none"> ▶ To date, we have received 4 proofs of debt totalling \$2.6m from unsecured creditors. ▶ A review of the books and records of the Company identified trade creditors totalling \$127,967 at the date of our appointment. ▶ The main differences between the books and records and the proofs of debt submitted are: <ul style="list-style-type: none"> ▶ The books and records not capturing the liability owing to the ATO at appointment. ▶ We have not adjudicated on any of the claims received (other than for voting purposes) or verified any of the information contained in the books and records to date.



REPORT ON THE COMPANIES' ACTIVITIES AND PROPERTY (ROCAP)

LINCOLN STREET CONSTRUCTION PTY LTD

ROCAP - LINCOLN STREET CONSTRUCTION PTY LTD

Account	Note	Director's Estimate \$	Administrators' Estimate \$
<i>Assets</i>			
Cash	A	66,670	66,670
Total assets		66,670	66,670
<i>Liabilities</i>			
Secured creditors	B	(12,779,162)	TBC
Unsecured creditors	C	(2,078,175)	(2,291,285)
Total liabilities		(14,857,337)	TBC
Estimated net position		(14,790,667)	TBC

Commentary

A Director is required to submit a ROCAP as at the date of our appointment. The Directors provided ROCAP forms on 29 March 2023. These were lodged with ASIC on 30 March 2023.

Set out below is a summary of the ROCAP provided by the Directors.

A	Cash	<ul style="list-style-type: none"> ▶ Immediately following our appointment, we notified the major banks of our appointment. ▶ One bank account was identified by NAB. The bank account had a balance of \$66,670 at the date of our appointment. ▶ The funds from the account were remitted to the Administrators' bank account and the account closed.
B	Secured Creditors	<ul style="list-style-type: none"> ▶ The Director identified debts totalling \$12.7m and \$7k, secured by an AllPAP in favour of Lincoln Street Pty Ltd and The Trustee for AEP DEP IPO Trust respectively. ▶ The Administrators have received proofs of debt from Lincoln Street Pty Ltd, The Trustee for AEP DEP IPO Trust and Ian John Edwards for \$13.8m, \$7k and 279k respectively. Claims have not yet been adjudicated on.
C	Unsecured Creditors	<ul style="list-style-type: none"> ▶ To date, we have received 6 proofs of debt totalling \$2.3m from unsecured creditors. ▶ A review of the books and records of the Company identified trade creditors totalling \$2.3m at the date of our appointment. ▶ We have not adjudicated on any of the claims received (other than for voting purposes) or verified any of the information contained in the books and records to date.



SECTION 7

ACCOUNTS RECEIVABLE





ACCOUNTS RECEIVABLE

- ▶ The Director did not include any accounts receivable balance in any of the ROCAPs provided. However, a review of the Companies' accounts identifies a large amount of trade receivables owing from The Unit Trust Companies at appointment. The table below summarises the amounts owing to each of the Companies from The Unit Trust Companies:

Shafston Group of Companies	Amount owing from The Unit Trust Companies \$	Amount realisable \$
Shafston Avenue Construction Pty Ltd	827,800	Nil
Shafston Avenue Construction 2 Pty Ltd	36,256,572	Nil
80 Settlement Road Construction Pty Ltd	14,839,319	Nil
28 Baxter Street Construction Pty Ltd	623,630	Nil
Lincoln Street Construction Pty Ltd	17,815,511	Nil
Total	70,362,832	Nil

- ▶ As The Unit Trust Companies are a secured creditor for amounts exceeding the outstanding debts, it is expected that they are relying on the right to set-off to extinguish any outstanding debtor amounts. This is further explained in **Section 3** of the report which details the particulars of a Deed of Forbearance. The Administrators are still reviewing the validity of the Deed of Forbearance to understand the collectability of these debtor amounts.



SECTION 8

HISTORICAL FINANCIAL PERFORMANCE





HISTORICAL FINANCIAL PERFORMANCE

Profit & Loss

Historical financial performance

We have been provided with unaudited annual financial statements for FY18 and FY19 prepared by the Companies' external accountant and monthly management accounts for the period FY19-FY23YTD.

The management financial records appear to be kept up to date. The Administrators, BDO and its staff have not audited the figures. Whilst we have no reason to suspect the figures provided are inaccurate, we do not warrant the accuracy or completeness of the statements.

Presented in the pages to follow are summarised balance sheets and profit and loss statements for each of the Companies for the following periods:

- ▶ FY19 (1 July 2018 to 30 June 2019);
- ▶ FY20 (1 July 2019 to 30 June 2020);
- ▶ FY21 (1 July 2020 to 30 June 2021);
- ▶ FY22 (1 July 2021 to 30 June 2022); and
- ▶ YTD FY23 (1 July 2022 to 21 March 2023).

Profit & Loss Commentary

- ▶ The sales recorded in the Companies' general ledger are all to The Unit Trust Companies and in all instances, there is no evidence of a corresponding receipt in the Companies' bank accounts.
- ▶ The Companies received funding in the way of secured loans from The Unit Trust Companies, Ian Edwards and The Trustee for AEP DEP IPO. The Companies incurred costs of development and invoiced The Unit Trust Companies for these expenses. As mentioned above, we did not identify cash being received for the invoices but rather the Companies outstanding loan accounts with The Unit Trust Companies were reduced by the invoice amount.
- ▶ On 9 September 2022, the Companies along with The Unit Trust Companies, executed a Deed of Forbearance ("the Deed") in relation to their outstanding loans. As part of the Deed, the Companies set-off any outstanding Work in Progress as at that date against the corresponding loan balances.
- ▶ The effect of the above saw the Companies convert the WIP into revenue and expense the same amount as "construction" or "building" costs which were reflected as Cost of Sales in YTD FY23.
- ▶ In December 2022 for all cases expect for Shafston Avenue Construction 2 Pty Ltd, further revenue was recorded for sales involving the Unit Trust Companies, however unlike the previous revenue recorded there was no corresponding cost of sales entry only an increase to the trade receivables account.
- ▶ In relation to Shafston Avenue Construction Pty Ltd, a new loan balance was created in YTD FY23 of approximately ~\$25m. This amount is reflected in the expenses on the P&L as a "construction cost" and a proportion of the revenues received in the same period are applied against it and reduce its balance to ~\$19m.



HISTORICAL FINANCIAL PERFORMANCE

Balance Sheet

Balance Sheet Commentary

Assets

- ▶ The Companies are cash poor for the majority of the periods reviewed with the exception of Shafston Avenue Construction 2 Pty Ltd which has a balance of \$1.52m at appointment. This however, was mostly inaccessible cash as \$1.5m was paid as a deposit held on trust by ANZ in relation to a loan facility agreement entered into between Shafston Avenue Construction 2 Pty Ltd, Ian Edwards and Aust-Equity Projects Pty Ltd. The cumulative total cash recovered from the Companies' NAB accounts identified upon appointment was \$101,680.
- ▶ The Companies carried significant Work in Progress ("WIP") in the years leading up to appointment which were the associated costs of the respective construction projects each entity was dealing with.
- ▶ As mentioned earlier in Section 3 of the report, on 9 September 2022, the Companies and The Unit Trust Companies executed a Deed of Forbearance ("the Deed") in relation to their outstanding loans. As part of the Deed, the Companies set-off any outstanding WIP as at that date against the corresponding loan balances owing to The Unit Trust Companies.
- ▶ In the balance sheets of all Companies, WIP is written to zero and the corresponding receivables generated are applied against the outstanding loans the Companies owed to The Unit Trust Companies.
- ▶ In December 2022 the Companies recognised further revenue for project costs, these additional amounts are reflected in the trade receivables accounts of the Companies as at appointment. However, these amounts were not set-off against corresponding loans of the Development Entities.

Liabilities

- ▶ As discussed, the Companies reduced loan balances in the lead up to appointment via set-off of the WIP balances converted to trade receivables. This process reduced collective loan balances from ~\$149m down to ~\$78m.
- ▶ Further information is required from the Director in relation to the \$25m loan created in September 2022 for Shafston Avenue Construction Pty Ltd as prior to the creation of this loan, this entity would have had a set-off of the loan account in their favour by ~\$5m.
- ▶ Due to the recognition of revenues in YTD FY23, the Companies' GST account increased significantly. The cumulative total of amounts owing to the ATO for GST collected on sales is upwards of \$15m.
- ▶ Trade creditors held steady during the periods reviewed and did not appear to be a contributing factor to the Companies' financial distress. This is also noticeable when reviewing the Company's current ratios which are at or above 1 and in some instances well above 1. However, this is not indicative metric of the Companies' solvency position as their current asset base is inflated by WIP which was not collectible in cash. Refer to **Section 9** for more in depth analysis of the Companies solvency.
- ▶ There is a material discrepancy between the amounts recorded as owing to the secured creditors in the ROCAPs and in the Companies' management accounts. Our investigations indicate that the accuracy and completeness of the Companies' accounting is the reason for this material variance. We will continue to work to independently verify the true balance of the secured loan values and will report to creditors on this matter at the 2nd meeting of creditors.



HISTORICAL FINANCIAL POSITION

Summarised Financials - Shafston Avenue Construction Pty Ltd

Profit and Loss Statement for the period 1 July 2018 to 21 March 2023

Shafston Avenue Construction Pty Ltd					
	1/07/2022 - 21/03/2023	FY22	FY21	FY20	FY19
Revenue	10,840,822	-	221,160	5,108,616	-
Cost of Sales	(10,088,277)	-	-	-	-
Gross Profit	752,545.70	-	221,159.72	5,108,616.29	-
Gross Margin	0.07	-	1.00	1.00	-
Expenses					
General Expenses	(28,848)	(15,543)	(1,383)	(697)	(2,483)
Professional Expenses	(1,035)	-	-	-	-
Construction Expenses	(25,885,533)	-	-	-	-
Financing Expenses	(2,537)	(1,626)	(885)	-	-
Total Expenses	(25,917,953)	(17,168)	(2,268)	(697)	(2,483)
EBITDA	(25,165,407)	(17,168)	218,891	5,107,919	(2,483)

Balance Sheet for the period 1 July 2018 to 21 March 2023

Shafston Avenue Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets					
Cash and cash equivalents	12,480	130	110	1,419	1,448
Trade and other receivables	827,800	-	-	-	-
Prepayments	100,000	100,000	100,000	-	-
Work in Progress	-	10,088,277	10,088,277	10,088,277	10,088,277
TOTAL CURRENT ASSETS	940,280	10,188,407	10,188,387	10,089,696	10,089,725
Non-Current Assets					
Other Assets	2,143	2,143	2,143	2,143	2,143
Loans	-	(4,800,606)	(4,800,561)	(5,010,284)	(10,152,296)
TOTAL NON CURRENT ASSETS	2,143	(4,798,463)	(4,798,419)	(5,008,141)	(10,150,154)
TOTAL ASSETS	942,423	5,389,943	5,389,968	5,081,555	(60,429)
Current Liabilities					
Retentions	(26,245)	(26,245)	(26,245)	(26,245)	(26,245)
Trade and other payables	11,627	3,176	1,089	608	330
GST Liabilities	1,106,562	22,868	22,797	33,757	(30)
Advance - AEP SA	100,000	100,000	100,000	-	-
TOTAL CURRENT LIABILITIES	1,191,944	99,799	97,641	8,120	(25,945)
Non-Current Liabilities					
Loans	19,640,728	14,986	-	-	-
TOTAL NON CURRENT LIABILITIES	19,640,728	14,986	-	-	-
TOTAL LIABILITIES	20,832,672	114,785	97,641	8,120	(25,945)
Net Assets (Liabilities)	(19,890,249)	5,275,158	5,292,327	5,073,435	(34,484)



HISTORICAL FINANCIAL POSITION

Summarised Financials - Shafston Avenue Construction 2 Pty Ltd

Profit and Loss Statement for the period 1 July 2018 to 21 March 2023

Shafston Avenue Construction 2 Pty Ltd					
	1/07/2022 - 21/03/2023	FY22	FY21	FY20	FY19
Revenue	69,596,243	-	1,482,478	33,501,541	53
Cost of Sales	(64,906,340)	-	-	-	-
Gross Profit	4,689,903	-	1,482,478	33,501,541	53
Gross Margin	6.74%	-	100.00%	100.00%	100.00%
Other Income	-	-	1,395	28,029	31,776,463
Expenses					
General Expenses	(62,772)	(11,005)	(112,248)	(536,517)	(111,863)
Professional Expenses	(14,690)	(680)	(28,638)	(969,250)	(623,725)
Construction Expenses	(16,143)	(156)	(168,824)	(22,030,375)	(28,903,261)
Sales and Marketing Expenses	(52,066)	(171,769)	(93,780)	(888,461)	(537,495)
Financing Expenses	(140,530)	(180,066)	(258,998)	(1,229,497)	(909,180)
DM Fee Expenses	-	-	(43,000)	(442,107)	(521,062)
Project Contingency Expenses	-	-	(206)	(1,669)	0
Sales Commission Expenses	-	-	(14,175)	(632,701)	(139,906)
Statutory Expenses	-	-	-	(2,375,234)	(29,972)
Other Expenses	-	-	(6,033)	437	(52)
Total Overhead Expenses	(286,201)	(363,676)	(725,903)	(29,105,373)	(31,776,515)
EBITDA	4,403,702	(363,676)	757,970	4,424,197	-

Balance Sheet for the period 1 July 2018 to 21 March 2023

Shafston Avenue Construction 2 Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets					
Cash and cash equivalents	1,585,530	1,550,540	1,550,530	28,956	458,768
Trade and other receivables	36,686,934	430,362	430,362	430,362	429,000
Prepayments	2,142	2,142	2,142	2,142	53,203
Work in Progress	-	36,635,723	36,635,723	36,635,723	36,635,723
Other Assets	(6,708)	(6,708)	(6,708)		
TOTAL CURRENT ASSETS	38,267,899	38,612,059	38,612,049	37,097,184	37,576,694
Non-Current Assets					
Other Assets	41,771	41,771	41,771	41,771	353,439
Loans	(16,386,793)	(28,265,867)	(28,061,713)	(25,088,002)	(21,809,958)
TOTAL NON CURRENT ASSETS	(16,345,022)	(28,224,095)	(28,019,942)	(25,046,230)	(21,456,518)
TOTAL ASSETS	21,922,877	10,387,964	10,592,107	12,050,953	16,120,175
Current Liabilities					
Retentions					
Trade and other payables	(28,923)	(32,796)	(30,625)	193,657	333,148
GST Liabilities	9,985,745	2,999,829	2,838,124	3,111,562	(451,130)
TOTAL CURRENT LIABILITIES	9,956,822	2,967,032	2,807,499	3,305,219	(117,983)
Non-Current Liabilities					
Loans	3,943,404	3,801,983	3,801,983	5,521,080	17,437,700
TOTAL NON CURRENT LIABILITIES	3,943,404	3,801,983	3,801,983	5,521,080	17,437,700
TOTAL LIABILITIES	13,900,226	6,769,015	6,609,482	8,826,299	17,319,718
Net Assets (Liabilities)	8,022,651	3,618,949	3,982,625	3,224,653	(1,199,542)



