

Australian Masters Yield Fund No 5 Limited
(ACN 161 255 750)
Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Australian Masters Yield Fund No 5 Limited (**Company**) will be held as follows:

Date: **Friday, 29 November 2019**
Time: **12:30pm (AEDT)**
Venue: **Level 15, 100 Pacific Highway**
North Sydney NSW 2060

Ordinary Business

Financial Statements and Reports of the Directors and Auditor

To receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2019.

1) Re-election of Director – Phillip Lois

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“That Mr Phillip Lois, who retires in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as Director of the Company.”

Note: please see the Explanatory Memorandum for a detailed biography on Phillip.

2) Re-election of Director – Alex MacLachlan

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“That Mr Alex MacLachlan, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as Director of the Company.”

Note: please see the Explanatory Memorandum for a detailed biography on Alex.

3) Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors’ Report.”

Notes:

- (a) The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- (b) The Company’s key management personnel and their closely related parties must not cast a vote on the Remuneration Report unless they are appointed in writing as a proxy for a Shareholder (other than a member of the Company’s key management personnel and their closely related parties) eligible to vote on the Resolution and that proxy specifies how to vote on the Resolution.

- (c) The Chairman may cast a vote on the Remuneration Report if appointed in writing as a proxy for a Shareholder (other than a member of the Company's key management personnel and their closely related parties) eligible to vote on the Resolution and where that proxy does not specify how to vote on the Resolution only if the proxy expressly authorises the Chairman to exercise the proxy and even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.
- (d) The Chairman will vote all undirected proxies in favour of this Resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

Special Business

4) Voluntary winding-up

To consider, and if thought fit, pass the following Resolution as a **special resolution**:

"That the Company be wound-up voluntarily and that the Liquidator be authorised to divide among the members in specie, the whole or any part of the property of the Company and for that purpose set such value as they consider fair upon any property to be so divided and determine how the division is to be carried out as between the members or different classes of members".

5) Liquidator

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, conditional on Resolution 4 being passed, Martin Gregory Walsh, Chartered Accountant, be appointed to act as Liquidator of the Company for the purpose of such winding-up."

6) Remuneration of the Liquidator

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, conditional on Resolutions 4 and 5 being passed, the remuneration of the Liquidator from the date of passage of Resolutions 4 and 5 to the conclusion of the winding up, is determined at a sum equal to the cost of time spent by the Liquidator and his staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 1 October 2019, be approved to a maximum amount of \$20,000, plus GST where applicable, and that the Liquidator can draw the remuneration on a monthly basis or as required."

7) Books and Records of the Company

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, conditional on Resolution 4 and 5 being passed, subject to obtaining the approval of the Australian Securities and Investments Commission pursuant to Insolvency Practice Schedule (Corporations) 70-35(3) of the Corporations Act 2001, the books and records of the Company and of the Liquidator be disposed of by the Liquidator three months after the dissolution of the Company, or earlier at the discretion of Australian Securities and Investment Commission."

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Subject to sufficient funds being available, the Company may pay a final distribution to Shareholders prior to its winding-up.

Proxies

A Shareholder entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead.

A proxy need not be a Shareholder of the Company.

If the Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form provided with this Notice of Annual General Meeting. If you mark the abstain box for a particular Resolution you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your Shares will not be counted in computing the required majority if a poll is called. If you do not mark a voting instructions box in respect of a particular Resolution, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that apply to the proxy.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below; or
- (b) received at the fax number specified below; or
- (c) registered online at <https://www.votingonline.com.au/amyf5agm2019>;

not later than 48 hours before the Meeting i.e. 12:30pm (AEDT) on Wednesday, 27 November 2019.

Address: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia

Fax Number: +61 2 9290 9655

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all Shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7:00pm (AEDT) on Wednesday, 27 November 2019. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Hannah Chan
Company Secretary
28 October 2019

Australian Masters Yield Fund No 5 Limited
(ACN 161 255 750)
Explanatory Memorandum

This Explanatory Memorandum relates to the Annual General Meeting of Australian Masters Yield Fund No 5 Limited (**Company**) to be held at **Level 15, 100 Pacific Highway, North Sydney NSW 2060** on **Friday, 29 November 2019 at 12:30pm (AEDT)**.

