



ALT Financial Group Ltd

(In Liquidation)
ACN 609 449 194

Statutory Report by Liquidators

23 November 2023

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1 Introduction

We advise that we, Craig Shepard and David Osborne, were appointed Liquidators of the Company pursuant to an order made in the Supreme Court of Victoria on 23 August 2023.

We refer to our initial report providing information for creditors dated 20 September 2023 in which we advised you of our appointment as Liquidators and your rights as a creditor in the liquidation.

This report is provided in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016 and the Code of Professional Practice issued by the Australian Restructuring Insolvency and Turnaround Association ('ARITA'). The purpose of this report is to:

- provide you with an update on the progress of the liquidation; and
- advise you of the likelihood of a dividend being paid in the liquidation.

We will also be requesting that you consider the former Voluntary Administrators' remuneration report to approve their remuneration by way of proposal.

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

- The Company books and records received by us.
- The Report on Company Activities and Property ('ROCAP') as submitted by the director for the Company as at 23 August 2023, being the date of our appointment.
- Information from public sources, such as the Australian Securities and Investments Commission ('ASIC') and the Personal Property Securities Register ('PPSR').
- Discussions with the Company's director, a previous director, the petitioning creditor and other key stakeholders.

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

If further information becomes available on the progress of the liquidation, we may distribute a further report to creditors.

2 Update on the progress of the liquidation

2.1 Background to Appointment

As noted above, we were appointed liquidators pursuant to an order made in the Supreme Court of Victoria on 23 August 2023. A timeline of events leading up to our appointment is set out below.

Date	Description of Event
28 June 2023	Originating Application for the winding up of the Company is lodged with the Supreme Court of Victoria by Professor Ian William Reeves ('the Petitioning Creditor') on the grounds of insolvency (due to an unpaid judgment debt in the amount of AUD 1,591,636.54 relating to his employment agreement with ALT Advisory (Jersey) Limited and payable by the Company under a guarantee).
17 August 2023	Shumit Banergee of Westburn Advisory is appointed as Voluntary Administrator of the Company by the Director.
21 August 2023	A Deed of Company Arrangement ('DOCA') proposal is provided to the Voluntary Administrator by the Director.
23 August 2023	The Supreme Court of Victoria hearing in respect of the Originating Application is heard. The Court orders the winding up of the Company. Craig Shepard and David Osborne are appointed as Liquidators.

The Company had sought a further adjournment of the proceedings from 23 August 2023 to a date after 27 September 2023. The adjournment was to allow for the first and second meetings of Creditors in the administration to be held, the Voluntary Administrator to prepare a report to creditors and for creditors to vote on the proposed DOCA.

The Petitioning Creditor opposed any adjournment of the application proceeding. It was in his view that the appointment of the Voluntary Administrator was an attempt to derail the proceeding. The Court ruled in the Petitioning Creditors' favour,

acknowledging the late appointment of the Voluntary Administrator was not explained and any valuable assets held by the Company could be realised by a Liquidator in an orderly winding up.

2.2 Company Information

An ASIC search states the Company is a public company that was incorporated in New South Wales on 23 November 2015. The Company's registered office and its principal place of business are listed as McFaddens Securities Pty Ltd ('McFaddens'), Level 2, 117 Clarence Street, Sydney NSW 2000.

The Company was originally established as a holding company under the name DWF Partners Ltd and underwent a change of name to Steppes Partners Limited on 2 August 2016, before being renamed again to ALT Financial Group Ltd on 26 April 2018.

The Director stated in the ROCAP that the Company was *'formed to conduct an IPO (Initial Public Offering) based on the asset positions that were vended in and the intention was to build out an alternative asset management group by using the public currency to make acquisitions in the sector. However, for various reasons that did not happen.'* Our investigations to date show a similar path of the Company, which is discussed further at Section 2.6

At the date of appointment, the business had already ceased to trade. The Director nominated 17 August 2023 (the date of appointment of the Voluntary Administrator) as the date the Company ceased to trade. Our preliminary investigations have not identified any major trading activities outside of general administration expenses and director fee payments, and communications to shareholders in recent years.

2.3 Directors and Officers

The current and former directors of the Company per ASIC's records are tabled below.

Director name	Appointment date	Cessation date
Anthony Richard Lewis	17 April 2023	-
David Henty Sutton	28 April 2021	29 June 2023
Michael Douglas Tilley	18 December 2018	18 April 2023
Christopher Leslie Nicholls	11 January 2019	28 April 2021
David Clarke	6 December 2017	19 April 2021
Steven Charles McDowell	23 January 2019	20 February 2019
Robyn Alice Steward	23 November 2015	31 January 2019
Steven Charles McDowell	23 November 2015	11 January 2019
Ian William Reeves	18 December 2018	07 January 2019
David Henty Sutton	23 November 2015	06 December 2017
David John Howe	23 November 2015	23 November 2015
Marea Ellen Howe	23 November 2015	23 November 2015
Maurice James Howe	23 November 2015	23 November 2015

The Company's sole director is Anthony Richard Lewis ('the Director'). We have formally interviewed the Director and have had a number of discussions with him. In summary, he has advised that he is new to the Company and his knowledge is limited. He has advised us on multiple occasions to liaise with the former director and secretary of the Company, Mr David Sutton, regarding the Company.