HISTORICAL FINANCIAL POSITION

Summarised Financials - Lincoln Street Construction Pty Ltd

Profit and Loss Statement for the period 1 July 2018 to 21 March 2023

Lincoln Street Construction Pty Ltd					
	1/07/2022 - 21/03/2023	FY22	FY21	FY20	FY19
Revenue	20,133,460	-	1,135,274	2,612,099	-
Cost of Sales	(7,197,514)	-	-	-	-
Gross Profit	12,935,946	-	1,135,274	2,612,099	-
Gross Margin	64.25%	-	100.00%	100.00%	0.00%
Other Income	-	-	(1)	-	-
Expenses					
General Expenses	(14,218)	(13,977)	(7,388)	(29,838)	(25,462)
Professional Expenses	(4,554)	-	(1,646)	-	(1,645)
Construction Expenses	-	-	(68,345)	-	-
Sales and Marketing Expense:	-	-	(85,370)	(143,187)	(122,642)
Financing Expenses	(4,145)	(4,983)	(2,759)	-	-
DM Fee Expenses	-	-	(1,800)	(12,425)	(15,991)
Project Contingency Expense	-	-	(2,744)	(13,136)	(30,801)
Sales Commission Expenses	-	-	(22,668)	(157,720)	-
Statutory Expenses	-	-	(1,530)	(250)	-
Total Expenses	(22,918)	(18,960)	(194,249)	(356,556)	(196,542)
EBITDA	12,913,029	(18,960)	941,024	2,255,542	(196,542)

Balance Sheet for the period 1 July 2018 to 21 March 2023

Lincoln Street Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets					
Cash and cash equivalents	74,270	133	110	433,377	4,628
Trade and other receivables	17,815,511	-	-	-	-
Prepayments	844	844	844	844	844
Work in Progress	-	7,197,514	7,197,514	7,197,514	7,197,514
TOTAL CURRENT ASSETS	17,890,625	7,198,491	7,198,468	7,631,735	7,202,986
Non-Current Assets					
Other Assets					
Loans	(3,317)	(4,255,853)	(4,259,678)	(5,151,335)	(6,523,104)
TOTAL NON CURRENT ASSETS	(3,317)	(4,255,853)	(4,259,678)	(5,151,335)	(6,523,104)
TOTAL ASSETS	17,887,307	2,942,638	2,938,790	2,480,400	679,882
Current Liabilities					
Retentions	(592,453)	(592,453)	(592,453)	(30,169)	571,772
Trade and other payables	338,325	333,127	332,192	223,190	187,813
GST Liabilities	2,087,942	72,439	68,828	96,305	(15,235)
TOTAL CURRENT LIABILITIES	1,833,814	(186,887)	(191,433)	289,326	744,351
Non-Current Liabilities					
Loans	29,202	18,262	-	-	-
TOTAL NON CURRENT LIABILITIES	29,202	18,262	-	-	-
TOTAL LIABILITIES	1,863,016	(168,625)	(191,433)	289,326	744,351
Net Assets (Liabilities)	16,024,291	3,111,263	3,130,223	2,191,074	(64,469)



HISTORICAL FINANCIAL POSITION

Summarised Financials - 80 Settlement Road Construction Pty Ltd

Profit and Loss Statement for the period 1 July 2018 to 21 March 2023

80 Settlement Road Construction Pty Ltd					
	1/07/2022 - 21/03/2023	FY22	FY21	FY20	FY19
Revenue	16,344,460	-	4,932,426	5,282,153	-
Cost of Sales	(8,174,580)	-	-	-	-
Gross Profit	8,169,880	-	4,932,426	5,282,153	-
Gross Margin	49.99%	-	100.00%	100.00%	-
Expenses					
General Expenses	(19,723)	(10,070)	(6,945)	(5,983)	(2,953)
Professional Expenses	(190,061)	(1,700)	(30,219)	(569,009)	(403,477)
Construction Expenses	(1,850)	(2,040)	(80,602)	(7,847,033)	(4,736,603)
Sales and Marketing Expenses	-	(4,425)	(78,875)	(287,698)	(329,210)
Financing Expenses	(32,251)	(48,150)	(166,777)	(522,393)	(352)
DM Fee Expenses	-	-	(56,700)	(216,053)	(178,517)
Land Holding Expenses	-	-	(4,170)	(8,147)	(12,604)
Sales Commission Expenses	-	-	(62,276)	(166,087)	(39,900)
Statutory Expenses	-	-	-	(1,241,496)	(88,727)
Other Expenses	-	-	165	-	5,787,649
Total Overhead Expenses	(243,885)	(66,385)	(486,399)	(10,863,900)	(4,694)
EBITDA	7,925,995	(66,385)	4,446,027	(5,581,747)	(4,694)

Balance Sheet for the period 1 July 2018 to 21 March 2023

80 Settlement Road Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets					
Cash and cash equivalents	63,424	887	877	184,781	1,874,082
Trade and other receivables	14,839,319	-	-	798	-
Work in Progress	-	8,174,580	8,174,580	8,174,580	8,174,580
TOTAL CURRENT ASSETS	14,902,743	8,175,467	8,175,457	8,360,159	10,048,662
Non-Current Assets					
Other Assets	131,583	131,583	131,583	131,583	79,858
Loans	-	-	-	-	-
TOTAL NON CURRENT ASSETS	131,583	131,583	131,583	131,583	79,858
TOTAL ASSETS	15,034,326	8,307,051	8,307,041	8,491,742	10,128,521
Current Liabilities					
Retentions	(597)	129,544	(597)	(597)	145,211
Trade and other payables	127,196	-	128,144	635,705	1,578,814
GST Liabilities	2,254,660	955,411	909,068	551,084	(127,651)
TOTAL CURRENT LIABILITIES	2,381,260	1,084,956	1,036,616	1,186,192	1,596,375
Non-Current Liabilities					
Loans	5,939,704	8,434,727	8,416,672	12,897,824	8,542,673
TOTAL NON CURRENT LIABILITIES	5,939,704	8,434,727	8,416,672	12,897,824	8,542,673
TOTAL LIABILITIES	8,320,963	9,519,683	9,453,287	14,084,016	10,139,048
Net Assets (Liabilities)	6,713,363	(1,212,632)	(1,146,247)	(5,592,274)	(10,527)



HISTORICAL FINANCIAL POSITION

Summarised Financials - 28 Baxter Street Construction Pty Ltd

Profit and Loss Statement for the period 1 July 2018 to 21 March 2023

28 Baxter Street Construction Pty Ltd					
	1/07/2022 - 21/03/2023	FY22	FY21	FY20	FY19
Revenue	3,126,128	-	-	-	-
Cost of Sales	(2,621,130)	-	-	-	-
Gross Profit	504,998	-	-	-	-
Gross Margin	16.15%	0.00%	0.00%	0.00%	0.00%
Expenses					
General Expenses	(13,638)	(9,325)	(3,063)	(4,947)	(2,640)
Professional Expenses	(56,037)	(195)	(13,038)	(228,434)	(143,062)
Construction Expenses	-	-	-	-	(1,174)
Sales and Marketing Expenses	-	-	(1,166)	(11,860)	(7,126)
DM Fee Expenses	-	-	(900)	(5,500)	(9,866)
Statutory Expenses	-	-	-	(5,192)	(1,332)
Other Expenses	-	-	-	-	(14,632)
Total Overhead Expenses	(69,674)	(9,520)	(18,166)	(255,933)	(179,832)
EBITDA	435,324	(9,520)	(18,166)	(255,933)	(179,832)

Balance Sheet for the period 1 July 2018 to 21 March 2023

28 Baxter Street Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets					
Cash and cash equivalents	160	160	150	5,251	81,202
Work in Progress	-	2,621,130	2,621,130	2,621,130	2,621,130
Trade and other receivables	623,630	-	-	-	-
TOTAL CURRENT ASSETS	623,790	2,621,290	2,621,280	2,626,381	2,702,332
Non-Current Assets					
TOTAL NON CURRENT ASSETS	-	-	-	-	-
TOTAL ASSETS	623,790	2,621,290	2,621,280	2,626,381	2,702,332
Current Liabilities					
Retentions	778	778	778	778	778
Trade and other payables	78,717	81,664	80,281	81,144	170,008
GST Liabilities	305,514	(598)	(485)	(842)	(7,162)
TOTAL CURRENT LIABILITIES	385,009	81,844	80,574	81,079	163,624
Non-Current Liabilities					
Loans	96,065	2,832,054	2,823,794	2,810,224	2,547,697
TOTAL NON CURRENT LIABILITIES	96,065	2,832,054	2,823,794	2,810,224	2,547,697
TOTAL LIABILITIES	481,074	2,913,898	2,904,368	2,891,303	2,711,321
Net Assets (Liabilities)	142,716	(292,608)	(283,088)	(264,922)	(8,989)



SECTION 9

INVESTIGATIONS





INVESTIGATIONS

Overview

Overview

Pursuant to Section 438A (a) of the Act, we are required to investigate the Companies business, property, affairs and financial circumstances. We are also required to prepare and lodge a report with ASIC if it appears that past or present officers or advisers may have been guilty of an offence in relation to the Companies.

Our investigations to date have involved a preliminary review of whether it appears that past or present officers or members may have been guilty of an offence in relation to the Companies.

Voidable Transactions

If creditors resolve to place the Companies into liquidation, a Liquidator has the ability to take recovery action against various parties that may have received preferential treatment ahead of other creditors. The objective is to recover funds and redistribute the money to creditors. Broadly, these recovery actions include:

- ▶ A payment made to a creditor, in the six (6) month period prior to the appointment of an administrator which is an insolvent transaction of the company (unfair preference);
- ▶ A payment made to a non-related creditor during the two (2) years prior to the appointment of an administrator which is an insolvent transaction and an uncommercial transaction;
- ▶ A payment made to a related creditor in the four (4) years prior to the filing of the appointment of an administrator which is an insolvent transaction and an uncommercial transaction;
- ▶ A payment made to a creditor in the ten (10) years prior to the appointment of an administrator which is fraudulent;
- ▶ An unfair loan whenever made; and
- ▶ A transaction in the twelve (12) months prior to the appointment which involves the transfer or sale of company assets for less than market value, designed to hinder or significantly delay creditors' access to the Company's assets (creditor defeating dispositions).

More detailed information on each of these transactions is available in **Appendix [x]** - ARITA - Creditor Information Sheet - Offences, Recoverable Transactions and Insolvent Trading sheets.

As with any litigation, the potential amount recoverable is not always known and it is difficult to assess the likely costs that a Liquidator or solicitor may incur in recovering these funds.

Further information in relation to the identified potential voidable transactions is provided on the following pages.

More information would be provided if any recoveries were to be pursued in a liquidation scenario.



INVESTIGATIONS

Unfair preferences, unfair loans, uncommercial transactions and creditor defeating dispositions

Unfair Preferences

A transaction is an unfair preference if it results in a creditor receiving from a company, in respect of an unsecured debt, more than the creditor would receive from the company if the transaction(s) was/were set aside and the creditor was to prove for the debt in the winding up of the company. If the payment(s) to the creditor was/were made within the six (6) months preceding the appointment of the administrator (known as the 'relation back date'), a liquidator can take action to recover funds from the preferred creditor and distribute them according to the order of priority contained in Section 556 of the Act.

Creditors should note that, whilst a liquidator will endeavour to recover any unfair preferences for the benefit of all creditors, there may be statutory defences available pursuant to Section 588FGB of the Act. In addition, the liquidator must establish that the company was insolvent at the time of the transaction.

We have identified a number of transactions to 5 individual parties totalling \$701,224 that have the characteristics of unfair preference payments. Over half the cumulative total of the payments are to the statutory creditors for \$359,889.

If we are appointed as liquidators at the forthcoming meeting we will conduct further investigations into these transactions.

Unfair loans

Section 588FD of the Act defines a loan as being unfair if:

- ▶ The interest on the loan was extortionate when the loan was made, or has since become extortionate because of variation; or
- ▶ The charges in relation to the loan were extortionate when the loan was made, or has since become extortionate because of variation.

We have not identified any transactions of this nature to date, however, if appointed as Liquidators at the forthcoming meeting we will conduct further investigations.

Uncommercial Transactions

For an uncommercial transaction to exist at the time of the transaction, it must have the following features:

- ▶ A reasonable person would not have entered into the transaction after taking into account the detriment and benefits to the Companies;
- ▶ It was made when the Companies were insolvent;
- ▶ It must have been entered into two (2) years or less prior to our appointment as Administrators however, if it was a related entity it may be four (4) years prior to the commencement of the Administration; and
- ▶ The person could have reasonably been aware that the Companies were insolvent at the time of the transaction or the person did not provide valuable consideration.

We have not identified any transactions of this nature to date, however, if appointed as Liquidators at the forthcoming meeting we will conduct further investigations.

Unreasonable Director Related Transactions

Payments, the issue of securities, conveyances or other dispositions of property by a company in favour of a director, a relative or a spouse may constitute an unreasonable director related transaction pursuant to Section 588FDA of the Corporations Act, if it may be expected that a reasonable person in the Companies circumstances would not have entered into the transaction.

We have not identified any transactions of this nature to date, however, if appointed as Liquidators at the forthcoming meeting we will conduct further investigations.



INVESTIGATIONS

Unfair preferences, unfair loans, uncommercial transactions and creditor defeating dispositions

Creditor Defeating Dispositions

For a creditor defeating disposition to exist, at the time of the transaction, it must have the following features:

- ▶ It involves the transfer of company assets for less than market value (or the best price reasonably attainable);
- ▶ It was made when the company is insolvent or became insolvent as a result of the transaction; and
- ▶ It occurred in the 12 months before the date of our appointment.