Ordinary Business

Financial Report and Reports of the Directors and Auditor

This item allows Shareholders the opportunity to consider the Financial Report, Directors' Report and Auditor's Report of the Company. Under Section 317 of the Corporations Act, the Company is required to lay these three reports that together comprise the Company's Annual Report before its Shareholders at its Annual General Meeting.

Resolution 1. Re-election of Director – Phillip Lois

Resolution 1 provides for the re-election of Mr Phillip Lois as Director in accordance with the Company's Constitution and the Listing Rules. See below for details of Phillip's background.

Under Listing Rule 14.4 and rule 6.2 of the Company's Constitution, a director may be appointed to fill a casual vacancy but any such director so appointed holds office only until the end of the next following general meeting and is eligible for re-election at that meeting.

Phillip Lois

Phillip is currently Deputy Chief Financial Officer of Evans Dixon Limited. He has substantial experience in financial management, debt and equity markets, mergers and acquisitions and corporate development. Since joining the Evans Dixon group in 2010, Phillip has worked across various divisions including Funds Management, Corporate Finance, Group Finance and Property Advisory, including four years in the Evans Dixon New York office as the Chief Financial Officer of the Evans Dixon US business.

Prior to joining the Evans Dixon group, Phillip was an investment banker at UBS AG in the Natural Resources team advising and executing on mergers and acquisitions, and debt and equity capital markets transactions. Phillip has a Bachelor of Chemical Engineering (Honours) and Bachelor of Commerce from University of Sydney.

Resolution 2. Re-election of Director – Alexander MacLachlan

Resolution 2 provides for the re-election of Mr Alex MacLachlan as Director in accordance with the Company's Constitution and the Listing Rules. See below for details of Alex's background.

Under Listing Rule 14.4 and rule 6.7 of the Company's Constitution, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Alex MacLachlan

Alex joined Dixon Advisory in 2008 to lead the then newly formed Funds Management division, which later became Walsh & Company. From funds under management of under \$100 million at the time of his start, Alex has grown Walsh & Company Group to over \$6 billion of assets under management today, with investments across residential and commercial property, fixed income, private equity, listed equities and renewable energy.

Prior to joining the firm, Alex was an investment banker at UBS AG, where he rose to Head of Energy for Australasia. During his tenure in investment banking, Alex worked on more than \$100 billion in

mergers and acquisitions and capital markets transactions, advising some of the world's leading companies. Alex has a Bachelor of Arts from Cornell University and a Master of Business Administration from The Wharton School, University of Pennsylvania.

Resolution 3. Remuneration Report

Resolution 3 provides Shareholders the opportunity to vote on the Company's remuneration report (**Remuneration Report**). The Remuneration Report is contained in the Directors' Report.

Due to the relatively small size of the Company and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with the remuneration of Directors. Under the Company's Constitution, each Director may be paid remuneration for ordinary services performed as a Director.

However, Alex MacLachlan, Phillip Lois and Warwick Keneally have agreed not to be paid any remuneration for the services they perform as Directors. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote at its annual general meeting.

This vote is advisory only and does not bind the Directors or the Company.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, at the second of those annual general meetings Shareholders will be required to consider and, if thought fit, pass an ordinary resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors, other than the Managing Director, must seek re-election to the Board.

Key management personnel (including Directors and the Chairman) and their closely related parties must not cast a vote on the Remuneration Report, other than as holders of directed proxies for Shareholders eligible to vote on Resolution 3. The Chairman may cast a vote on the Remuneration Report if appointed in writing as a proxy for a Shareholder eligible to vote in Resolution 3 and where that proxy does not specify how to vote on the Resolution only if the proxy form expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company. The Chairman will vote all undirected proxies in favour of this Resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

The Company encourages all Shareholders to cast their votes on this Resolution.

Special Business

Resolution 4. Voluntary Winding-up

Resolution 4 authorises the Company to be wound-up and the Liquidator to divide among the members *in specie*, the whole or any part of the property of the Company and for that purpose set such value as they consider fair upon any property to be so divided and determine how the division is to be carried out as between the members.

The Company disclosed in the Prospectus dated 27 November 2012 and Information Memorandum dated 22 June 2015 that it would seek Shareholder approval to wind-up the Company following the maturity of the longest dated underlying fixed income security or the sale of the last of the fixed income securities held in the Company's portfolio. The Company was structured with a defined term and an explicit mandate to return all available capital to Shareholders, subject to their approval, as and when the underlying fixed income securities mature.