Mr Sutton ceased as a director of the Company on 29 June 2023 due to a permanent banning by ASIC 'from providing any financial services, performing any function involved in the in the carrying on of a financial services business and controlling an entity that carries on a financial service business.'

The Company did not have an appointed secretary at the time of our appointment. The two most recent secretaries were Mr Sutton from 4 November 2022 to 29 June 2023 and Ms Robyn Steward from 29 April 2021 to 4 November 2022. Mr Sutton ceased as a secretary due to the ASIC banning mentioned above.

2.4 Shareholders

A Holdings Report dated 20 July 2023 (i.e. circa. one month prior to our appointment) shows that the Company has 544 shareholders holding a total of 237,000,000 shares.

We have received communications that additional share transfers may have occurred between 20 July 2023 and our appointment on 23 August 2023.

A transfer of shares during a liquidation will not be effective unless the Liquidators give their written consent, or the court permits it.

2.5 Matters dealt with by the Liquidators since appointment

2.5.1 Status of Trading

As previously advised, the Company ceased operations prior to the date of our appointment. We will not be recommencing operations.

2.5.2 Information requests and books and records

A request for the Company's books and records was issued to the Director, appointed auditor and related party creditors identified upon our appointment. The Director referred the request on to Mr Sutton (previous director and secretary) and Robyn Alice Steward (previous director and secretary) who subsequently provided limited electronic and physical books and records. Electronic records were also received from the Petitioning Creditor. The other parties either advised that they did not have any records or failed to respond to our request.

Several shareholders have initiated contact with us to provide information on the Company and previous directors.

We have also conducted detailed interviews and discussions regarding the Company with the Director, Mr Sutton, the Petitioning Creditor and other key stakeholders.

2.5.3 Assets

The Director declared the Company's two assets are shareholdings in the following two companies:

1. 9,050,276 Steppes Private Equity Partners 1 LP ('Steppes PEP') shares; and
2. 230,000,000 Steppes Alternative Asset Management Limited ('SAAM') shares.

('the Investment Companies' or 'the Shares')

We understand from our investigations that the SAAM shares were exchanged for Steppes Alternatives Public Limited Company ('Steppes Alternatives') shares on a one-for-one basis prior to our appointment.

A letter to Steppes Alternatives shareholders dated 19 September 2023 (post-appointment) advised that Steppes Alternatives has merged with CPM Alternatives Ltd ('CPM') to unlock liquidity. Mr Sutton has suggested to us that audited financials and a subsequent listing of CPM are expected in 2024.

An estimated value of the Shares was not provided in the Director's ROCAP. Mr Sutton (previous director) advised that the most recent audited value of the SAAM (now Steppes Alternatives) shares was reported in the 2017 financial statements for a value of \$263,175,533. These financial statements did not include a valuation of Steppes PEP shares (as were only acquired on 31 March 2021). In contrast, the DOCA proposal included a combined value of \$791,420,435 for the Shares.

We have not been able to ascertain the current value of the Shares and our preliminary view is that the shareholdings are illiquid and unable to be realised (subject to further evidence regarding CPM's plans to list).

In addition, it is noted that the Director has been unable to explain what the Investment Companies' operations involve.

2.5.4 Directors' fees

Current and previous directors' fees totalling approximately \$4.4 million appear to be outstanding per the ROCAP and documents put before the Supreme Court of Victoria.

A director of a company is not, by virtue of that position alone, an employee. There must be an underlying employment agreement. If a valid employment contract was entered and specifically referred to director fees forming part of wages, the director will still be subject to the 'excluded employee' provisions of the Corporations Act 2001 ('the Act'). These provisions state that any payment attributable to non-priority days (i.e. the period in which a person is employed as a director) is capped at \$2,000 for outstanding wages and superannuation and \$1,500 for outstanding leave entitlements, and they are not entitled to any priority retrenchment pay. Any amounts left owing are treated as an ordinary unsecured claim. If there is no valid employment contract entered, or only a valid directorship contract, the director fees will be treated wholly as an ordinary unsecured claim.

It is noted that the Fair Entitlements Guarantee ('FEG') do not fund any entitlements owing to excluded employees (Section 11 of the Fair Entitlements Guarantee Act) regardless of the underlying contract.

We have identified agreements for some directors in the Company's books and records but not all. A detailed review of these agreements is to be undertaken prior to determining the nature of any related claims from the respective directors. On this basis, the entirety of the claims has been recorded as an unsecured claim for the purposes of this report to creditors.

2.5.5 Secured creditors

There were no securities registered against the Company on the PPSR as at the date of our appointment.

The Director noted on the ROCAP that 'the Company built up administration expenses that were paid from a secured credit facility.' The Director's creditor listing indicates the facility is held with Hamirah Holdings Ltd ('Hamirah') but transactions were processed by APC Securities Pty Ltd (Administrators Appointed) ('APC'). As neither Hamirah nor APC (or any other parties) registered a security interest on the PPSR, their claims (if valid) are treated as an unsecured creditor claim.

It is noted that APC was placed into voluntary administration on 13 November 2023.

2.5.6 Unsecured creditors

Our current understanding of unsecured creditor claims is listed below. This is based on information provided in the Director's ROCAP, the DOCA proposal, the Petitioning Creditor's judgment debt and proof of debts received.