We have not identified any transactions of this nature to date, however, if the Companies are placed into liquidation, we will investigate further.

As mentioned in previous sections of this report, on 9 September 2022, the Companies entered into a Deed of Forbearance (“the Deed”) with The Unit Trust Companies who had provided secured loans of ~\$149m to the Company. The resulting effect of the Deed brought down the loan balance to ~\$78m as displayed in Section 3.

The Second Deed outlined that a further ~\$60m of invoices that were issued to The Unit Trust Companies for development costs. However, the Second Deed suggests that should any of these amounts be determined to be owing either in full or in part, then they would be set-off against the remaining The Unit Trust Companies loan balance.

Should the full amounts above be collectable, this would potentially reduce The Unit Trust Companies’ claim (in relation to these loans only) to \$17,574,300.

Whilst this process has benefited The Unit Trust Companies in reducing their loan balances, the Administrators do not consider that this is a creditor defeating disposition as the Companies’ assets were realised for full value.

However, the Administrators acknowledge that by off-setting the assets against the outstanding loans, The Unit Trust Companies’ have received a greater benefit than if cash was received as consideration and monies distributed evenly amongst the creditors. It is noted that as The Unit Trust Companies’ debts were secured, it is not considered to be a preferential payment.



INVESTIGATIONS

Insolvent Trading

Overview

Section 558G of the Act provides that it is an offence for a director of a company to allow a company to incur credit at a time when the company is insolvent. Should a director contravene this section, the Liquidator is entitled to commence legal proceedings against them to recover the loss suffered by the company as a result.

A company is considered to be insolvent at the point when it is unable to pay its debts as and when they fall due for payment. Consideration is given to when the debts are commercially due for payment.

Insolvent Trading Overview

Pursuant to Sections 588G and 588M of the Act, a Liquidator may seek to recover from the Directors of the Companies, any debt incurred by the Companies after a time that a reasonable person would suspect that the Companies could not pay its debts as and when they fell due.

Accordingly, the Liquidator needs to determine the likely date the Companies became insolvent.

The test for solvency and consequently insolvency is prescribed by Section 95A of the Act which states that:

1. A company is solvent if, and only if, the company is able to pay all the Company's debts, as and when they become due and payable; and
2. A company who is not solvent is insolvent.

This translates into a "cashflow test" of solvency, however, there are a number of other indicators to consider, including an analysis of the Company's balance sheet.

Indicators of Insolvency

We have undertaken our preliminary investigations and our findings are detailed on the following pages.



INVESTIGATIONS

Insolvent Trading

Balance sheet for the period FY19-21 March 2023

Shafston Avenue Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets	940,280	10,188,407	10,188,387	10,089,696	10,089,725
Current Liabilities	1,191,944	99,799	97,641	8,120	(25,945)
Current Ratio	0.79	102.09	104.35	1,242.63	388.89
Shafston Avenue Construction 2 Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets	38,267,899	38,612,059	38,612,049	37,097,184	37,576,694
Current Liabilities	9,956,822	2,967,032	2,807,499	3,305,219	(117,983)
Current Ratio	3.84	13.01	13.75	11.22	318.49
Lincoln Street Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets	17,890,625	7,198,491	7,198,468	7,631,735	7,202,986
Current Liabilities	1,833,814	(186,887)	(191,433)	289,326	744,351
Current Ratio	9.76	38.52	37.60	26.38	9.68
80 Settlement Road Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets	14,902,743	8,175,467	8,175,457	8,360,159	10,048,662
Current Liabilities	2,381,260	1,084,956	1,036,616	1,186,192	1,596,375
Current Ratio	6.26	7.54	7.89	7.05	6.29
28 Baxter Street Construction Pty Ltd					
	21-Mar-23	FY22	FY21	FY20	FY19
Current Assets	623,790	2,621,290	2,621,280	2,626,381	2,702,332
Current Liabilities	385,009	81,844	80,574	81,079	163,624
Current Ratio	1.62	32.03	32.53	32.39	16.52

Balance sheet Analysis

- ▶ Presented opposite is a summarised balance sheet for the period from FY19-21 March 2023.
- ▶ We have analysed the Company's current ratio, working capital position and net asset position to form a view on the balance sheet solvency of the Company.
- ▶ A current ratio below 1.0 and a negative net current asset position indicates that the Company did not have sufficient liquid assets to meet its current liabilities as and when they fell due without additional financial support.
- ▶ As the Companies continually carried large amounts of Work in Progress ("WIP") the Companies have always appeared balance sheet solvent and this is reflected in current ratios constantly well above 1. However, as the WIP accounted for almost all of the Companies' current assets, this is a misleading metric because the Companies did not convert this WIP into liquid cash at any stage. WIP was only set off against loans to related parties and the Companies had immaterial trade creditors up until the point the GST liabilities in FY23 were incurred.
- ▶ Despite the Companies being balance sheet solvent, the Companies were only able to do so by relying on arrangements with related parties in terms of funding or invoicing for WIP. The Companies were not at risk of having loans called upon and therefore were their cash flow never tested.
- ▶ The GST liabilities incurred leading to appointment were the trigger for the Companies' solvency issues. The set-off of the Companies remaining receivables in the balance sheet against outstanding loans to The Unit Trust Companies effectively reduces these receivables to zero which, in almost all cases, result in the Companies' current ratios falling below 1.
- ▶ The GST liabilities incurred leading to appointment were the trigger for the Companies' solvency issues.



INVESTIGATIONS

Insolvent Trading

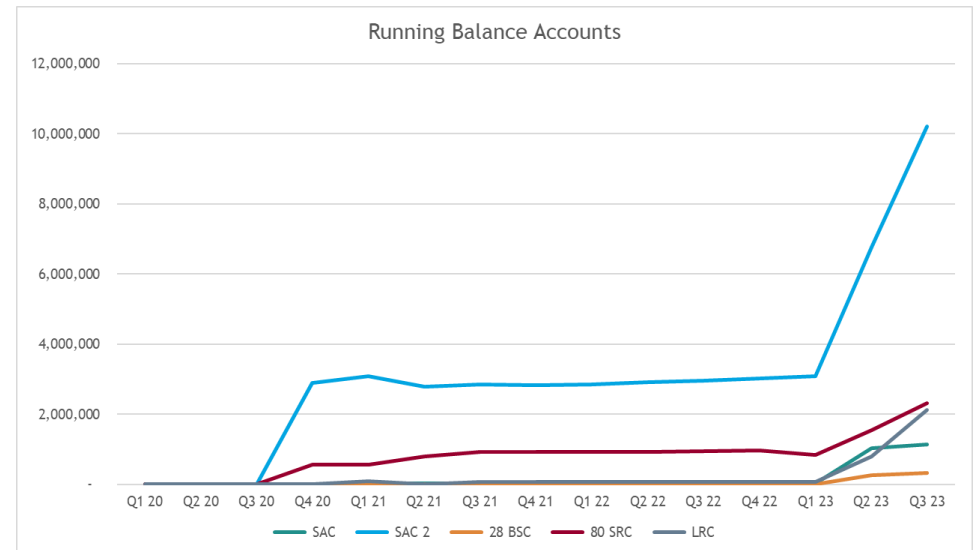
Creditor Analysis

Statutory creditors

- ▶ The Director's ROCAP indicated that there was \$15.9m owing to the ATO for GST liabilities across all Companies. The ATO have since provided a proof of debt for claims against each company. Presented below are the claims against each company as per the ROCAP and proof of debts received:

Company	Balance in ROCAP \$	ATO POD \$
Shafston Avenue Construction Pty Ltd	1,132,940.89	1,139,202.41
Shafston Avenue Construction 2 Pty Ltd	10,150,288.52	10,206,386.99
Lincoln Street Construction Pty Ltd	2,078,175.00	2,120,260.87
28 Baxter Street Construction Pty Ltd	312,672.72	314,400.79
80 Settlement Road Construction Pty Ltd	2,302,681.06	2,315,467.44
Total	15,976,758.19	16,095,718.50

- ▶ Attempts were made by the Companies to enter into a payment arrangement with the ATO and some payments were made in relation to a payment plan.
- ▶ On 4 October 2022, the ATO issued the director with a penalty notice warning for the Companies inability to address the outstanding GST liabilities sufficiently.
- ▶ This inability to deal with statutory liabilities is of a concern when considering if the Companies were trading whilst insolvent as the majority of the Companies creditors throughout its trading history were related parties. Unlike related parties, the ATO would have applied pressure to the Companies to satisfy their liabilities in a timely manor.
- ▶ Presented opposite is a graph of each entities GST balances from 1 July 2019 to appointment. Balances sharply increase in Q1 2023 due to the invoicing of the WIP in association with the Deed of Forbearance.





INVESTIGATIONS

Insolvent Trading

Ongoing trading losses

- Presented below is a summarised cumulative profit and loss for the Companies.

	Cumulative P&L				
	YTD FY23	FY22	FY21	FY20	FY19
Revenue	120,041,114	-	7,771,338	46,504,409	53
Cost of Sales	(92,987,840)	-	-	-	-
Gross Profit	27,053,273	-	7,771,338	46,504,409	53
Other Income	-	-	1,395	28,029	31,776,463
Expenses	(26,540,631)	(475,710)	(1,426,986)	(40,582,459)	(32,160,067)
EBITDA	512,643	(475,710)	6,345,747	5,949,979	(383,551)

- The cumulative EBITDA over the above period is ~\$12m, however, as previously explained this is a misleading figure from a performance metric as the Companies never collected the revenue but invoiced for WIP which was set off against respective funding amounts received from The Unit Trust Companies.
- Despite this the Companies did not suffer ongoing trading losses as one might expect to see in the lead up to an insolvency event.

Access to Funding

- The Companies had a funding arrangement with The Unit Trust Companies where funds were to be forwarded to the Companies to meet the costs of the development projects.
- At appointment, the books and records indicated there were ~\$39m in related party loans outstanding across the Companies. These can be broken down as per below:

Company	Related Party Loan Balances \$
Shafston Avenue Construction Pty Ltd	20,832,672
Shafston Avenue Construction 2 Pty Ltd	16,528,214
28 Baxter Street Construction Pty Ltd	96,065
80 Settlement Road Construction Pty Ltd	1,954,205
Lincoln Road Construction Pty Ltd	25,885
Total	39,437,041

N.B. These figures have not been audited and therefore are only indicative of the actual balances outstanding.

- Funding was continually provided to the Companies to fund its trading activities. This access to funding provided a safety net which allowed for the Companies to continue trading and have a reasonable expectation that they would be able to meet liabilities as and when they fell due.

INVESTIGATIONS

Insolvent Trading

Indicators of Insolvency

The precedent case for determining the solvency of a company is set out in *ASIC v Plymin & Ors (2003) 46 ASCR 126* (commonly referred to as the “Water Wheel case”), where Justice Mandy of the Supreme Court of Victoria referred to the following checklist of 14 indicators of insolvency:

1. Continuing losses
2. Liquidity ratios below 1
3. Overdue Commonwealth and State taxes
4. Poor relationship with present Bank, including inability to borrow further funds
5. No access to alternative finance
6. Inability to raise further equity capital
7. Suppliers placing the company on COD, or otherwise demanding special payments before resuming supply
8. Creditors unpaid outside trading terms
9. Issuing of post-dated cheques
10. Dishonoured cheques
11. Special arrangements with selected creditors
12. Solicitors’ letters, summons[es], judgments or warrants issued against the company
13. Payments to creditors of rounded sums which are not reconcilable to specific invoices
14. Inability to produce timely and accurate financial information to display the company’s trading performance and financial position, and make reliable forecasts.

Indicators identified

Our preliminary investigations have identified the following indicators of insolvency:

3. Statutory debts were overdue and the Companies failed to deal with them in a timely manor
8. There are several instances of creditors who are aged well over 90+ days.
11. Payment plans entered into with the ATO
14. Financial information does not appear to accurately display the Companies’ trading performance and financial position. Last set of financial accounts prepared was FY 2019.

Set out in following pages are our findings from our preliminary investigations.

INVESTIGATIONS

Insolvent Trading

Area	Analysis	Commentary
Overdue Taxes	<i>ATO</i>	The Companies have outstanding debts to the ATO of approximately \$15m.
Creditors	<i>Aged creditors ledger</i>	All of the Companies with the exception of Shafston Avenue Construction Pty Ltd had almost 100% of creditors that were aged over 90+ days from at least 1 July 2021. This could indicate the were unable to manage cash flows to deal with its trade creditor in acceptable terms. However, it must be noted that the majority of these trade creditors were related parties.
Special Arrangements with Selected Creditors	<i>ATO</i>	In June 2022 the Companies had outstanding ATO liabilities of over \$4m and consequently the ATO took steps to place the Companies on a payment arrangement to repay this debt. Some payment plans were underway prior to appointment and some were still being negotiated at appointment.
Inability to produce timely and accurate financial information	<i>Books and records</i>	The Companies' last set of financial statements produced by an external accountant were FY19. Beyond that, the records provided are management accounts only which do not appear to be complete nor appear to have treated certain accounts correctly. As such the accuracy of the accounts are questionable and make understanding the Companies trading history difficult.

INVESTIGATIONS

Insolvent Trading

The below table demonstrates visually the timings of some of the indicators of insolvency.

	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
1. Continuing losses											
2. Liquidity ratios below 1											
3a. Overdue Commonwealth and State taxes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3b. Unpaid Superannuation											
4. Poor relationship with present Bank, including inability to borrow further funds											
5. No access to alternative finance											
6. Inability to raise further equity capital											
7. Suppliers placing company on COD, or otherwise demanding special payments before resuming supply											
8. Creditors unpaid outside trading terms	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9. Issuing of post-dated cheques											
10. Dishonoured cheques											
11. Special arrangements with selected creditors					✓	✓	✓	✓	✓	✓	✓
12. Solicitors' letters, summons[es], judgments or warrants issued											
13. Payments to creditors of rounded sums which are not reconcilable to specific invoices											
14. Inability to produce timely and accurate financial information	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



INVESTIGATIONS

Insolvent Trading

Conclusion

From our investigations, the Companies were insolvent from 16 June 2022, if not earlier. Key considerations in this assessment are as follows:

- ▶ The Companies received notice from the ATO on the above date regarding outstanding ATO debts, shortly after the first payment plan was entered into between the Companies and the ATO.
- ▶ Significant ATO debts were incurred upon the completion of the Deed of Forbearance in September 2022 as invoices were raised, this led to further action from the ATO to engage the Companies to address these debts.
- ▶ Financial support previously provided by The Unit Trust Companies' was not forthcoming to address the significant tax debts, this was made clear by the Director's decision to appoint Administrators upon receipt of a penalty notice rather than attempt to request further financing.
- ▶ The Companies' business model was unsustainable as the Companies invoiced The Unit Trust Companies for the incurred costs of the construction work with little to no additional margin for their provided services. This hindered the Companies' ability to generate cash and manage their loans.