On 20 September 2019, the Company announced details of the final capital return. The Company distributed the funds from the final capital return on 2 October 2019 and as a result the net issued capital per Share has been repaid to investors in full. In the event that the Liquidator identifies any residual assets these will be paid as dividends to Shareholders as part of the wind-up process. The amount of any final distribution payment will be dependent on remaining liabilities at the time of wind-up and winding-up costs but the Directors do not expect any such distribution to be material.

If this Resolution is passed, a transfer of Shares or an alteration in the status of members of the Company will be void unless the liquidator gives written consent and that consent is unconditional or if the consent is subject to conditions, those conditions have been satisfied or the transfer of Shares or the alteration in the status of the member of the Company is authorised by the Court.

Pursuant to Section 491(1) of the Corporations Act, this Resolution must be passed as a special resolution. To be approved as a **special resolution**, not less than 75% of the votes which are cast of those members eligible to do so, must be in favour of this Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 5. Liquidator

On the condition that Resolution 4 is passed, Resolution 5 authorises the Company to appoint Martin Gregory Walsh, Chartered Accountant, to act as Liquidator of the Company.

At a recent meeting of the Directors, the Directors resolved that at this Annual General Meeting of members, the members consider a Resolution to place the Company into voluntary liquidation and that Martin Gregory Walsh, Chartered Accountant, be appointed to act as liquidator for the purpose of such winding-up.

Resolution 5 must be passed as an ordinary resolution. To be approved as an **ordinary resolution**, not less than 50% plus one of the votes which are cast of those members eligible to do so, must be in favour of this Resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

Resolution 6. Remuneration of the Liquidator

On the condition that Resolutions 4 and 5 are passed, Resolution 6 authorises that the remuneration of the Liquidator from the date of passage of Resolutions 4 and 5 to the conclusion of the winding up, is determined at a sum equal to the cost of time spent by the Liquidator and his staff, calculated at the hourly rates as detailed in the enclosed Remuneration Approval Report dated 1 October 2019, be approved to a maximum amount of \$20,000, plus GST where applicable, and that the Liquidator can draw the remuneration on a monthly basis or as required.

Any surplus funds that remain in the Company will be distributed to Shareholders after paying costs associated with the voluntary winding-up and absolving all outstanding liabilities of the Company.

Resolution 6 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 7. Books and Records of the Company

On the condition that Resolutions 4 and 5 are passed, Resolution 7 authorises, subject to obtaining the approval of the Australian Securities and Investments Commission (**ASIC**) pursuant *Insolvency Practice Schedule (Corporations) 70-35(3)* of the Corporations Act, the books and records of the Company and of the liquidator be disposed of by the Liquidator three months after the dissolution of the Company, or earlier at the discretion of Australian Securities and Investment Commission.

Section 542(3)(b) of the Corporations Act provides that subject to ASIC's approval the books and records of the Company and of the joint and several liquidators may be destroyed within a period approved by the members.

Resolution 7 must be passed as an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

Glossary

ASX means the Australian Securities Exchange Limited (ACN 008 624 691).

Board means the board of Directors.

Chairman means the chairman of the Company.

Company means Australian Masters Yield Fund No 5 Limited (ACN 161 255 750).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Corporations Regulations means the *Corporations Regulations 2001 (Cth)*.

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum to the Notice of Annual General Meeting.

Information Memorandum means the information memorandum for the Company dated 22 June 2015.

Liquidator means the liquidator of the Company, Martin Gregory Walsh, Chartered Accountant.

Listing Rules means the listing rules of the ASX.

Meeting or Annual General Meeting means this general meeting.

Notice means this notice of annual general meeting.

Prospectus means the prospectus for the Company dated 27 November 2012.

Resolution means a resolution to be considered at the Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered shareholder of the Company.



**Australian Masters Yield Fund No 5 Limited
ACN 161 255 750 (the Company)**

Remuneration Approval Report - 1 October 2019
Insolvency Practice Rules (Corporations) 70-45(4)

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

This report contains following information:

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What you need to do next

You should read this report and the other documentation that has been provided to you.

I have elected to seek the approval of members for my remuneration at the Members' Meeting which has been convened for 29 November 2019.

You may cast your vote either in person at the members meeting or by proxy (please refer to the proxies attached).

Per the instructions received with the Notice of Meeting, your proxies need to be received by **12:30pm on Wednesday 27 November 2019** for your vote to be counted. If you choose to use post, please allow enough time for your letter to be delivered.