Name	Liquidator's estimated value (\$)	Related Party	Notes
Hamirah Holdings Ltd	5,523,521.70	Y	1
David Clarke	600,000.00	Y	2
Michael Tilley	779,166.00	Y	2
Christopher Nicholls	234,221.00	Y	2
Ian Reeves	1,591,636.54	Y	2 & 3
Anthony Lewis	61,626.91	Y	4
David Sutton	565,000.00	Y	2
Robyn Steward	545,000.00	Y	2
Amy Siah	2,784.52	Y	5
APC Securities Pty Ltd (Admin Appt)	813,109.60	Y	6
ASIC	3,333.00	N	
Boardroom Pty Ltd	335.53	N	
Revenue NSW	124,950.00	N	7
Total	10,844,684.80		

Notes

The related party claims have been identified by the ASIC company report and DOCA proposal.

1. Hamirah was listed as a related party to the Company in the DOCA proposal. Hamirah appears to have consulted to the Company and Mr Andrew Turner (former director) is purported to be, or have been, an employee of Hamirah. The claim

relates to a cross-guarantee from when assets were originally vended into the Company per the Director. No books and records relating to this guarantee have been identified.

2. Former directors owed monies for director fees. The judgment sum pertaining to Mr Reeves / the Petitioning Creditor is for \$1,591,636.54, which differs from the \$113,768.00 listed on the ROCAP.
3. In addition to the judgement sum, Mr Reeves also has a claim of \$168,612.65 for petitioning creditor costs.
4. Current director owed monies for director fees.
5. We have been unable to determine the relationship with Amy Siah but the DOCA proposal listed her as a related party.
6. APC was listed as a related party to the Company in the DOCA proposal. APC was formerly known as McFaddens, who also occupy the registered/business address of the Company. The Director has stated that their claim relates to Hamirah, as APC would process payments out of a credit facility on behalf of Hamirah. Trial balances support the outstanding amount, however we have been unable to identify evidence of the facility or the relationship to Hamirah through our review of the Company's books and records.
7. We understand that this amount relates to a pre-appointment fine to the Company for their failure to prepare financial reports amongst other things.

For the avoidance of doubt, the above does not constitute a formal adjudication of the above creditor claims.

2.5.7 Other matters

Further actions undertaken by us and our staff during the liquidation include:

- Notifying ASIC, the ATO and other authorities of our appointment.
- Investigating the Company's affairs.
- Interview current and former directors of the Company
- Closing pre-appointment bank accounts.
- Attending to statutory lodgements including a report to ASIC under Section 533 of the Act.
- Application to ASIC for Assetless Administration Funding.
- Communications with creditors, shareholders and other key stakeholders.
- Communications with the former Voluntary Administrator.
- Assessing creditor claims, where necessary.
- Preparing this report.

2.6 What happened to the business of the Company

Summarised below are the activities of the Company from formation to its current circumstances based on our investigations to date.

Formation of company and acquisition of holdings

- The Company was formed in November 2015 with the intention of listing on the Australian Securities Exchange ('ASX').
- The purpose of the board/management team in Australia was to manage any local day-to-day operations and respond to shareholder queries.
- Over approximately eight years, management undertook a series of complex and convoluted transactions resulting in the acquisition of the Shares.
- In several instances, communications were issued to the Company's shareholders by the Investment Companies themselves regarding promises of liquidity, often through intended IPOs on various exchanges. These communications were signed but it is not clear as to who the signatories were.
- Our understanding is that the Investment Companies were and are managed by a UK based team.
- Mr Sutton and the Petitioning Creditor have both confirmed that Mr Andrew Turner served as the primary contact for the UK team during their time as directors. Minutes of board meetings with previous directors of the Company also include the attendance and participation of Mr Turner.

- In June 2021, Mr Sutton (as director) issued a circular to shareholders of the Company advising 'that the board recognises that the shareholding framework of the group of companies is no longer of benefit to shareholders and is considering a proposition to simplify the ownership structure.'
- In our meeting with Mr Sutton, we were advised that it was the intention of the board for some time to wind up the Company and return value to shareholders.
- Mr Sutton attributed the failure of the Company to the impact of COVID on the European market and stated that the acquisition of independent financial services within Australia no longer makes sense. He also stated that the Company never should have been set up as it has failed to achieve its original purpose.
- Despite failures of the Investment Companies to list on various exchanges, the Director and Mr Sutton have re-affirmed a belief that the holdings of the Company retains value although illiquid. Mr Sutton referred to the 2016 and 2017 audited financial statements as evidence of this.