A claim for insolvent trading is generally calculated by reference to the increase in liabilities in the period of insolvency.

It should also be noted that any claim for insolvent trading against the Directors needs to be assessed on commercial grounds taking into account the costs to pursue such a claim and the Directors' ability to meet any claim.

Possible Defences

- ▶ There are potential defences available to the Director pursuant to Section 588H Act in respect of insolvent trading, summarised as follows:
 1. When the debt was incurred the Director had reasonable grounds to expect that the Companies was solvent and would remain so even if the debt was incurred (Section 588H(2));

2. When the debts were incurred the Director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information about the Company's solvency to the Director and based on that information the Director expected the Companies to be solvent and remain so (Section 588H(3));
 3. The Director did not take part in the management of the Companies at the time due to illness or other good reason (Section 588H (4)); and
 4. The Director took reasonable steps to prevent the Companies from incurring the debt (Section 588H(5)).
- ▶ We understand that the Director sought safe harbour advice in order to provide protection from an insolvent trading claim. The safe harbour provisions provide protection to directors in circumstances where a company may be insolvent but the director is preparing and/or implementing a plan that may result in a better return to creditors than an immediate liquidation.
 - ▶ In addition to the above, the Director had the support of the Secured Creditors for funding throughout its trading history. However, funding was not forthcoming to address the immediate debts payable brought on by the Director Penalty Notice issued in relation to Lincoln Street Construction Pty Ltd in March 2023.

Director's personal position

As part of the Liquidators' investigations, information in relation to the personal asset position of the Director may be sought to determine the commerciality of pursuing such an action.

Further investigations may include public examination to determine personal asset position of the Director, any defences they may have and the preparation of an expert witness solvency report may be required. The costs to undertake these tasks could be substantial.

Pursuant to Section 588R of the Act, a creditor may, with the consent of the Liquidators, commence proceedings under section 588M to pursue a Director for an insolvent trading claim. If any creditor wishes to commence proceedings under Section 588M of the Act, please contact our office within 14 days of the date of this report.

As at the date of this report we do not have a detailed personal asset position of the Director. If appointed liquidators we will further assess the Director's personal asset position when considering the merits of a potential insolvent trading claim.



INVESTIGATIONS

Director duties

Overview

Pursuant to the Act, the duties of the Directors include, but are not limited to, the following:

Section	Duty
180	Exercise a reasonable degree of care and diligence in the exercise of his or her powers and discharge of duties.
181	Act in good faith in the exercise of his or her powers and discharge of duties.
182	Not make improper use of position as an officer, to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the corporation.
183	Not make improper use of information acquired by virtue of position, to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the corporation.
184	Not act recklessly or with intentional dishonesty in failing to exercise duties in good faith, for a proper purpose. Not use information dishonestly to gain advantage or cause detriment.
191	Disclose interest in contract or proposed contract with company or to disclose office or property held which might create interests in conflict with his interests as director.

Potential Breaches of Director Duties

Based on our preliminary investigations, we have not identified any potential breaches of the Act by the Directors.

However, if we are appointed Liquidators of the Companies, further investigations into compliance with director duties will be undertaken.



SECTION 10

RECEIPTS AND PAYMENTS





RECEIPTS AND PAYMENTS

Overview

To date, the Administrators have not had any receipts or payments in respect of the Group other than the receipt of the funds held in the pre-appointment NAB accounts of three of the Companies as presented opposite.

Shafston Avenue Construction Pty Ltd	
	\$
Receipts	
Total Receipts	-
Payments	
Total Payments	-
Shafston Avenue Contrsution 2 Pty Ltd	
	\$
Receipts	
Total Receipts	-
Payments	
Total Payments	-

Lincoln Street Construction Pty Ltd	
	\$
Receipts	
Cash at bank	66,670
Total Receipts	66,670

Payments	
Total Payments	-

28 Baxter Street Construction Pty Ltd	
	\$
Receipts	
Cash at bank	10
Total Receipts	10

Payments	
Total Payments	-

80 Settlement Road Construction Pty Ltd	
	\$
Receipts	
Cash at bank	10
Total Receipts	10

Payments	
Total Payments	-



SECTION 11

DEED OF COMPANY ARRANGEMENT PROPOSAL





DOCA PROPOSAL

Overview

A DOCA is a binding arrangement between a company and its creditors detailing how a company's affairs will be dealt with. A DOCA is one of the three outcomes which creditors may resolve to occur at the end of the Voluntary Administration process, provided a DOCA proposal has been made forming part of the Administrators' report to creditors.

If creditors vote for a proposal that a company enters into a DOCA, the company must sign the DOCA within 15 business days of the creditors' meeting, unless the court allows a longer time. If this does not happen, the company will automatically enter into liquidation, with the Administrators becoming the Liquidators.

The DOCA binds all unsecured creditors, even if they voted against the proposal. It also binds owners of property, those who lease property to the company and secured creditors, if they voted in favour, or against, the DOCA.

As no DOCA has been put forward to the Administrators at this point in time, the Administrators cannot recommend that the creditors vote that the Companies execute a DOCA. However, the legal representatives of the intended Deed Proponent have been in consultation with the Administrators and have advised that they are preparing a DOCA to put forward to creditors but are unable to do so prior to the issuing of this report. It is believed that the proposed DOCA will provide for a better outcome for creditors than if the Companies were wound up.

For that reason, the Administrators intend to adjourn the Second Meeting for a period of up to 45 business days which will provide additional time that is necessary to allow for the Deed Proponent to confirm their claim against the Companies and formulate a detailed DOCA proposal.

The Administrators will provide creditors with a further update at the Second Meeting in relation to the Proposed DOCA.



SECTION 12

ESTIMATED RETURN TO CREDITORS





ESTIMATED RETURN TO CREDITORS

Overview

The return available to the Creditors of the Companies will depend on the following variables:

- The recovery of any insolvent transactions (if Companies wound up);
- Determination of the secured creditors claim; and
- Should a DOCA be proposed, total contributions provided for the Deed Fund.

As at the date of this report, all of the above matters are yet to be finalised and accordingly, it is too early to provide a reliable estimate of the likely return available to creditors of the Companies.

Factors Influencing the Estimated Return

Presented opposite is an example of what a summary Estimated Outcome Statement may look like for the Companies. There are a number of factors that would influence the estimated return of the Companies in either scenario including:

DOCA

- ▶ Total contributions paid into the Deed Fund by the Deed Proponent;
- ▶ Deed Administrators fees; and
- ▶ Exclusion of any creditor claims.

Liquidation

- ▶ Recover of any insolvent transactions or trading claims; and
- ▶ Liquidators Fees.

As can be seen in the table opposite, in either Liquidation scenario, there is expected to be a nil return and that is without even taking into consideration the Liquidators' fees. No further assets are expected to be realised and any liquidation recoveries are subject to further investigation.

Please refer to Appendix J for the Estimated Outcome Statement for each individual company estimated return to creditors.

However, should a DOCA be put forward that provides for a sufficient Deed Fund and or exclusions of any debts, then this would likely provide for a better outcome for creditors than if the Companies were placed into liquidation.



SECTION 13

OPTIONS AVAILABLE TO CREDITORS & ADMINISTRATORS' RECOMMENDATION





OPTIONS AVAILABLE TO CREDITORS AND ADMINISTRATORS' RECOMMENDATION

Overview

At the next meeting of creditors to be held on 4 May 2023, creditors are being asked to choose between one of the following options:

1. Cessation of the administrations;
2. Winding up of the Companies; or
3. Execute a Deed of Company Arrangement.

The Second Meeting of Creditors may also be adjourned for up to 45 business days by either resolution of creditors or determination of the Administrators in their capacity as Chairperson for the Second Meeting.

Cessation of the Administrations

The Companies are insolvent and unable to pay their debts as and when they fall due. No grounds have materialised which would enable the Companies to benefit from a return of control to the Director at the conclusion of the second meeting of creditors.

This option would only be appropriate if the Companies had been returned to solvency prior to the date of the second meeting of creditors. This has not occurred and therefore it is not recommended by the Administrators.

Winding up of the Companies

Should creditors resolve that the administrations be terminated and that the Companies be wound up, creditors are required to appoint a liquidator(s). If an appointment is not made by the creditors, the Administrators become the liquidators of the Companies pursuant to Section 446A of the Act.

If the Companies are to be wound up and another practitioner consents to act as liquidator, creditors have the option to appoint a replacement liquidator.

The liquidators would have a statutory obligation to fully investigate the Companies' affairs and the conduct of its officers. The results of these investigations would be reported to the ASIC.

If the Companies are to enter into liquidation, the net proceeds (after costs) recovered from transactions such as unfair preferences and insolvent trading would be available for distribution to creditors.

Deed of Company Arrangement

As noted in Section 11, no DOCA has been put forward to the Administrators at this point in time and the Administrators cannot recommend that the creditors vote that the Companies execute a DOCA.

However, the legal representatives of the intended Deed Proponent are expected to provide a DOCA proposal and it is believed that the proposed DOCA may provide for a better outcome for creditors than if the Companies were wound up.

Administrators' Recommendation

It is our opinion that it would be in the best interests of creditors of the Companies to wind the Companies up.

Reasons for Recommendation

The reasons for our recommendation to wind the Company up are:

- ▶ At the date of this report we have not received a DOCA proposal for the Companies; and
- ▶ The Companies are insolvent so it is not appropriate to return control of the Companies to the Director.

Adjournment of Second Meeting

The Administrators believe it is in creditors' interests that that the Second Meeting be adjourned to a date to be notified by the Administrators within a period of up to 45 business days to allow:

- The Deed Proponent to quantify their claims against the Companies;
- Determine the consideration to be provided; and
- Further consideration of the Proposed DOCA.

The Administrators intend to use the additional time to finalise the terms of the DOCA proposal with relevant stakeholders prior to providing it to creditors for their consideration.



SECTION 14

ADMINISTRATORS' REMUNERATION





ADMINISTRATORS' REMUNERATION

Administrators' Remuneration

The Administrators are seeking approval of their remuneration and disbursements, as follows:

Remuneration	Shafston Avenue Construction	Shafston Avenue Construction 2	Lincoln Street Construction Pty Ltd	28 Baxter Street Construction Pty Ltd	80 Settlement Road Construction Pty Ltd	Total
Voluntary Administration - 21 March 2023 to 21 April 2023	21,520.00	19,759.00	19,931.00	19,431.00	19,237.00	99,878.00
Voluntary Administration - 22 April 2023 to 4 May 2023	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	25,000.00
Total Remuneration sought	26,520.00	24,759.00	24,931.00	24,431.00	24,237.00	124,878.00

Please refer to the Administrators' Remuneration Approval Report attached as **Appendix D** for further details on the Administrators' tasks performed, remuneration incurred, further remuneration to be incurred, costs to complete and the impact on creditors.

Subject to creditor approval, the remuneration approved for the Companies at the forthcoming meeting will be drawn from the Companies available funds and asset realisations. Should the Companies have insufficient funds to meet our approved remuneration, we will not be able to draw our remuneration and subsequently, these costs will be written off.

If the above remuneration is not approved, the Administrators may apply to court for approval. This will involve additional professional and legal costs being incurred for which the Administrators are entitled to recover from the administration.



SECTION 15

SECOND MEETING OF CREDITORS





SECOND MEETING OF CREDITORS

Notice of Meetings

We have convened the second meeting of creditors to decide the Companies' future to be held at:

Meeting Details	
Date	4 May 2023
Time	10:00 AM (AEST)
Venue	Level 11, 1 Margaret Street, Sydney NSW 2000 and also via online Webinar facilities.

The second meeting of the creditors has been convened to be held at the above time and location.

Minutes of the meeting are lodged with ASIC after the meeting but are available from the Administrators on request.

Proof and Proxy

This report includes:

- ▶ Notice of Meeting.
- ▶ Form 535, Proof of Debt (Proof). A person is not entitled to vote at the meeting unless this form is lodged with the Administrators or the Chairperson. If you have lodged a Proof previously in the administration, no further Proof is required for this meeting.
- ▶ Appointment of Proxy (Proxy). A creditor may use this form to appoint a natural person over the age of 18 as his or her proxy to attend and vote at the meeting. A new Proxy form is required for this meeting. This means, that even if you lodged a Proxy with the Administrators/Chairperson at the previous meeting, a new Proxy will be required for this meeting if you wish to cast your vote.

If you would like assistance with completing your Proof or Proxy, please contact Nathan Moxey of this office on (02) 9240 9987 prior to attending the meeting of creditors.

It is requested that your Proxy be lodged with this office before 4:00PM (AEST) on 3 May 2023.



SECOND MEETING OF CREDITORS

Voting

One of the Administrators will chair the meeting and a resolution may be passed on the voices. At all meetings of creditors convened by the Administrators, resolutions will be passed or carried by a simple majority in number unless two or more creditors, a creditor or the Chairperson demands a poll in which case a majority in number and value is required. In a deadlock the Chairperson may exercise his or her vote for, or against, the resolution.

Creditors who are directors or related entities are not excluded from voting.

A creditor, or the creditor's proxy, is not entitled to vote at the meeting unless particulars of the debt or claim which is said to be due by the Companies, has been lodged with the chairperson of the meeting.

Telephone conference facilities are available to creditors on request who are unable to physically attend the meeting. If you wish to attend the meeting online, please contact this office at least 24 hours prior to the scheduled meeting date to allow us to setup the facilities.



SECTION 16

CONCLUSION





CONCLUSION

Summary

The Companies are insolvent and unable to pay debts as and when they fall due. No grounds have materialised which would enable the Companies to benefit from a return of control to the director at the conclusion of the second meeting.

However, it is understood a DOCA proposal is forthcoming which can be put forward to creditors shortly. It is believed that the proposed DOCA may provide for a better outcome for creditors than if the Companies were wound up.