If you have any questions, or need any assistance with understanding the materials which you have been provided, please contact my office on (02) 9419 5132 or via email on enquiries@walshrecovery.com.

Part 1 Declaration

I, Martin Gregory Walsh, have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work to be properly performed, in the conduct of the liquidation.



Part 2 Executive summary

To date, no remuneration has been approved and paid in this administration. The total remuneration for this appointment is estimated to be \$20,000 (excl GST).

Remuneration currently claimed is summarised below:

Period - 29 November 2019 to Conclusion of the Winding Up	Report Reference	Amount (ex GST)
Future approval sought:		
Liquidation		
Resolution: From appointment of the liquidator on 29 November 2019 to the completion of the liquidation*	Part 3.5	\$20,000
Total Remuneration Claimed		\$20,000
* Approval for the future remuneration is based upon an estimate of the work necessary for the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from members.		

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

Part 3 Remuneration

3.1 Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. They are:

- 1. Time based / hourly rates**
This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- 2. Fixed Fee**
The total fee charged is normally quoted at the commencement of the voluntary liquidation and is the total cost for the matter. Sometimes a Practitioner will finalise a matter for a fixed fee.
- 3. Percentage**
The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- 4. Contingency**
The practitioner's fee is structured to be contingent on a particular outcome being achieved.

3.2 Method chosen

Given the nature of this voluntary liquidation I propose that my remuneration be calculated as a time based / hourly rates method. This is because:

- Members are only charged for work that is performed;
- It is difficult to estimate with certainty the total amount of time necessary to complete all tasks in this liquidation;
- I have a time recording system that can produce a detailed analysis of the time spent on each type of task by each individual staff member engaged on the liquidation. Time will be recorded and charged in six-minute increments; and



- Time based remuneration calculates fees upon the basis of time spent at the level appropriate to the work performed.

3.3 Explanation of hourly rates

The rates for my remuneration calculation are attached, marked **Annexure B**, which also includes a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

3.4 Remuneration claim resolution

I will be seeking approval of the following resolution to approve my remuneration. Details that support this resolution are included in Section 3.5 and in the attached **Annexure A** of this Report.

Resolution 6: Remuneration of the Liquidator

"That, conditional on Resolutions 4 and 5 being passed, the remuneration of the Liquidator from the date of passage of Resolutions 4 and 5 to the conclusion of the winding up, is determined at a sum equal to the cost of time spent by the Liquidator and his staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 1 October 2019, be approved to a maximum amount of \$20,000, plus GST where applicable, and that the Liquidator can draw the remuneration on a monthly basis or as required."

3.5 Details of remuneration

The basis of calculating the remuneration claim is summarised below, and the details the major tasks to be performed, and the costs associated with each of those major tasks are contained in **Annexure A**.

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidator and his staff for the period from the appointment on 29 November 2019 to completion of the liquidation, which is the basis of the Resolution claim. More detailed descriptions of the tasks likely to be performed within each task area matching the amounts below are contained in **Annexure A**.

Task Area	Estimate Hours	Estimate Cost (ex GST)
Assets	1.5	463
Creditors / Members	20.0	5,135
Investigations	20.0	5,135
Dividend	15.0	4,310
Administration	10.5	3,072
Statutory	7.0	1,890
Total	74.0	20,005
But say		20,000
Average rate (\$)		270

3.6 Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for this liquidation is \$20,000. This is subject to the following variables, which may have a significant effect on the estimate and that I am as yet unable to determine:

- The extent and complexity of tax or legal matters that need to be resolved before funds can be distributed;



- The extent of outstanding statutory lodgements (including Business Activity Statements and Income tax Returns), prior to the commencement of the liquidation that need to be completed and lodged prior to the Australian Taxation Office (**ATO**) issuing a release pursuant to Section 260-45(3) of the *Taxation Administration Act 1953* (the **Release**) that will enable the distribution of residual funds;
- The time taken by the ATO to issue the Release;
- The volume of outstanding creditor claims owing by the Company and the extent of investigations necessary to verify these claims;
- The extent of investigations necessary to identify and locate the Company's "lost members" and remit previously unclaimed dividends; and
- The time taken by the Australian Securities and Investments Commission to accept the remittance of unclaimed dividends to the Unclaimed Monies Fund.