Appointment of the Voluntary Administrator and subsequent Liquidators

- Upon receiving a statutory demand for payment from the Petitioning Creditor, the Company was unable to make payment due to the illiquidity of its underlying assets. Failure to pay this demand was relied upon as grounds for the application of winding up by the Petitioning Creditor.
- As included in the timeline of events in Section 2.1, the Director resolved to appoint the Voluntary Administrator on 17 August 2023. The Voluntary Administrator then presented the Court with a DOCA proposal that was signed by the Director on 22 August 2023. Our investigations indicate the DOCA was crafted by Mr Turner.
- The DOCA proposed a Deed Fund ('Fund') that would pay out the Petitioning Creditor and ASIC, identifying all other claims as related party claims that could be deferred for 12 months from the effectuation of the deed.
- The Fund was to be paid by either a sale of the Shares held by the Company, or a voluntary contribution from the Director if the Shares were not sold by 31 December 2023. The DOCA did not confirm the origin of the Director's contribution, but title details of an unencumbered property in his name were also presented to the Court.
- On 23 August 2023, the Voluntary Administrators requested for an adjournment of the winding up proceedings. Instead, the Company was placed into Liquidation by order of the Supreme Court of Victoria as discussed in Section 2.1 above.
- We note that the winding up orders include confirmation from the Voluntary Administrator that they had conducted preliminary investigations in relation to the proposed contributions. However, they did not proffer any opinion in relation to the contributions or the DOCA proposal, save that they were informed that the voluntary contribution would come from sale of an unencumbered property and a sum had already been paid to them for the costs of the voluntary administration.
- Upon meeting with the Director, we were advised that the voluntary contribution would not be provided through sale of their property, as the unencumbered property presented before the Court was only in his name as the executor of a deceased estate. An online search of the property address confirmed the Director is not the beneficial owner of the property and confirms that proceeds from the sale were/are to be donated to charity.
- The Director confirmed he signed the DOCA but alleged that it had been prepared by the Voluntary Administrator and that he never provided consent to include the unencumbered property in the proposal. In our experience, voluntary administrators do not prepare DOCA proposals but may advise as to the overall form of it.

Aus Streaming Ltd (In Liquidation)

- Our investigations have also included a review of the Aus Streaming Ltd (In Liquidation) ('Aus Streaming') report to creditors dated 3 May 2021 that was completed by the Liquidators of Aus Streaming (Craig Crosbie and Daniel Walley of PWC). The report includes many of the same individuals who managed the Company. Aus Streaming was also similarly placed into Voluntary Administration before eventually receiving court orders to be wound up. A copy of the report can be found at: <https://insolvency.pwc.com.au/singleEntityCases/aus-streaming-limited-in-liquidation/casePage>
- Our preliminary view is that the Company shares many similarities with Aus Streaming. The key individuals identified by the Aus Streaming report include Mr McDowell and Mr Sutton, as previous directors, and other relationships with Mr Turner, Hamirah and APC.
- Mr Sutton has advised that there is a report contrary to the Aus Streaming report. We have requested a copy of this report and an introduction to Mr Turner for the completeness of our investigations. We are yet to receive either as at the date of issuing this report.

2.7 Assets and liabilities

A summary of the ROCAP as prepared by the Director and our estimated realisable value of the assets and estimated liabilities are detailed below:

Report on Company Property and Activities	Director ROCAP \$	Liquidator's estimated value \$	Value recovered to date \$	Notes
Cash at bank	-	78.05	78.05	1
Investment Companies	TBC by director	-	-	2
Total assets	TBC	78.05	78.05	
Employee entitlements	-	-	-	3
Secured creditors	-	-	-	4
Unsecured creditors	9,239,239.26	10,844,684.80	-	5
Other liabilities	-	168,612.65	-	6
Total liabilities	9,239,239.26	11,013,297.45	-	
Estimated surplus/(deficiency) subject to the costs of the Liquidation	-	(11,013,219.40)	-	

Notes:

1. The balances held in the Company's pre-appointment NAB bank accounts at the date of appointment was AUD 40.38 and EUR 23.27. The foreign currency amount has been exchanged to AUD and transferred to the liquidation bank account to provide a total recovered value of \$78.05 AUD.
2. As discussed in section 2.5.3, the Director did not include a value of the shareholdings in the Investment Companies (i.e. the Shares) and we have not been able to ascertain their current value. Our preliminary view is that the shareholdings are illiquid and unable to be realised (subject to further evidence regarding CPM's plans to list).
3. As discussed in section 2.5.4, for the purposes of this report, all director fee claims have been treated as unsecured creditor claims.
4. As discussed in section 2.5.5, no valid secured creditor claims have been identified.
5. A detailed listing of the 13 unsecured creditor claims identified to date is included in section 2.5.6. The difference between the ROCAP and the Liquidator's estimate is primarily due to the Liquidators including the Petitioning Creditor's judgment debt, as well as the Revenue NSW debt.
6. Other liabilities represent \$168,612.65 of petitioning creditor costs. The taxed amount will rank as a priority claim in the liquidation.

3 Investigations and recovery actions

As Liquidators of the Company, we are required to investigate the affairs of the Company. To date, we have conducted preliminary investigations. The purpose of these preliminary investigations is to identify matters which require more detailed review, as well as determining any causes of action and other potential sources of recovery, such as loan accounts, that might be available for the benefit of creditors of the Company.

As our investigations are at a preliminary stage, we are not able to provide any definitive conclusions about potential inappropriate conduct, or breaches of legislation that may have been committed, or amounts of money that may be recoverable. Accordingly, this report contains our preliminary views.

In relation to any offences that may have been committed by the directors (both current and former) of the Company, as discussed in this section of this report, we have reported these to ASIC under Section 533 of the Act. ASIC has considered our initial report and has requested we complete a supplementary report in respect of our investigations.

3.1 Limitation of investigations

The opinions outlined below are based on investigations undertaken by our office into the Company's affairs, business, and financial position. Our investigations to date have been limited to:

- representations of the current and former directors of the Company
- discussions with the Petitioning Creditor of the Company
- discussions with the shareholders of the Company
- discussions with the whistleblower of Aus Streaming
- searching publicly available databases, including ASIC records and the PPSR
- conducting bank account and property searches
- reviewing the limited books and records available to us

If creditors are aware of any additional information that may assist our investigations, they should contact this office in writing as soon as possible.