For that reason the Administrators intend to adjourn the Second Meeting for a period of up to 45 business which will provide additional time that is necessary to allow for the intended Deed Proponent to present a DOCA proposal to the Administrators for consideration.

If additional information is provided which materially alters an opinion expressed in this report a supplementary report will be issued prior to the meeting.

We welcome any information which creditors feel may be of assistance in the conduct of the administration.

Should any creditor require further information regarding the matters raised in this report, please do not hesitate to contact Nathan Moxey of this office on (02) 9240 9987 or nathan.moxey@bdo.com.au.

Electronic Communications

If you would like to receive all communications electronically, please send an email to: nathan.moxey@bdo.com.au. The request will remain active until you provide us with further instructions to the contrary. Please alert us if you change your email address or postal address.

Commitment to Client Service

BDO's policy is to conduct files to the highest ethical and professional standards.

BDO adheres to the codes of conduct prescribed by the adheres to the codes of conduct prescribed by Chartered Accountants Australia & New Zealand, AFSA, ARITA and INSOL the International Federation of Insolvency Professionals.

If creditors have any questions, queries or complaints concerning the conduct of this administration please direct them to this office.

If you are dissatisfied with a decision made by the appointee, you may ask the appointee to review his decision or explain their reasons. If you are still not satisfied it may be necessary for an application to court to have the decision reviewed. In this instance it is recommended that you seek your own independent legal advice.

In the event that you are not satisfied with our handling of your query you may refer your complaint to the ASIC.

In an effort to improve our standards and the quality of information that you receive, we welcome your feedback. You can submit feedback anonymously in writing to this office or by email on info@bdo.com.au.



SECTION 17

APPENDICES





APPENDIX A

Statutory Information

Statutory records

The statutory information about the Company is detailed in the table below. The information has been sourced from searches of the ASIC national database at the time of our appointment.

	Shafston Avenue Construction Pty Ltd	Shafston Avenue Construction 2 Pty Ltd	Lincoln Street Construction Pty Ltd	28 Baxter Street Construction Pty Ltd	80 Settlement Road Construction Pty Ltd
A.C.N	169 409 705	622 201 183	603 876 651	611 160 215	611 447 100
A.B.N	95 169 409 705	85 622 201 183	84 603 876 651	30 611 160 215	61 611 447 100
Registered Office	Level 15, 9-13 Hunter St, Sydney NSW 2000	Level 15, 9-13 Hunter St, Sydney NSW 2000	Level 15, 9-13 Hunter St, Sydney NSW 2000	Level 15, 9-13 Hunter St, Sydney NSW 2000	Level 15, 9-13 Hunter St, Sydney NSW 2000
Principal Place of Business	'Sky' Suite 7 25 Shafstone Avenue Kangaroo Point QLD 4169	'Sky' Suite 7 25 Shafstone Avenue Kangaroo Point QLD 4169	'Sky' Suite 7 25 Shafstone Avenue Kangaroo Point QLD 4169	'Sky' Suite 7 25 Shafstone Avenue Kangaroo Point QLD 4169	'Sky' Suite 7 25 Shafstone Avenue Kangaroo Point QLD 4169
Director	William Rhodes	William Rhodes	William Rhodes	William Rhodes	William Rhodes
Share Structure	120 Ordinary Shares	120 Ordinary Shares	120 Ordinary Shares	120 Ordinary Shares	120 Ordinary Shares
Sole Shareholder	Murray John Thornton	Murray John Thornton	Murray John Thornton	Murray John Thornton	Murray John Thornton



APPENDIX B

PPS Registrations

Company in Administration	Secured Party Group	Registration Number	Collateral Class	Proceeds	PMSI
Shafston Avenue Construction Pty Ltd	Ian John Edwards	201803200056300	All PAP with exception	All present and after acquired property	No
Shafston Avenue Construction Pty Ltd	Shafston Avenue Pty Ltd	201711170031126	All PAP	All present and after acquired property	No
Shafston Avenue Construction Pty Ltd	The Trustee for AEP DEP IPO Trust	202208050025186	All PAP	All present and after acquired property	No
Shafston Avenue Construction 2 Pty Ltd	Ian John Edwards	201803200056219	All PAP with exception	All present and after acquired property	No
Shafston Avenue Construction 2 Pty Ltd	Shafston Avenue Pty Ltd	202303170081295	All PAP	All present and after acquired property	No
Shafston Avenue Construction 2 Pty Ltd	The Trustee for AEP DEP IPO Trust	202208050025299	All PAP	All present and after acquired property	No
Lincoln Street Construction Pty Ltd	Ian John Edwards	201703230017408	All PAP with exception	All present and after acquired property	No
Lincoln Street Construction Pty Ltd	Lincoln Street Pty Ltd	202303170081314	All PAP	All present and after acquired property	No
Lincoln Street Construction Pty Ltd	The Trustee for AEP DEP IPO Trust	202208100058907	All PAP	All present and after acquired property	No
28 Baxter Street Construction Pty Ltd	28 Baxter Street Pty Ltd	202303170081322	All PAP	All present and after acquired property	No
80 Settlement Road Construction Pty Ltd	Ian John Edwards	201905130058283	All PAP	All present and after acquired property	No
28 Baxter Street Construction Pty Ltd	The Trustee for AEP DEP IPO Trust	202208050025384	All PAP	All present and after acquired property	No
80 Settlement Road Construction Pty Ltd	80 Settlement Road Pty Ltd	202303170081305	All PAP	All present and after acquired property	No
80 Settlement Road Construction Pty Ltd	Ian John Edwards	201905140015026	All PAP	All present and after acquired property	No
80 Settlement Road Construction Pty Ltd	The Trustee for AEP DEP IPO Trust	202208050024881	All PAP	All present and after acquired property	No

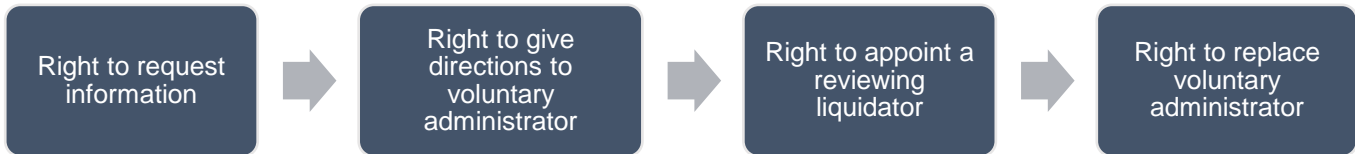


APPENDIX C

ARITA & ASIC Information Sheets

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

For more information, go to www.arita.com.au/creditors

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the voluntary administration should be directed to the administrator's office.



ASIC
Australian Securities &
Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.



APPENDIX D

Administrators' Remuneration Report



REMUNERATION APPROVAL REPORT

SHAFSTON AVENUE CONSTRUCTION PTY LTD
ACN 169 409 705

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD
ACN 622 201 183

LINCOLN STREET CONSTRUCTION PTY LTD
ACN 603 876 651

28 BAXTER STREET CONSTRUCTION PTY LTD
ACN 611 160 215

80 SETTLEMENT ROAD CONSTRUCTION PTY LTD
ACN 611 447 100

(ALL ADMINISTRATORS APPOINTED) ('THE COMPANIES') ('THE GROUP')

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of the Companies.

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	Schedule Summary	7

1. APPROVAL OF REMUNERATION

You should read this report and the other documentation that we have sent you and then submit a special proxy ahead of the second meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The Administrators can also respond to any questions that you may have at the meeting.

All creditors wishing to vote at the meeting are required to do so by submitting a proxy to the Administrators prior to the meeting. All resolutions will be decided on a poll with the outcome of the poll announced to the meeting.

Information about the meeting of creditors is provided in the covering report to creditors. If you have any questions or need any assistance, please contact Nathan Moxey of this office on (02) 9240 9987 or via email on nathan.moxey@bdo.com.au.

2. DECLARATION

We, Duncan Clubb and Jeffrey Marsden of BDO, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Companies in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Voluntary Administration.

3. EXECUTIVE SUMMARY

The remuneration currently claimed is summarised below:

Voluntary Administration	Resolution 1	Resolution 2	Total
	\$ Amount	\$ Amount	\$ Amount
	(excl. GST)	(excl. GST)	(excl. GST)
Shafston Avenue Construction Pty Ltd	21,520.00	5,000.00	26,520.00
Shafston Avenue Construction 2 Pty Ltd	19,759.00	5,000.00	24,759.00
Lincoln Street Construction Pty Ltd	19,931.00	5,000.00	24,931.00
28 Baxter Street Construction Pty Ltd	19,431.00	5,000.00	24,431.00
80 Settlement Road Construction Pty Ltd	19,237.00	5,000.00	24,237.00
Total Remuneration for VA	99,878.00	25,000.00	124,878.00

Note:

Resolution 1: The Administrators' remuneration from the period 21 March 2023 to 21 April 2023

Resolution 2: The Administrators' remuneration from the period 22 April 2023 to 2 May 2023

4. REMUNERATION

4.1 Remuneration Method

Given the nature of this administration, remuneration to date has been calculated on Time Based Hourly Rates for the following reasons:

- I. It ensures that creditors are only charged for work that is performed. Our time, and that of our staff, are recorded and charged in six minute increments.
- II. We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditors' enquiries, reporting to ASIC and reporting to creditors in accordance with the provisions of the Act.
- III. Work often requires staff with different levels of experience; as such different hourly rates reflect the expertise of our staff.

A scale of our fees and disbursement costs was provided with our Report to Creditors dated 22 March 2023 and is also available upon request. A complete copy of the time costs is available for inspection at any time prior to the day of the meeting by contacting Nathan Moxey of my office on nathan.moxey@bdo.com.au.

4.2 Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in the attached Schedules.

4.2.1 Remuneration of Shafston Avenue Construction Pty Ltd

RESOLUTION 1: FROM THE PERIOD 21 MARCH 2023 TO 21 APRIL 2023

“Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$21,520.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 22 APRIL 2023 TO 4 MAY 2023

“Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.2.2 Remuneration of Shafston Avenue Construction 2 Pty Ltd

RESOLUTION 1: FROM THE PERIOD 21 MARCH 2023 TO 21 APRIL 2023

“Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business

Restructuring Corporate Rates as at 1 July 2022, being \$19,759.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 22 APRIL 2023 TO 4 MAY 2023

“Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.2.3 Remuneration of Lincoln Street Construction Pty Ltd

RESOLUTION 1: FROM THE PERIOD 21 MARCH 2023 TO 21 APRIL 2023

“Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,931.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 22 APRIL 2023 TO 4 MAY 2023

“Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.2.4 Remuneration of 28 Baxter Street Construction Pty Ltd

RESOLUTION 1: FROM THE PERIOD 21 MARCH 2023 TO 21 APRIL 2023

“Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,431.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 22 APRIL 2023 TO 4 MAY 2023

“Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.2.5 Remuneration of 80 Settlement Road Construction Pty Ltd

RESOLUTION 1: FROM THE PERIOD 21 MARCH 2023 TO 21 APRIL 2023

“Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,237.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 22 APRIL 2023 TO 4 MAY 2023

“Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.3 Details of remuneration

The basis of calculating the remuneration claims are summarised in the following schedules:

Resolution	Summary (1)	Detailed (2)
Resolution 1: The Administrators’ remuneration for the period 21 March 2023 to 21 April 2023	Schedule A	Schedule B
Resolution 2: The Administrators’ remuneration for the period 22 April 2023 to 4 May 2023		Schedule C

Notes:

1. Summary annexures provide detail of the time charged to each major task area by staff members working on the Voluntary Administration for the relevant period, which is the basis of each claim.
2. Detailed annexures provide descriptions of the tasks performed within each task area, matching the amounts shown in the summary annexures.

4.4 Likely impact on dividends

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

Any dividend to creditors will also be impacted by the amount of assets that are recovered and the amount of creditor claims that are admitted to participate in any dividend.

5. QUERIES

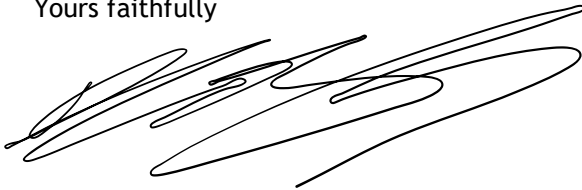
If you have any queries regarding the information in this report, please contact Nathan Moxey on (02) 9240 9987 or via email on nathan.moxey@bdo.com.au.

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").

The above websites include information on external administrations, approval of remuneration and meetings.

Yours faithfully



Duncan Clubb
Joint and Several Administrator

Encl.