In preparing this Remuneration Approval Report, I have made the best estimate of what I believe this liquidation will cost to complete and I do not anticipate that I will have to ask members to approve any further remuneration.

However, should the liquidation not proceed as expected, I will advise members and I may seek approval of further remuneration and provide reasons why the remuneration has changed.

3.7 Likely impact on dividends

The *Corporations Act (2001) (Cth)* (the **Act**) prescribes the order for payment of claims against the Company and it provides for remuneration of the liquidator to be paid in priority to other claims.

However, as detailed previously the Company will be placed in members voluntary liquidation, which is a solvent winding up; that is, all creditor claims will be paid in full and the residual assets will be distributed to the Company's members.

Accordingly, while creditors' claims will be met in full, the Liquidator's remuneration will reduce the pool of funds remaining for distribution amongst the members. It is noted that no funds would be available for any stakeholder without the work necessarily undertaken by the liquidator.

Part 4 Disbursements

Disbursements are divided into three types:

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

I anticipate seeking to recover externally provided professional services and externally provided non-professional costs (both at cost) in this liquidation. Creditors are not required to approve these types of disbursements but are entitled to question the disbursements and can challenge the disbursements in court.

Prior to the payment of any such disbursements, I will undertake a proper assessment of the disbursements claimed in accordance with the law and the applicable professional standards in order to ensure that I am satisfied that the disbursements claimed are necessary and proper.



4.1 Future basis of internal disbursements

There have been no disbursements claimed for the Company to date. Future disbursements provided by my firm are typically charged to the administration on the following basis set out below:

Disbursement	Rate (Excl GST)
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
Internal disbursements:	
Printing and stationary – BW	\$0.20 per page
Photocopying – BW	\$0.25 per page
Telephone – mobile phone	\$0.50 per minute
Telephone – fixed line non-local	\$0.20 per minute
Postage	At cost
ASIC user pays levy (lodgements and advertisements*)	\$81 per item
Staff vehicle use**	\$0.68 per km

Scale applicable for the financial year ending 30 June 2020

* The ASIC Supervisory Cost Recovery Levy Act 2017 was introduced on 1 July 2017. The costs for some ASIC lodgements and advertisements for the financial year ending 30 June 2020 will not be known until approx. January 2021, but based on budgeting and forecast modelling prepared by ASIC it is estimated the cost will be in the vicinity of \$81 per event. Notifiable events include notices published on ASIC's published website and some documents lodged with ASIC.

** These rates are deemed to be reasonable by the Australian Taxation Office.

My estimate of the likely value of the internal disbursements for the liquidation is less than \$500 and does not warrant the cost and delays associated with seeking creditor approval (the number and value of which I am currently unaware).

However, I note that only creditors may approve the recovery of internal disbursements as there is no mechanism in the relevant legislation to allow members to approve this recovery.

Accordingly, I will not be seeking the recovery of internal disbursements from the Voluntary Liquidation.

Part 5 Report on progress of the voluntary liquidation

As at the date of this report, the voluntary liquidation has not commenced. However, information of this nature will be available on request from the Liquidator.

Part 6 Summary of receipts and payments

There have been no receipts or payments to date.

Part 7 Queries

If you have any queries in relation to the information in this report, please contact this office on (02) 9419 5132 or via email at enquiries@walshrecovery.com.

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

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



Part 8 Approval of remuneration

I am seeking member approval of my remuneration at the Members' Meeting which has been convened for 29 November 2019. You may cast your vote either in person at the Members' Meeting or by proxy (please refer to the proxies attached).

Your proxies need to be received by **12:30pm on Wednesday 27 November 2019** for your vote to be counted. If you choose to use post, please allow enough time for your letter to be delivered.