3.2 Offences under the Act by the director

Books and records

Failure to maintain books and records may be relied upon by a liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Division 2 of Part 5.7B of the Act.

We have received limited books and records of the Company from the Director and other parties to date. We continue to follow up other parties for the identification and delivery of any other books and records.

In our opinion, the Company has not maintained satisfactory books and records in accordance with the Act, for the following reasons:

- Failure to produce adequate financial statements since the report for year ending 31 December 2017.
- No financial statements prepared to support forecasts and valuations communicated to shareholders.
- Failure to identify any operations and business activities associated with the Investment Companies or their organisational structure.
- Insufficient internal correspondence to support any tangible progress being made on the IPO.
- Incomplete suite of contracts to support the claims of the related party creditors.

As the Company has been placed into liquidation, the absence of proper books and records gives rise to a presumption of insolvency pursuant to Section 588E of the Act. This in turn facilitates action being taken against directors of a company for insolvent trading.

General directors' duties

We have investigated whether there have been any pre-appointment contraventions of the following directors' fiduciary duties under the Act:

- Section 180 Care and diligence – civil obligation only.
- Section 181 Good faith – civil obligations.
- Section 182 Use of position – civil obligations.
- Section 183 Use of information – civil obligations.
- Section 184 Good faith, use of position and use of information – criminal offences.

Our preliminary investigations suggest there may be evidence of certain civil offences listed above. If adequate books and records are not provided by the current or previous directors, this may also constitute evidence supporting breaches of certain civil offences.

3.3 Possible recovery actions available to the Liquidators

We have undertaken preliminary investigations into possible recovery actions in respect of voidable transactions and insolvent trading that may be available for us to pursue. The results of these preliminary investigations are detailed below.

3.3.1 Insolvent trading

Directors can be held personally liable for the Company's debts. The Act provides that directors owe a duty of care not to incur debts at a time when the Company is insolvent or would become insolvent by incurring the debt (Section 588G). If there are reasonable grounds for suspecting that the Company would become insolvent, then directors can be held personally liable for any debts incurred after that time.

The Act also states a company is solvent if, and only if, a company can pay its debts as and when they become due and payable. A company that is not solvent is insolvent. Accordingly, the test for insolvency is not a balance sheet test but rather a cash flow test.

As noted above, the failure to maintain proper books and records gives rise to a presumption of insolvency.

Given that the Company was not able to meet its debts (particularly director fees) as and when they fell due, and the key underlying assets are illiquid, there is a likelihood that the directors traded the Company whilst insolvent. Due to the lack of books and records (in particular financial reports) available to us, we have been unable to determine the amount (if any) which may be the subject of an insolvent trading claim.

Any claim for insolvent trading against the Director (or former directors) of the Company, however, would need to be assessed on commercial grounds (including considering whether the directors have any assets of substance that may be recovered if an insolvency trading claim was successfully pursued) and would be subject to any defences available to the Director (or former directors). Any claims the Director (or former directors) have against the Company would also need to be assessed prior to taking any action.

At this stage, we do not expect there to be significant recoveries from any insolvent trading action.

3.3.2 Voidable transactions

We have undertaken investigations into possible recovery actions that may be available to us to pursue. The results of these investigations in respect of voidable transactions are detailed below:

Unfair preferences

Unfair preference payments are where the transaction results in a creditor receiving more than it would have received in the winding up of the Company. A liquidator is able to review transactions in the six months prior to the Relation Back Day (in this case being 23 August 2023) or four years prior to the Relation Back Day if the creditor is a related entity of the company.

Our initial review of the Company's pre-appointment bank account statements available to us, as well as other books and records provided by the Director, indicate that no preferential payments have been made to creditors.

Uncommercial transactions

An uncommercial transaction is a transaction that a reasonable person would not have entered into. We are unaware of any uncommercial transactions entered into by the Company at this stage of our investigations.

Unfair loans

Essentially an unfair loan is a loan agreement where the consideration is considered to be excessive. We are unaware of any unfair loans entered into by the Company at this stage of our investigations.

3.4 Further inquiries

The following further inquiries need to be undertaken to finalise our investigations and determine whether any offences have occurred or any recovery actions should be taken:

- Discussions with Mr Turner as a representative of the Steppes management group located in the UK.
- Discussions with other former directors of the Company
- Discussions with other shareholders of the Company

- Review of further books and records to be received from various parties.
- Considering the role and responsibility of the auditors with respect to the 2016 and 2017 accounts

Given the lack of assets in this liquidation, it would be appreciated if any creditor would advise us if they would be willing to fund any recovery actions. We have applied to the ASIC Assetless Administration Fund to assist in funding our investigations reporting.

4 Receipts and payments to date

A summary of the receipts of the liquidation from 23 August 2023 to 19 November 2023 is detailed below:

Account	Amount (\$)
Receipts	
Pre-appointment bank account	78.05
Total Receipts	78.05

There have been no payments in the liquidation to date.