SCHEDULE SUMMARY

Schedule A *Shafston Avenue Construction Pty Ltd*

Resolution 1 - Summary of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Shafston Avenue Construction 2 Pty Ltd

Resolution 1 - Summary of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Lincoln Street Construction Pty Ltd

Resolution 1 - Summary of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

28 Baxter Street Construction Pty Ltd

Resolution 1 - Summary of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

80 Settlement Road Construction Pty Ltd

Resolution 1 - Summary of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Schedule B *Shafston Avenue Construction Pty Ltd*

Resolution 1 - Description of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Shafston Avenue Construction 2 Pty Ltd

Resolution 1 - Description of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Lincoln Street Construction Pty Ltd

Resolution 1 - Description of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

28 Baxter Street Construction Pty Ltd

Resolution 1 - Description of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

80 Settlement Road Construction Pty Ltd

Resolution 1 - Description of work completed for the period 21 March 2023 to 21 April 2023 (Voluntary Administration)

Schedule C *Shafston Avenue Construction Pty Ltd*

Resolution 2 - Description of anticipated work for the period 22 April 2023 to 4 May 2023 (Voluntary Administration)

Shafston Avenue Construction 2 Pty Ltd

Resolution 2 - Description of anticipated work for the period 22 April 2023 to 4 May 2023 (Voluntary Administration)

Lincoln Street Construction Pty Ltd

Resolution 2 - Description of anticipated work for the period 22 April 2023 to 4 May 2023 (Voluntary Administration)

28 Baxter Street Construction Pty Ltd

Resolution 2 - Description of anticipated work for the period 22 April 2023 to 4 May 2023 (Voluntary Administration)

80 Settlement Road Construction Pty Ltd

Resolution 2 - Description of anticipated work for the period 22 April 2023 to 4 May 2023 (Voluntary Administration)

Schedule D Schedule of Corporate Charge Out Rates as at 1 July 2022



Schedule A - Summary of Work Completed

Shafston Avenue Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Assets		Creditors		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Duncan Clubb	Partner	770.00	1.40	1,078.00	0.50	385.00	-	-	0.90	693.00	-	-
Tom Whitmarsh	Director	670.00	3.80	2,546.00	0.60	402.00	-	-	3.10	2,077.00	0.10	67.00
Ben Carney	Manager	540.00	0.90	486.00	0.90	486.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	22.70	11,350.00	1.40	700.00	-	-	20.10	10,050.00	1.20	600.00
Daniel Maras	Analyst	400.00	0.10	40.00	0.10	40.00	-	-	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	15.80	5,214.00	6.50	2,145.00	0.80	264.00	6.90	2,277.00	1.60	528.00
Christian Hallgren	Assistant Analyst	260.00	3.10	806.00	1.50	390.00	0.30	78.00	1.30	338.00	-	-
Total			47.80	21,520.00	11.50	4,548.00	1.10	342.00	32.30	15,435.00	2.90	1,195.00
GST				2,152.00								
Total (Incl. GST)				23,672.00								
Average hourly rate				450.21								



Schedule A - Summary of Work Completed

Shafston Avenue Construction 2 Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Assets		Creditors		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Duncan Clubb	Partner	770.00	1.40	1,078.00	0.50	385.00	-	-	0.90	693.00	-	-
Tom Whitmarsh	Director	670.00	3.60	2,412.00	0.90	603.00	-	-	2.60	1,742.00	0.10	67.00
Ben Carney	Manager	540.00	0.90	486.00	0.90	486.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	22.80	11,400.00	1.50	750.00	-	-	20.10	10,050.00	1.20	600.00
Daniel Maras	Analyst	400.00	0.10	40.00	0.10	40.00	-	-	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	11.90	3,927.00	5.60	1,848.00	0.90	297.00	4.30	1,419.00	1.10	363.00
Christian Hallgren	Assistant Analyst	260.00	1.60	416.00	-	-	0.30	78.00	1.30	338.00	-	-
Total			42.30	19,759.00	9.50	4,112.00	1.20	375.00	29.20	14,242.00	2.40	1,030.00
GST				1,975.90								
Total (Incl. GST)				21,734.90								
Average hourly rate				467.12								



Schedule A - Summary of Work Completed

Lincoln Street Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Assets		Creditors		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Duncan Clubb	Partner	770.00	1.40	1,078.00	0.50	385.00	-	-	0.90	693.00	-	-
Tom Whitmarsh	Director	670.00	4.30	2,881.00	0.60	402.00	-	-	3.60	2,412.00	0.10	67.00
Ben Carney	Manager	540.00	0.90	486.00	0.90	486.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	22.80	11,400.00	1.40	700.00	0.10	50.00	20.10	10,050.00	1.20	600.00
Daniel Maras	Analyst	400.00	0.10	40.00	0.10	40.00	-	-	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	11.00	3,630.00	4.90	1,617.00	0.70	231.00	4.40	1,452.00	1.00	330.00
Christian Hallgren	Assistant Analyst	260.00	1.60	416.00	-	-	0.30	78.00	1.30	338.00	-	-
Total			42.10	19,931.00	8.40	3,630.00	1.10	359.00	30.30	14,945.00	2.30	997.00
GST				1,993.10								
Total (Incl. GST)				21,924.10								
Average hourly rate				473.42								



Schedule A - Summary of Work Completed

28 Baxter Street Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Assets		Creditors		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Duncan Clubb	Partner	770.00	1.40	1,078.00	0.50	385.00	-	-	0.90	693.00	-	-
Tom Whitmarsh	Director	670.00	3.80	2,546.00	0.40	268.00	-	-	3.10	2,077.00	0.30	201.00
Ben Carney	Manager	540.00	0.90	486.00	0.90	486.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	22.70	11,350.00	1.40	700.00	-	-	20.10	10,050.00	1.20	600.00
Daniel Maras	Analyst	400.00	0.10	40.00	0.10	40.00	-	-	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	10.10	3,333.00	4.20	1,386.00	0.90	297.00	4.10	1,353.00	0.90	297.00
Christian Hallgren	Assistant Analyst	260.00	2.30	598.00	-	-	0.30	78.00	2.00	520.00	-	-
Total			41.30	19,431.00	7.50	3,265.00	1.20	375.00	30.20	14,693.00	2.40	1,098.00
GST				1,943.10								
Total (Incl. GST)				21,374.10								
Average hourly rate				470.48								



Schedule A - Summary of Work Completed

80 Settlement Road Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Assets		Creditors		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Duncan Clubb	Partner	770.00	1.40	1,078.00	0.50	385.00	-	-	0.90	693.00	-	-
Tom Whitmarsh	Director	670.00	3.80	2,546.00	0.60	402.00	-	-	3.10	2,077.00	0.10	67.00
Ben Carney	Manager	540.00	1.00	540.00	1.00	540.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	22.80	11,400.00	1.40	700.00	0.10	50.00	20.10	10,050.00	1.20	600.00
Daniel Maras	Analyst	400.00	0.10	40.00	0.10	40.00	-	-	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	10.30	3,399.00	4.60	1,518.00	0.70	231.00	4.10	1,353.00	0.90	297.00
Christian Hallgren	Assistant Analyst	260.00	0.90	234.00	-	-	0.30	78.00	0.60	156.00	-	-
Total			40.30	19,237.00	8.20	3,585.00	1.10	359.00	28.80	14,329.00	2.20	964.00
GST				1,923.70								
Total (Incl. GST)				21,160.70								
Average hourly rate				477.34								

Schedule B - Description of Work Completed

Shafston Avenue Construction Resolution 1: 21 March 2023 to 21 April 2023

Category	General Description	Includes
Administration 11.50 Hrs \$4,548.00	Correspondence	Notification of appointment to banks, utilities and statutory authorities Correspondence with accountants and Director requesting books and records Review ROCAP, commentary and lodgement with ASIC Correspondence with the Director in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	Document Maintenance/Checklist	Day one appointment documentation and advices Reviewed and completed checklists and task lists General administrative tasks, including scanning records and filing documents Daily progress updates Prepared email lists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Corresponded with AJG regarding initial insurance requirements
	ATO & other statutory reporting	Attended to all statutory requirements Prepare and lodge statutory forms with ASIC Notification of Appointment Corresponded with the ATO to obtain information under the Freedom of Information Act

Category	General Description	Includes
Assets 1.10 Hrs \$342.00	Pre-appointment NAB account	<p>Liaised with NAB regarding funds held in the pre-appointment company account and required bank statements</p> <p>Requested funds in pre-appointment bank accounts be swept to an account controlled by the Administrators</p>
Creditors 32.30 Hrs \$15,435.00	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Maintained an up-to-date creditor enquiry register</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Creditor Meeting	<p>Preparation and attendance at first meeting of creditors</p> <p>Prepared file including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Received proxy forms and entered into the system for the purpose of reviewing quorum requirements and recording votes</p> <p>Reviewed and approved proofs and proxies, attendance register etc., at the creditors meeting</p> <p>Finalised minutes of meeting and lodged with Australian Investments & Securities Commission (ASIC)</p> <p>Arranged and prepared notice for the Second meeting of creditors</p>
	Processing proofs of debt	Received and entered PODs on the system for various creditors

Category	General Description	Includes
		<p>Adjudicated on PODs for voting purposes</p> <p>Updated various creditor claims in register</p>
	Creditor Reports	<p>Prepared initial circular to creditors including Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)</p> <p>Prepared detailed report to creditors pursuant to section 439A of the Act and section 75-225 of the IPR</p>
	DOCA Proposal	<p>Liaised with the legal representatives for the Secured Creditor in relation to the DOCA Proposal</p>
<p>Investigations</p> <p>2.90 Hrs</p> <p>\$1,195.00</p>	Investigation	<p>Issued correspondence to the Director regarding books and records and the completion of questionnaire and ROCAP</p> <p>Reviewed company financials and liaised with management</p> <p>Reviewed security documentation in relation to the validity of the secured debt</p> <p>Email correspondence relating to information request in respect of investigations</p> <p>Reviewed monthly management accounts</p> <p>Undertook a search and reviewed security interests on the Personal Properties Securities Register ('PPSR')</p>

Schedule B - Description of Work Completed

Shafston Avenue Construction 2 Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Category	General Description	Includes
Administration 9.50 Hrs \$4,112.00	Correspondence	Notification of appointment to banks, utilities and statutory authorities Correspondence with accountants and Director requesting books and records Review ROCAP, commentary and lodgement with ASIC Correspondence with the Director in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	Document Maintenance/Checklist	Day one appointment documentation and advices Reviewed and completed checklists and task lists General administrative tasks, including scanning records and filing documents Daily progress updates Prepared email lists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Corresponded with AJG regarding initial insurance requirements
	ATO & other statutory reporting	Attended to all statutory requirements Prepare and lodge statutory forms with ASIC Notification of Appointment Corresponded with the ATO to obtain information under the Freedom of Information Act

Category	General Description	Includes
Assets 1.20 Hrs \$375.00	Pre-appointment NAB account	<p>Liased with NAB regarding funds held in the pre-appointment company account and required bank statements</p> <p>Requested funds in pre-appointment bank accounts be swept to an account controlled by the Administrators</p>
Creditors 29.20 Hrs \$14,242.00	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Maintained an up-to-date creditor enquiry register</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Creditor Meeting	<p>Preparation and attendance at first meeting of creditors</p> <p>Prepared file including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Received proxy forms and entered into the system for the purpose of reviewing quorum requirements and recording votes</p> <p>Reviewed and approved proofs and proxies, attendance register etc., at the creditors meeting</p> <p>Finalised minutes of meeting and lodged with Australian Investments & Securities Commission (ASIC)</p> <p>Arranged and prepared notice for the Second meeting of creditors</p>
	Processing proofs of debt	Received and entered PODs on the system for various creditors

Category	General Description	Includes
		<p>Adjudicated on PODs for voting purposes</p> <p>Updated various creditor claims in register</p>
	Creditor Reports	<p>Prepared initial circular to creditors including Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)</p> <p>Prepared detailed report to creditors pursuant to section 439A of the Act and section 75-225 of the IPR</p>
	DOCA Proposal	<p>Liaised with the legal representatives for the Secured Creditor in relation to the DOCA Proposal</p>
<p>Investigations</p> <p>2.40 Hrs</p> <p>\$1,030.00</p>	Investigation	<p>Issued correspondence to the Director regarding books and records and the completion of questionnaire and ROCAP</p> <p>Reviewed company financials and liaised with management</p> <p>Reviewed security documentation in relation to the validity of the secured debt</p> <p>Email correspondence relating to information request in respect of investigations</p> <p>Reviewed monthly management accounts</p> <p>Undertook a search and reviewed security interests on the Personal Properties Securities Register ('PPSR')</p>

Schedule B - Description of Work Completed

Lincoln Street Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Category	General Description	Includes
Administration 8.40 Hrs \$3,630.00	Correspondence	Notification of appointment to banks, utilities and statutory authorities Correspondence with accountants and Director requesting books and records Review ROCAP, commentary and lodgement with ASIC Correspondence with the Director in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	Document Maintenance/Checklist	Day one appointment documentation and advices Reviewed and completed checklists and task lists General administrative tasks, including scanning records and filing documents Daily progress updates Prepared email lists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Corresponded with AJG regarding initial insurance requirements
	ATO & other statutory reporting	Attended to all statutory requirements Prepare and lodge statutory forms with ASIC Notification of Appointment Corresponded with the ATO to obtain information under the Freedom of Information Act

Category	General Description	Includes
Assets 1.10 Hrs \$359.00	Pre-appointment NAB account	<p>Liased with NAB regarding funds held in the pre-appointment company account and required bank statements</p> <p>Requested funds in pre-appointment bank accounts be swept to an account controlled by the Administrators</p>
Creditors 30.30 Hrs \$14,945.00	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Maintained an up-to-date creditor enquiry register</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Creditor Meeting	<p>Preparation and attendance at first meeting of creditors</p> <p>Prepared file including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Received proxy forms and entered into the system for the purpose of reviewing quorum requirements and recording votes</p> <p>Reviewed and approved proofs and proxies, attendance register etc., at the creditors meeting</p> <p>Finalised minutes of meeting and lodged with Australian Investments & Securities Commission (ASIC)</p> <p>Arranged and prepared notice for the Second meeting of creditors</p>
	Processing proofs of debt	Received and entered PODs on the system for various creditors

Category	General Description	Includes
		<p>Adjudicated on PODs for voting purposes</p> <p>Updated various creditor claims in register</p>
	Creditor Reports	<p>Prepared initial circular to creditors including Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)</p> <p>Prepared detailed report to creditors pursuant to section 439A of the Act and section 75-225 of the IPR</p>
	DOCA Proposal	<p>Liaised with the legal representatives for the Secured Creditor in relation to the DOCA Proposal</p>
<p>Investigations</p> <p>2.30 Hrs</p> <p>\$997.00</p>	Investigation	<p>Issued correspondence to the Director regarding books and records and the completion of questionnaire and ROCAP</p> <p>Reviewed company financials and liaised with management</p> <p>Reviewed security documentation in relation to the validity of the secured debt</p> <p>Email correspondence relating to information request in respect of investigations</p> <p>Reviewed monthly management accounts</p> <p>Undertook a search and reviewed security interests on the Personal Properties Securities Register ('PPSR')</p>

Schedule B - Description of Work Completed

28 Baxter Street Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Category	General Description	Includes
Administration 7.50 Hrs \$3,265.00	Correspondence	Notification of appointment to banks, utilities and statutory authorities Correspondence with accountants and Director requesting books and records Review ROCAP, commentary and lodgement with ASIC Correspondence with the Director in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	Document Maintenance/Checklist	Day one appointment documentation and advices Reviewed and completed checklists and task lists General administrative tasks, including scanning records and filing documents Daily progress updates Prepared email lists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Corresponded with AJG regarding initial insurance requirements
	ATO & other statutory reporting	Attended to all statutory requirements Prepare and lodge statutory forms with ASIC Notification of Appointment Corresponded with the ATO to obtain information under the Freedom of Information Act