Dated 1st day of October 2019

M.G. Walsh
Principal



Annexure A – Resolution Table of Major Tasks for Remuneration

Task Area	General Description	Includes
Assets Estimated hours: 1.5 Estimated cost: \$463	General	Undertake searches to identify any assets of the Company including investments and bank accounts. Initial day one correspondence.
	Other Assets	Tasks associated with realising other assets identified including securing control of cash at bank and attending to the compliance obligations imposed by the Company's bankers.
Creditors Estimated hours: 20 Estimated cost: \$5,135.00	Shareholder / creditor enquiries	Initial notification of appointment to all known creditors including statutory bodies. Responding to any shareholder queries by telephone and in writing. Securing and providing replacement dividend statements for members with unclaimed dividends. Preparation of statutory notices to shareholders. Preparation and lodgement of advertisements of appointment.
	Creditor Reports	Drafting and distribution of notification to creditors per IPR 70-30. Drafting and distribution of Statutory Report to Creditors and lodgement of same with ASIC per IPR 70-40.
	Dealing with proofs of debt	Receipting and filing proofs of debt when not related to a dividend. Corresponding with the OSR and the ATO regarding POD when not related to a dividend.
	Members meeting	Attendance at members meeting.
Investigations Estimated hours: 20 Estimated cost: \$5,135.00	Conducting investigation	Collection of Company books and records. Securing and reviewing company searches Reviewing Company books and records – in particular the extent of franking credits and capital accounts. Conducting and summarising statutory searches. Preparation of comparative financial statements. Identification of the Company's lost members. Liaising with Walsh and Co and Boardroom regarding last known contact details of the lost members. Conducting investigations to identify the contact details of the lost members. Contacting the lost members and securing proof of share ownership and new account details (where necessary). Drafting and forwarding correspondence to the lost members to demonstrate bona fides and advise of the appointment.
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC.



Task Area	General Description	Includes
Statutory Estimated hours: 7.0 Estimated cost \$1,890	Statutory tasks	Review ASIC lodgements and attend to the lodgement of particular forms. Ensure that all requisite tax lodgements have been made and liabilities met before securing the release from the ATO prior to paying creditors and declaring a final distribution to members.
Dividend Estimated hours: 15 Estimated cost: \$4,310.00	Processing proofs of debt ("POD")	Preparation of correspondence to potential creditors inviting lodgement of POD. Receipt of PODs. Maintain POD register. Adjudicating PODs. Request further information from claimants regarding POD. Preparation of correspondence to claimant advising outcome of adjudication.
	Dividend procedures	Preparation of correspondence to members advising of intention to declare dividend. Advertisement of intention to declare dividend. Obtain clearance from ATO to allow distribution of company's assets. Preparation of dividend calculation. Preparation of correspondence to members announcing declaration of dividend. Advertise announcement of dividend. Preparation of distribution. Preparation of dividend file. Preparation of payment vouchers to pay dividend. Preparation of correspondence to members enclosing payment of dividend. Preparing the requisite returns for ASIC for their review prior to the remittance of any lost monies to the lost monies account maintained by ASIC.
Administration Estimated hours: 10.5 Estimated cost \$3,072.50	Correspondence	
	Document maintenance/file review/checklist	First month, then 6 monthly administration review Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts. Requesting bank statements. Bank account reconciliations. Correspondence with bank regarding specific transfers.
	ASIC Form 5602 and other forms	Preparing and lodging ASIC forms including 505, 5602 and 5603. Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	Notification of appointment. Preparing BAS. Completing payment summaries.
	Finalisation	Notifying ATO of finalisation. Cancelling ABN / GST / PAYG registration. Completing checklists. Finalising WIP.
	Planning / Review	Discussions regarding status of administration.
	Books and records / storage	Dealing with records in storage. Sending job files to storage.



Annexure B

Walsh & Associates Guide to Hourly Rates & Staff Classifications as at 11 September 2017

Classification	Description	Hourly RATE \$ (GST Exclusive)
Partner/Appointee	Official Liquidator. Partner bringing his or her specialist skills to the administration or insolvency task.	595
Director	Minimum 10 years' experience. Answerable to the appointee. Qualified and capable of controlling all aspects of an appointment. Manage staff and their training. May have specialist industry knowledge.	530
Senior Manager	More than 7 years insolvency experience, more than 3 years as a manager. 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.	485
Manager	6-7 years, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet new clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	390
Supervisor	4-6 years. CA Program (or equivalent) 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.	335
Senior	3 + years. CA Program (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	305
Senior Assistant	2 + years. CA Program (or equivalent) would normally be commenced during this period. Required to control the fieldwork on small jobs and is responsible for assisting complete fieldwork on medium to large jobs.	245
Intermediate	0-3 years. Graduate with little or no professional experience or an undergraduate with more than 2 years' experience. Required to assist in the day to day fieldwork under supervision of more senior staff.	205
Professional Clerk	0-1 year. Trainee undertaking a degree with an accountancy major. Required to assist in day to day fieldwork under supervision of more senior staff.	165
Secretary	Appropriate skills including machine usage.	195
Typist	Appropriate skills.	115