5 Meetings of creditors / Proposals without meeting

5.1 Meeting of creditors

To date, there have been no meetings of creditors held in the liquidation. If we receive a request for a meeting that complies with the guidelines set out in the initial information provided to you, we will hold a meeting of creditors. Otherwise, we do not intend to call a meeting of creditors at this time.

5.2 Proposal without meeting

We are seeking approval of the former Voluntary Administrators' remuneration by resolution by proposal without a meeting. The resolution is set out below and included in the remuneration report of the former Voluntary Administrator attached at Appendix A. Enclosed at Appendix B is the proposal form, which includes the resolution for your approval, the reason for the proposal and the likely impact the resolution will have on creditors if it is passed. **For your vote to count, you must send back the proposal form by 14 December 2023.** You must also have lodged a Proof of Debt or Claim Form ('Proof of Debt Form'). If you have not previously lodged one or you wish to amend your claim, you must lodge one with your proposal form. A Proof of Debt Form is included at Appendix C. ARITA has provided an information sheet on proposals without meetings, which is included at Appendix D.

Resolution: 'That the remuneration of the former Voluntary Administrator, Shumit Banerjee, his partners and staff, for the period from 17 August 2023 to 23 August 2023, calculated at hourly rates as detailed in the remuneration approval notice dated 23 August 2023, be fixed in the amount of \$22,485.00 plus GST and the former Voluntary Administrator can draw the remuneration immediately, on a monthly basis or as required.'

6 Cost of the liquidation

As previously advised in our initial information to creditors, we have estimated that our total remuneration for the liquidation will be approximately \$30,000 to \$50,000 (GST exclusive). Due to the complexity of the Company's history and investments, and in depth investigations undertaken to date and future investigations, we estimate that our total remuneration for the liquidation will be approximately \$100,000 to \$150,000 (GST exclusive). If there are asset recoveries, I may seek approval of remuneration and internal disbursements at a future meeting of creditors or by way of future proposals without meetings.

7 Likelihood of a dividend

The likelihood of a dividend being paid to creditors and the amount of any dividend will be affected by a number of factors, including:

- The size and complexity of the administration

- The amount ultimately realised for the Company's assets and the costs of realising those assets
- The statutory priority of certain claims and costs
- The value of various classes of claims including secured, priority and unsecured creditor claims
- The volume of enquiries by creditors and other stakeholders

7.1 Creditors

At this stage of the liquidation, we are unable to provide any clear indication as to the likelihood of a dividend being paid to secured, priority or unsecured creditors. Any dividend will be dependent upon our further investigations and the realisation of the Shares as discussed at section 2.5.3, accordingly we continue to monitor the likelihood of a listing of the Investment Companies and whether that will proffer a return to the Company.

If a dividend is going to be paid, you will be contacted before that happens and, if you have not already done so, you will be asked to lodge a proof of debt or be given the opportunity to alter any proof of debt that you have previously lodged. This formalises your claim in the liquidation and is used to determine all claims against the Company.

7.2 Shareholders

Shareholders are deemed to be subordinate creditors for the purposes of liquidations. This means that all priority (employee), secured and unsecured creditors would need to be paid in full before any dividend is paid to shareholders..

8 What happens next?

The following matters still need to be completed and further inquiries made prior to the finalisation of the liquidation:

- Submission of further books and records by various parties..
- Discussions with Mr Turner of the Steppes management in the UK to determine the existence of any assets.
- Realisation of the assets in the event that they become liquid.
- Payment of the expenses incurred during the liquidation and the winding up application costs of the Petitioning Creditor should funding permit.
- Approval and payment of the Liquidators' remuneration and internal disbursements should funding permit.
- Finalisation of investigations and reporting to ASIC.
- Pursue any recovery actions that have reasonable prospects of success if there are funds available or funding is received.
- Distribution to creditors, if applicable.
- Other administrative requirements.

It is expected that the liquidation will be completed within twelve months. However, completion may be delayed if any of the following occur:

- Further delays in receiving the books and records.
- A delay in realisation of assets.
- Recovery actions are pursued.
- ASIC commences investigations or proceedings against an officer of the Company.
- Litigation is commenced against the Company.
- There are unclaimed monies from the distribution.

9 Further information available to creditors

ARITA provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA's website at www.arita.com.au.

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

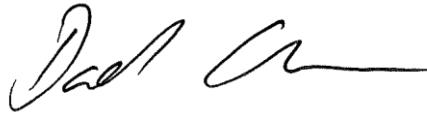
If you need to update your contact details or bank account details, you will find a form on KordaMentha's website www.kordamentha.com in the [Creditor section](#).

Creditors requiring further information regarding the liquidation can contact Caleb Fidler on (03) 9908 8972 or by email at caleb.fidler@kordamentha.com.

Dated: 23 November 2023



Craig Shepard
Liquidator



David Osborne
Liquidator

KordaMentha
Rialto South Tower
Level 31, 525 Collins Street
Melbourne VIC 3000

Tel: +61 3 8623 3333

Fax: (03) 8623 3399



Appendix A Remuneration Report of the former Voluntary Administrator





WESTBURN
ADVISORY.