Category	General Description	Includes
Assets 1.20 Hrs \$375.00	Pre-appointment NAB account	<p>Liaised with NAB regarding funds held in the pre-appointment company account and required bank statements</p> <p>Requested funds in pre-appointment bank accounts be swept to an account controlled by the Administrators</p>
Creditors 30.20 Hrs \$14,693.00	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Maintained an up-to-date creditor enquiry register</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Creditor Meeting	<p>Preparation and attendance at first meeting of creditors</p> <p>Prepared file including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Received proxy forms and entered into the system for the purpose of reviewing quorum requirements and recording votes</p> <p>Reviewed and approved proofs and proxies, attendance register etc., at the creditors meeting</p> <p>Finalised minutes of meeting and lodged with Australian Investments & Securities Commission (ASIC)</p> <p>Arranged and prepared notice for the Second meeting of creditors</p>
	Processing proofs of debt	Received and entered PODs on the system for various creditors

Category	General Description	Includes
		<p>Adjudicated on PODs for voting purposes</p> <p>Updated various creditor claims in register</p>
	Creditor Reports	<p>Prepared initial circular to creditors including Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)</p> <p>Prepared detailed report to creditors pursuant to section 439A of the Act and section 75-225 of the IPR</p>
	DOCA Proposal	<p>Liaised with the legal representatives for the Secured Creditor in relation to the DOCA Proposal</p>
<p>Investigations</p> <p>2.40 Hrs</p> <p>\$1,098.00</p>	Investigation	<p>Issued correspondence to the Director regarding books and records and the completion of questionnaire and ROCAP</p> <p>Reviewed company financials and liaised with management</p> <p>Reviewed security documentation in relation to the validity of the secured debt</p> <p>Email correspondence relating to information request in respect of investigations</p> <p>Reviewed monthly management accounts</p> <p>Undertook a search and reviewed security interests on the Personal Properties Securities Register ('PPSR')</p>

Schedule B - Description of Work Completed

80 Settlement Road Construction Pty Ltd Resolution 1: 21 March 2023 to 21 April 2023

Category	General Description	Includes
Administration 8.20 Hrs \$3,585.00	Correspondence	Notification of appointment to banks, utilities and statutory authorities Correspondence with accountants and Director requesting books and records Review ROCAP, commentary and lodgement with ASIC Correspondence with the Director in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	Document Maintenance/Checklist	Day one appointment documentation and advices Reviewed and completed checklists and task lists General administrative tasks, including scanning records and filing documents Daily progress updates Prepared email lists
	Insurance	Correspondence with our broker Arthur J. Gallagher ('AJG') Corresponded with AJG regarding initial insurance requirements
	ATO & other statutory reporting	Attended to all statutory requirements Prepare and lodge statutory forms with ASIC Notification of Appointment Corresponded with the ATO to obtain information under the Freedom of Information Act

Category	General Description	Includes
Assets 1.10 Hrs \$359.00	Pre-appointment NAB account	<p>Liaised with NAB regarding funds held in the pre-appointment company account and required bank statements</p> <p>Requested funds in pre-appointment bank accounts be swept to an account controlled by the Administrators</p>
Creditors 28.80 Hrs \$14,329.00	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Maintained an up-to-date creditor enquiry register</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Creditor Meeting	<p>Preparation and attendance at first meeting of creditors</p> <p>Prepared file including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Received proxy forms and entered into the system for the purpose of reviewing quorum requirements and recording votes</p> <p>Reviewed and approved proofs and proxies, attendance register etc., at the creditors meeting</p> <p>Finalised minutes of meeting and lodged with Australian Investments & Securities Commission (ASIC)</p> <p>Arranged and prepared notice for the Second meeting of creditors</p>
	Processing proofs of debt	Received and entered PODs on the system for various creditors

Category	General Description	Includes
		<p>Adjudicated on PODs for voting purposes</p> <p>Updated various creditor claims in register</p>
	Creditor Reports	<p>Prepared initial circular to creditors including Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)</p> <p>Prepared detailed report to creditors pursuant to section 439A of the Act and section 75-225 of the IPR</p>
	DOCA Proposal	<p>Liaised with the legal representatives for the Secured Creditor in relation to the DOCA Proposal</p>
<p>Investigations</p> <p>2.20 Hrs</p> <p>\$964.00</p>	Investigation	<p>Issued correspondence to the Director regarding books and records and the completion of questionnaire and ROCAP</p> <p>Reviewed company financials and liaised with management</p> <p>Reviewed security documentation in relation to the validity of the secured debt</p> <p>Email correspondence relating to information request in respect of investigations</p> <p>Reviewed monthly management accounts</p> <p>Undertook a search and reviewed security interests on the Personal Properties Securities Register ('PPSR')</p>

Schedule C - Description of Anticipated Work

Shafston Avenue Construction Pty Ltd Resolution 2: 22 April 2023 to 4 May 2023

Category	General Description	Includes
Administration \$500.00	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records
	Document Maintenance / Checklist	File documents Update internal checklists
	ATO & other statutory reporting	Attend to all statutory requirements
Creditors \$4,000.00	General Creditor Enquiries	Correspond with creditors regarding the administration Receive and follow up creditor enquiries via telephone, email and post Maintained creditor enquiry register
	Creditor Meeting	Finalise report to creditors pursuant to 75-225 of IPR and s439A of the Act Convene second meeting of creditors on 4 May 2023 Respond to stakeholder queries and questions immediately following meeting Preparation of documentation for the meeting of creditors Receipt of proxy forms and register on the system for the purpose of determining the quorum and votes for resolutions Liaise with creditors in relation to proxy forms, proofs of debt and access to webinar for second meeting of creditors Lodgement of statutory notifications
	Processing proof of debt	Receive and file PODs Adjudicate on PODs for voting purposes Update creditor claims in register

Category	General Description	Includes
	DOCA	Liaising with legal representatives for the secured creditor in relation to the proposed DOCA
Investigation \$500.00	Investigation	Finalise preliminary investigations on voidable transactions and insolvent trading Report findings to creditors in the second report and meeting

Schedule C - Description of Anticipated Work

Shafston Avenue Construction 2 Pty Ltd Resolution 2: 22 April 2023 to 4 May 2023

Category	General Description	Includes
Administration \$500.00	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records
	Document Maintenance / Checklist	File documents Update internal checklists
	ATO & other statutory reporting	Attend to all statutory requirements
Creditors \$4,000.00	General Creditor Enquiries	Correspond with creditors regarding the administration Receive and follow up creditor enquiries via telephone, email and post Maintained creditor enquiry register
	Creditor Meeting	Finalise report to creditors pursuant to 75-225 of IPR and s439A of the Act Convene second meeting of creditors on 4 May 2023 Respond to stakeholder queries and questions immediately following meeting Preparation of documentation for the meeting of creditors Receipt of proxy forms and register on the system for the purpose of determining the quorum and votes for resolutions Liaise with creditors in relation to proxy forms, proofs of debt and access to webinar for second meeting of creditors Lodgement of statutory notifications
	Processing proof of debt	Receive and file PODs Adjudicate on PODs for voting purposes Update creditor claims in register

Category	General Description	Includes
	DOCA	Liaising with legal representatives for the secured creditor in relation to the proposed DOCA
Investigation \$500.00	Investigation	Finalise preliminary investigations on voidable transactions and insolvent trading Report findings to creditors in the second report and meeting

Schedule C - Description of Anticipated Work

Lincoln Street Construction Pty Ltd Resolution 2: 22 April 2023 to 4 May 2023

Category	General Description	Includes
Administration \$500.00	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records
	Document Maintenance / Checklist	File documents Update internal checklists
	ATO & other statutory reporting	Attend to all statutory requirements
Creditors \$4,000.00	General Creditor Enquiries	Correspond with creditors regarding the administration Receive and follow up creditor enquiries via telephone, email and post Maintained creditor enquiry register
	Creditor Meeting	Finalise report to creditors pursuant to 75-225 of IPR and s439A of the Act Convene second meeting of creditors on 4 May 2023 Respond to stakeholder queries and questions immediately following meeting Preparation of documentation for the meeting of creditors Receipt of proxy forms and register on the system for the purpose of determining the quorum and votes for resolutions Liaise with creditors in relation to proxy forms, proofs of debt and access to webinar for second meeting of creditors Lodgement of statutory notifications
	Processing proof of debt	Receive and file PODs Adjudicate on PODs for voting purposes Update creditor claims in register

Category	General Description	Includes
	DOCA	Liaising with legal representatives for the secured creditor in relation to the proposed DOCA
Investigation \$500.00	Investigation	Finalise preliminary investigations on voidable transactions and insolvent trading Report findings to creditors in the second report and meeting

Schedule C - Description of Anticipated Work

28 Baxter Street Construction Pty Ltd Resolution 2: 22 April 2023 to 4 May 2023

Category	General Description	Includes
Administration \$500.00	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records
	Document Maintenance / Checklist	File documents Update internal checklists
	ATO & other statutory reporting	Attend to all statutory requirements
Creditors \$4,000.00	General Creditor Enquiries	Correspond with creditors regarding the administration Receive and follow up creditor enquiries via telephone, email and post Maintained creditor enquiry register
	Creditor Meeting	Finalise report to creditors pursuant to 75-225 of IPR and s439A of the Act Convene second meeting of creditors on 4 May 2023 Respond to stakeholder queries and questions immediately following meeting Preparation of documentation for the meeting of creditors Receipt of proxy forms and register on the system for the purpose of determining the quorum and votes for resolutions Liaise with creditors in relation to proxy forms, proofs of debt and access to webinar for second meeting of creditors Lodgement of statutory notifications
	Processing proof of debt	Receive and file PODs Adjudicate on PODs for voting purposes Update creditor claims in register

Category	General Description	Includes
	DOCA	Liaising with legal representatives for the secured creditor in relation to the proposed DOCA
Investigation \$500.00	Investigation	Finalise preliminary investigations on voidable transactions and insolvent trading Report findings to creditors in the second report and meeting

Schedule C - Description of Anticipated Work

80 Settlement Road Construction Pty Ltd Resolution 2: 22 April 2023 to 4 May 2023

Category	General Description	Includes
Administration \$500.00	Correspondence	<p>General correspondence with third parties</p> <p>General administrative tasks including filing and scanning records</p>
	Document Maintenance / Checklist	<p>File documents</p> <p>Update internal checklists</p>
	ATO & other statutory reporting	Attend to all statutory requirements
Creditors \$4,000.00	General Creditor Enquiries	<p>Correspond with creditors regarding the administration</p> <p>Receive and follow up creditor enquiries via telephone, email and post</p> <p>Maintained creditor enquiry register</p>
	Creditor Meeting	<p>Finalise report to creditors pursuant to 75-225 of IPR and s439A of the Act</p> <p>Convene second meeting of creditors on 4 May 2023</p> <p>Respond to stakeholder queries and questions immediately following meeting</p> <p>Preparation of documentation for the meeting of creditors</p> <p>Receipt of proxy forms and register on the system for the purpose of determining the quorum and votes for resolutions</p> <p>Liaise with creditors in relation to proxy forms, proofs of debt and access to webinar for second meeting of creditors</p> <p>Lodgement of statutory notifications</p>
	Processing proof of debt	<p>Receive and file PODs</p> <p>Adjudicate on PODs for voting purposes</p> <p>Update creditor claims in register</p>

Category	General Description	Includes
	DOCA	Liaising with legal representatives for the secured creditor in relation to the proposed DOCA
Investigation \$500.00	Investigation	Finalise preliminary investigations on voidable transactions and insolvent trading Report findings to creditors in the second report and meeting

Schedule D - Business Restructuring Corporate Rates as at 1 July 2022

Title	Description	Hourly Rate (excl GST)
Partner	Registered Liquidator- Partner bringing specialist skills to administration or insolvency task.	770
Director	Minimum of twelve years' insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in own right.	670
Senior Manager	More than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	590
Manager	6-7 years, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	540
Assistant Manager	4-6 years, CA program (CA) complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	500
Senior Analyst	2-4 years, CA (or equivalent) would normally be commenced during this period. Required to control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	450
Analyst	0-2 years, Graduate with little or no professional experience. Required to assist in day-to-day fieldwork under supervision of more senior staff.	400
Graduate Analyst	0-1 years, Trainee undertaking a degree with an accounting major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	330
Undergraduate Analyst	HSC or equivalent, plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day fieldwork under supervision of more senior staff.	260
Executive Assistant Personal Assistant	Appropriate computer skills including machine usage	260

Note: Office rates charges by BDO are subject to change



APPENDIX G

Notice of Meeting

NOTICE OF SECOND MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION

SHAFSTON AVENUE CONSTRUCTION PTY LTD
ACN 169 409 705

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD
ACN 622 201 183

LINCOLN STREET CONSTRUCTION PTY LTD
ACN 603 876 651

28 BAXTER STREET CONSTRUCTION PTY LTD
ACN 611 160 215

80 SETTLEMENT ROAD CONSTRUCTION PTY LTD
ACN 611 447 100

(ALL ADMINISTRATORS APPOINTED)
("COLLECTIVELY KNOWN AS THE COMPANIES")

1. On 21 March 2023, the Companies, under section 436C of the *Corporations Act 2001* (the Act) appointed Duncan Clubb and Jeffrey Marsden of BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 as Joint and Several Administrators of the Companies.
2. Notice is now given under section 75-225 (2) that a Meeting of Creditors of the Companies will be held virtually via webinar or in person on Thursday, 4 May 2023 at 10:00am (AEST) at Level 11, 1 Margaret St, Sydney NSW 2000.
3. The purpose of the meeting is to:
 - (a) receive the report by the Administrators about the Companies business, property, affairs and financial circumstances;
 - (b) resolve the future direction of the Companies after receiving the Administrators' opinion about each of the following matters:
 - i. Whether the Companies execute a Deed of Company Arrangement;
 - ii. whether it would be in the creditors' interest for the Companies to be wound up and if a Committee of Inspection should be appointed; or
 - iii. whether it would be in the creditors' interest for the Administrations to end.
 - (c) consider the remuneration of the Administrators for:
 - i. The period covering 21 March 2023 to 21 April 2023; and
 - ii. The period covering 22 April 2023 to 4 May 2023.
 - (d) discuss any other business considered relevant.

Attending and Voting at the Meeting

At the meeting, resolutions will be decided on a poll, with the outcome of the polls announced at the meeting.

Creditors are invited to attend the meeting via webinar or in person. However, they are not entitled to participate and vote at a meeting unless:

- **Proof of debt:** They have lodged with the Administrators particulars of the debt or claim, and the claim has been admitted, wholly or in part, by the Administrators. If a proof of debt has already been lodged, they do not need to do so again. Refer to Note 1 for further guidance on the entitlement to vote.