5 September 2023

KordaMentha
GPO Box 2985
Melbourne VIC 3001

Attention: Mr Craig Shepard

Via Email Only: cshepard@kordamentha.com; and amunro@kordamentha.com

Dear Sir,

ALT FINANCIAL GROUP LTD (IN LIQUIDATION)
A.C.N. 609 449 194 ("the Company")
A.B.N. 22 609 449 194

I refer to my appointment as Voluntary Administrator of the Company during the period 17 August 2023 to 23 August 2023 and your subsequent appointment as Liquidator of the Company on 23 August 2023.

I would appreciate if your office could facilitate the proposing of my remuneration approval request to creditors. In this regard, I ask that you present the following resolution to creditors:

"That the remuneration of the former Voluntary Administrator, Shumit Banerjee, his partners and staff, for the period from 17 August 2023 to 23 August 2023, calculated at hourly rates as detailed in the remuneration approval notice dated 23 August 2023, be fixed in the amount of \$22,485.00 plus GST and the former Voluntary Administrator can draw the remuneration immediately, on a monthly basis or as required."

Attached is a remuneration report dated 23 August 2023 in support of the proposed resolution.

If you have any queries or require further information, please contact Ben Fletcher of this office on (02) 9113 7222 or ben.fletcher@westburnadvisory.com.au.

Yours faithfully,

SHUMIT BANERJEE
WESTBURN ADVISORY

Attachments:
Remuneration Report
Schedule Of Hourly Rates & Guide To Staff Experience

23 August 2023



WESTBURN ADVISORY.

Remuneration Approval Report (RAR)

ALT FINANCIAL GROUP LTD (IN LIQUIDATION)

A.C.N. 609 449 194 ("the Company")

A.B.N. 22 609 449 194

Contact:
Mr Ben Fletcher
(02) 9113 7222
ben.fletcher@westburnadvisory.com.au

Westburn Advisory
Level 5, 115 Pitt Street
Sydney NSW 2000
(02) 9113 7222

Appointee:
Shumit Banerjee
Appointed: 17 August 2023

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1. Summary

This RAR provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for the period of my appointment as Voluntary Administrator of ALT Financial Group Limited (In Liquidation) ("the Company") from 17 August 2023 to 23 August 2023.

I am asking creditors to approve the following remuneration and disbursements:

	Remuneration (plus GST)	Disbursements (plus GST)
Voluntary Administration	\$22,485.00	Nil

Details of remuneration and disbursements can be found in sections 3 and 4 of this remuneration approval report.

2. Declaration

I have undertaken a proper assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. I am satisfied the remuneration and disbursements claimed is necessary and proper.

3. Remuneration Sought

The remuneration I am asking creditors to approve is tabled below. Further details of the work already done are included at Schedule A. Schedule B includes a breakdown of time spent by staff members on each major task for work I have already done.

Actual resolutions are included at Schedule C for your information. These resolutions also appear in the proxy form for the meeting.

For	Period	Amount Incurred/ Anticipated to be Incurred	Amount Sought	Rates to apply	When it will be drawn
Work already done	17 August 2023 to 23 August 2023	\$22,485.00 plus GST	\$22,485.00 plus GST	The hourly rates provided to creditors in my IRN dated 18 August 2023	when funds are available
VOLUNTARY ADMINISTRATION TOTAL		\$22,485.00 plus GST	\$22,485.00 plus GST		

4. Disbursements Sought

I am not required to seek creditor approval for the costs paid to third parties or where I am recovering a cost incurred on behalf of the Administration, but I must provide details to creditors.

During my appointment, I incurred the following expenses which remain outstanding:

- Legal Fees - \$3,424.72

Details of disbursements incurred are included at Schedule D for your information.

5. Likely Impact on Dividends

The Corporations Act sets the order for payment of claims against the Company, and it provides for remuneration of the Administrator, to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrator receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds.

The remuneration, if approved, will not have the effect of decreasing the amount that would otherwise be available to priority and unsecured creditors.

6. Funding Received for Remuneration and Disbursements

The Director has provided me with an upfront payment of \$25,000 to meet the costs and expenses reasonably incurred, in part, associated with the Voluntary Administration of the Company, which is held in my firm's trust account.

7. Queries

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

Contact name:	Ben Fletcher
Contact number:	(02) 9113 7222
Email:	Ben.fletcher@westburnadvisory.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/for-consumers/insolvency-your-rights

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

Dated this 23rd day of August 2023



SHUMIT BANERJEE
WESTBURN ADVISORY

Schedules	
Schedule A	Details of work
Schedule B	Time spent by staff on each major task

Schedule A – Details of work

Task Area	General Description	Tasks
		Voluntary Administration Work
		WORK ALREADY DONE PERIOD: 17 August 2023 to 23 August 2023 AMOUNT: \$22,485.00 plus GST
ASSETS		[0.20 hrs] [\$130.00] excluding GST
	Cash at Bank	Initial request made to banks
		Monitor receipt of bank transfers into trust account
	Other Assets	Reviewing documents regarding shares held by company.
CREDITORS		[10.00 hrs] [\$4,460.00] excluding GST
	Creditor Enquiries	Receive and follow up creditor enquiries
		Maintaining creditor enquiry register
		Review and prepare correspondence to creditors and their representatives via email and post
	Creditor reports	Preparing and reviewing first report to creditors
		Preparation and review of DIRRI and other annexures to the first report to creditors
		Preparation and review of creditor listing
		Finalisation of the first report to creditors
		All tasks associated with issuance of first report to creditors
	Dealing with proofs of debt	Receipting, entering and reviewing of proofs of debt along with supporting documents
	Meeting of creditors	Preparation of meeting notices, proxies and advertisements for the first meeting of creditors
		Forward notices of meetings to all known creditors