- **Proxies or attendance:** They are either present via webinar or validly represented by a proxy, attorney or an authorised person under s250D of the Act. If a corporate creditor or represented, a proxy form, power of attorney or evidence of the appointment of a company representative pursuant to Section 250D of the Act must be validly completed and provided to the Administrators at or before the meeting.

To enable sufficient time to review, proofs of debt and proxies (or documents authorising the representation) must be submitted to Nathan Moxey at nathan.moxey@bdo.com.au by no later than 4:00pm (AEST) on Wednesday, 3 May 2023.

To access the webinar, you need to provide a statement by email to Nathan Moxey on nathan.moxey@bdo.com.au, not later than 1 business day before the meeting, which sets out:

- **Name:** The name of the person and of the proxy or attorney (if any)
- **Address:** An address to which notices to the person, proxy, or attorney may be sent
- **Contact:** The method of contacting the person, proxy or attorney for the purposes of the meeting.

Only on receipt of this statement will you be provided with instructions on how to access the webinar facilities. A person, or the proxy or attorney of a person, who participates in the meeting by webinar must pay any costs incurred by the person, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the Companies.

Dated this 26th day of April 2023



Duncan Stubbs
Joint and Several Administrator

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.



APPENDIX H

Proxy Form

APPOINTMENT OF PROXY

SHAFSTON AVENUE CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 169 409 705
(‘THE COMPANY’)

I/We (name of signatory).....of (creditor name).....

of (creditor address) _____

a creditor of the Company indicated above

appoint (name of person to hold proxy) _____

of (address of proxy) _____

or in his or her absence (name alternative proxy) _____

Of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on Thursday, 4 May 2023, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
<p>1. Administrators’ Remuneration</p> <p>Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$21,520.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			
<p>2. Administrators’ Remuneration</p> <p>Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			

You can only vote "For" once for resolution 3,4,5 and 6 (mutually exclusive) Please only vote for one.			
3. Deed of Company Arrangement (DOCA) That the Company execute a Deed of Company Arrangement. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Liquidation That the Company be wound up and that Duncan Clubb and Jeffrey Marsden be appointed Joint and Several Liquidators of the Company. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Administration to end That the Administration of the Company should end and the control reverts back to its Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adjournment of the Second Meeting of Creditors That the second meeting creditors be adjourned for up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Committee of Inspection In the event that the Company is placed into liquidation, to appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated

APPOINTMENT OF PROXY

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD (ADMINISTRATORS APPOINTED)
ACN 622 201 183
(‘THE COMPANY’)

I/We (name of signatory).....of (creditor name).....

of (creditor address) _____

a creditor of the Company indicated above

appoint (name of person to hold proxy) _____

of (address of proxy) _____

or in his or her absence (name alternative proxy) _____

Of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on Thursday, 4 May 2023, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
<p>1. Administrators’ Remuneration</p> <p>Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,759.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			
<p>2. Administrators’ Remuneration</p> <p>Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			

You can only vote "For" once for resolution 1,2,3 and 4 (mutually exclusive) Please only vote for one.			
3. Deed of Company Arrangement (DOCA) That the Company execute a Deed of Company Arrangement. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Liquidation That the Company be wound up and that Duncan Clubb and Jeffrey Marsden be appointed Joint and Several Liquidators of the Company. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Administration to end That the Administration of the Company should end and the control reverts back to its Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adjournment of the Second Meeting of Creditors That the second meeting creditors be adjourned for up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Committee of Inspection In the event that the Company is placed into liquidation, to appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated

APPOINTMENT OF PROXY

LINCOLN STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 603 876 651
(‘THE COMPANY’)

I/We (name of signatory).....of (creditor name).....

of (creditor address) _____

a creditor of the Company indicated above

appoint (name of person to hold proxy) _____

of (address of proxy) _____

or in his or her absence (name alternative proxy) _____

Of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on Thursday, 4 May 2023, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
<p>1. Administrators’ Remuneration</p> <p>Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,931.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			
<p>2. Administrators’ Remuneration</p> <p>Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			

You can only vote "For" once for resolution 3,4,5 and 6 (mutually exclusive) Please only vote for one.			
3. Deed of Company Arrangement (DOCA) That the Company execute a Deed of Company Arrangement. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Liquidation That the Company be wound up and that Duncan Clubb and Jeffrey Marsden be appointed Joint and Several Liquidators of the Company. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Administration to end That the Administration of the Company should end and the control reverts back to its Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adjournment of the Second Meeting of Creditors That the second meeting creditors be adjourned for up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Committee of Inspection In the event that the Company is placed into liquidation, to appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated

APPOINTMENT OF PROXY

28 BAXTER STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 160 215
(‘THE COMPANY’)

I/We (name of signatory).....of (creditor name).....

of (creditor address) _____

a creditor of the Company indicated above

appoint (name of person to hold proxy) _____

of (address of proxy) _____

or in his or her absence (name alternative proxy) _____

Of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on Thursday, 4 May 2023, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
<p>1. Administrators’ Remuneration</p> <p>Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,431.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			
<p>2. Administrators’ Remuneration</p> <p>Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			

You can only vote "For" once for resolution 3,4,5 and 6 (mutually exclusive) Please only vote for one.			
3. Deed of Company Arrangement (DOCA) That the Company execute a Deed of Company Arrangement. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Liquidation That the Company be wound up and that Duncan Clubb and Jeffrey Marsden be appointed Joint and Several Liquidators of the Company. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Administration to end That the Administration of the Company should end and the control reverts back to its Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adjournment of the Second Meeting of Creditors That the second meeting creditors be adjourned for up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Committee of Inspection In the event that the Company is placed into liquidation, to appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated

APPOINTMENT OF PROXY

80 SETTLEMENT ROAD CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 447 100
(‘THE COMPANY’)

I/We (name of signatory).....of (creditor name).....

of (creditor address) _____

a creditor of the Company indicated above

appoint (name of person to hold proxy) _____

of (address of proxy) _____

or in his or her absence (name alternative proxy) _____

Of (address of alternative proxy) _____

as my/our proxy to vote at the creditors meeting to be held on Thursday, 4 May 2023, or at any adjournment of that meeting as follows:

I/We authorise my/our proxy to vote as special proxy as specified below.

RESOLUTIONS	For	Against	Abstain
<p>1. Administrators’ Remuneration</p> <p>Approval of the remuneration of the Administrators for the period 21 March 2023 to 21 April 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, being \$19,237.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			
<p>2. Administrators’ Remuneration</p> <p>Approval of the future remuneration of the Administrators for the period 22 April 2023 to 4 May 2023, determined at a sum equal to the costs of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$5,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.</p>			

You can only vote "For" once for resolution 3,4,5 and 6 (mutually exclusive) Please only vote for one.			
3. Deed of Company Arrangement (DOCA) That the Company execute a Deed of Company Arrangement. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Liquidation That the Company be wound up and that Duncan Clubb and Jeffrey Marsden be appointed Joint and Several Liquidators of the Company. <i>If you have voted "For" please proceed to resolution 7</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Administration to end That the Administration of the Company should end and the control reverts back to its Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Adjournment of the Second Meeting of Creditors That the second meeting creditors be adjourned for up to 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Committee of Inspection In the event that the Company is placed into liquidation, to appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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I/We authorise my/our proxy to vote as a general proxy on resolutions other than those specified above.

Signed

Dated



APPENDIX I

Proof of Debt

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**SHAFSTON AVENUE CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 169 409 705 ('THE COMPANY')**

To the Administrators of

**SHAFSTON AVENUE CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 169 409 705**

1. This is to state that the Company was on 21 March 2023, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

	dollars and	
		cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	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 following³:

3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the Company to the above email address? Yes

Notes:

1. Insert the 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.
2. 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	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD (ADMINISTRATORS APPOINTED)
ACN 622 201 183 ('THE COMPANY')

To the Administrators of

SHAFSTON AVENUE CONSTRUCTION 2 PTY LTD (ADMINISTRATORS APPOINTED)
ACN 622 201 183

- 1. This is to state that the Company was on 21 March 2023, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

dollars and cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	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 following³:

- 3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the Company to the above email address? Yes

Notes:

1. Insert the 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.
2. 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	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**LINCOLN STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 603 876 651 ('THE COMPANY')**

To the Administrators of

**LINCOLN STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 603 876 651**

1. This is to state that the Company was on 21 March 2023, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

	dollars and	
		cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	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 following³:

3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the Company to the above email address? Yes

Notes:

1. Insert the 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.
2. 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	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**28 BAXTER STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 160 215 ('THE COMPANY')**

To the Administrators of

**28 BAXTER STREET CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 160 215**

1. This is to state that the Company was on 21 March 2023, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

	dollars and	
		cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	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 following³:

3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the Company to the above email address? Yes

Notes:

1. Insert the 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.
2. 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	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**80 SETTLEMENT ROAD CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 447 100 ('THE COMPANY')**

To the Administrators of

**80 SETTLEMENT ROAD CONSTRUCTION PTY LTD (ADMINISTRATORS APPOINTED)
ACN 611 447 100**

1. This is to state that the Company was on 21 March 2023, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

dollars and cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	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 following³:

3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the Company to the above email address? Yes

Notes:

1. Insert the 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.
2. 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	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢



APPENDIX J

Estimated Outcome Statement

Shafston Avenue Construction Group of Companies			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	102	102	102
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(200)	(200)	(200)
Net Balance Available to Priority Creditors	(98)	(98)	(98)
Priority Creditors	-	-	-
Total Non-Circulating Assets	-	-	-
Total Assets Available	(98)	(98)	(98)
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	(98)	(98)	(98)
Secured Creditor	79,115	79,115	79,115
Net Surplus/(Shortfall) Available to Unsecured Creditors	(79,115)	(79,115)	(79,115)
Liquidation Recoveries	-	-	701
Total Amount Available to Unsecured Creditors	(79,115)	(79,115)	(78,414)
Total Unsecured Creditors	17,994	17,994	17,994
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

Shafston Avenue Construction Pty Ltd			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	-	-	-
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(50)	(50)	(50)
Net Balance Available to Priority Creditors	(50)	(50)	(50)
Priority Creditors	-	-	-
Total Non-Circulating Assets	-	-	-
Total Assets Available	(50)	(50)	(50)
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	(50)	(50)	(50)
Secured Creditor	19,608	19,608	19,608
Net Surplus/(Shortfall) Available to Unsecured Creditors	(19,608)	(19,608)	(19,608)
Liquidation Recoveries	-	-	31
Total Amount Available to Unsecured Creditors	(19,608)	(19,608)	(19,577)
Total Unsecured Creditors	1,183	1,183	1,183
Secured Creditor Shortfall	19,608	19,608	19,608
Total Unsecured Creditors	20,791	20,791	20,791
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

Shafston Avenue Construction 2 Pty Ltd			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	35	35	35
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(50)	(50)	(50)
Net Balance Available to Priority Creditors	(15)	(15)	(15)
Priority Creditors	-	-	TBA
Total Non-Circulating Assets	-	-	-
Total Assets Available	(15)	(15)	(15)
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	(15)	(15)	(15)
Secured Creditor	16,414	16,414	16,414
Net Surplus/(Shortfall) Available to Unsecured Creditors	(16,414)	(16,414)	(16,414)
Liquidation Recoveries	-	-	131
Total Amount Available to Unsecured Creditors	(16,414)	(16,414)	(16,283)
Total Unsecured Creditors	11,572	11,572	11,572
Secured Creditor Shortfall	16,414	16,414	16,414
Total Unsecured Creditors	27,986	27,986	27,986
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

28 Baxter Street Construction Pty Ltd			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	-	-	-
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(50)	(50)	(50)
Net Balance Available to Priority Creditors	(50)	(50)	(50)
Priority Creditors	-	-	-
Total Non-Circulating Assets	-	-	-
Total Assets Available	(50)	(50)	(50)
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	(50)	(50)	(50)
Secured Creditor	27,832	27,832	27,832
Net Surplus/(Shortfall) Available to Unsecured Creditors	(27,832)	(27,882)	(27,882)
Liquidation Recoveries	-	-	66
Total Amount Available to Unsecured Creditors	(27,832)	(27,882)	(27,816)
Total Unsecured Creditors	371	371	371
Secured Creditor Shortfall	27,832	27,832	27,832
Total Unsecured Creditors	28,203	28,203	28,203
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

Lincoln Street Construction Pty Ltd			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	67	67	67
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(50)	(50)	(50)
Net Balance Available to Priority Creditors	17	17	17
Priority Creditors	-	-	TBA
Total Non-Circulating Assets	-	-	-
Total Assets Available	17	17	17
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	17	17	17
Secured Creditor	12,779	12,779	12,779
Net Surplus/(Shortfall) Available to Unsecured Creditors	(12,779)	(12,779)	(12,779)
Liquidation Recoveries	-	-	16
Total Amount Available to Unsecured Creditors	(12,779)	(12,779)	(12,763)
Total Unsecured Creditors	2,291	2,291	2,291
Secured Creditor Shortfall	12,779	12,779	12,779
Total Unsecured Creditors	15,070	15,070	15,070
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

80 Settlement Road Construction Pty Ltd			
EOS Summary	DOCA Scenario	Liquidation Scenario	
	Estimate \$'000	Estimate - Low \$'000	Estimate - High \$'000
Total potential recoveries	-	-	-
Estimated DOCA Contribution	TBA	N/A	N/A
Total VA Costs	(50)	(50)	(50)
Net Balance Available to Priority Creditors	(50)	(50)	(50)
Priority Creditors	-	-	TBA
Total Non-Circulating Assets	-	-	-
Total Assets Available	(50)	(50)	(50)
Estimated Deed Administrators' Remuneration	TBA	-	-
Estimated Liquidators' Remuneration	-	TBA	TBA
Total Assets Available to Secured Creditor	(50)	(50)	(50)
Secured Creditor	2,482	2,482	2,482
Net Surplus/(Shortfall) Available to Unsecured Creditors	(2,482)	(2,482)	(2,482)
Liquidation Recoveries	-	-	457
Total Amount Available to Unsecured Creditors	(2,482)	(2,482)	(2,025)
Total Unsecured Creditors	2,576	2,576	2,576
Secured Creditor Shortfall	2,482	2,482	2,482
Total Unsecured Creditors	5,058	5,058	5,058
Estimated Return to Unsecured Creditors (c/\$)	TBA	-	TBA