Task Area	General Description	Tasks
		Voluntary Administration Work
		WORK ALREADY DONE PERIOD: 17 August 2023 to 23 August 2023 AMOUNT: \$22,485.00 plus GST
INVESTIGATIONS		[16.70 hrs] [\$9,685] excluding GST
	Conducting Investigation	Correspondence with the Director, Former Directors and External Accountant to obtain the books and records of the Company. Reviewed responses received.
		Reviewing company's books and records
		Assistance in the preparation of Deed of Company Arrangement Proposal based on assets recoveries
		Conducting and summarising statutory searches
		Conducting real property searches in the name of the Company, and Director
		Preparation and review of searches index
		Prepared and sent correspondences to transport authorities of NSW to identify any motor vehicles registered in the name of the Company
		Prepared and sent correspondences to sheriff departments of NSW to identify any property or funds held in the name of the Company
		Liaise with Director regarding value of Company shareholding
		Meeting with Director to discuss Company history, assets and liabilities
		Internal meetings to discuss investigations and findings to date
	Litigation/ Recoveries	Discussion with the Director re Deed of Company Arrangement terms and draft proposal
		Discussion and emails to legal representative re affidavit
		All matters associated with the winding up application o
ADMINISTRATION		[21.10] [\$8,210] excluding GST
	Correspondence	General correspondence to various parties
	Document maintenance, file reviews and checklists	Updating checklists
		Filing of documents
		File reviews

Task Area	General Description	Tasks
		Voluntary Administration Work
		WORK ALREADY DONE PERIOD: 17 August 2023 to 23 August 2023 AMOUNT: \$22,485.00 plus GST
	Insurance	Identification of potential issues requiring attention of insurance specialists
		Reviewing insurance policies and obtain legal advice (where necessary)
	Bank account administration	Preparing correspondence regarding opening account
		Requesting bank statements
	ASIC Forms	Preparing and lodging ASIC forms including 505 and ASIC PNW Notice
		Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment
	Planning and review	Discussions regarding status of administration
		Strategy meetings

Schedule B – Time spent by staff on each major task (work already done)

Remuneration Report

Calculation of Remuneration - 17 August 2023 to 23 August 2023

Employee	Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Assets		Creditors		Employees		Trade-On		Investigations		Dividend		Administration	
					Hrs	(\$)	Hrs	(\$)	Hrs	(\$)	Hrs	(\$)	Hrs	(\$)	Hrs	(\$)	Hrs	(\$)
Shumit Banerjee	Director/Appointee	650	18.70	\$ 12,155.00	0.2	\$ 130.00	3.2	\$ 2,080.00	-	\$ -	-	\$ -	10.3	\$ 6,695.00		\$ -	5	\$ 3,250.00
Ben Fletcher	Manager	500	10.50	\$ 5,250.00	0	\$ -	1.6	\$ 800.00	-	\$ -	-	\$ -	5.6	\$ 2,800.00		\$ -	3.3	\$ 1,650.00
Gaurav Rathore	Senior Accountant	350	4.70	\$ 1,645.00	0	\$ -	0.4	\$ 140.00	-	\$ -	-	\$ -	0.2	\$ 70.00		\$ -	4.1	\$ 1,435.00
Darell Malapit	Intermediate Accountant	300	5.80	\$ 1,740.00	0	\$ -	4.8	\$ 1,440.00	-	\$ -	-	\$ -	0	\$ -		\$ -	1	\$ 300.00
Isaura Sierra	Intermediate Accountant	250	0.70	\$ 175.00	0	\$ -	0	\$ -	-	\$ -	-	\$ -	0	\$ -		\$ -	0.7	\$ 175.00
Jan Bongolan	Graduate Accountant	200	7.60	\$ 1,520.00	0	\$ -	0	\$ -	-	\$ -	-	\$ -	0.6	\$ 120.00		\$ -	7	\$ 1,400.00
TOTAL			48.00	\$ 22,485.00	0.20	\$ 130.00	10.00	\$ 4,460.00	-	\$ -	-	\$ -	16.70	\$ 9,685.00	-	\$ -	21.10	\$ 8,210.00
GST				\$ 2,248.50														
TOTAL (including GST)				\$ 24,733.50														
Average hourly rate				\$ 468.44		\$ 650.00		\$ 446.00		\$ -		\$ -		\$ 579.94		\$ -		\$ 389.10

All figures above are GST exclusive unless stated otherwise. GST is an outlay, in addition to our remuneration, and will be added to our remuneration amounts pursuant to the provisions of the A New Tax System (Goods and Services Tax) Act 1999 ('GST Act').

WESTBURN ADVISORY
ADVISORY, BUSINESS RECOVERY AND INSOLVENCY
SCHEDULE OF HOURLY RATES & GUIDE TO STAFF EXPERIENCE
EFFECTIVE 1 NOVEMBER 2022

Classification	Guide to Staff Experience	Rate \$
Director / Appointee	Registered liquidator/trustee or appointee's partner bringing a high level of insolvency knowledge and skill, with more than 10 years experience and an appreciation of risk control and personal commitment.	\$650
Senior Manager	Normally 6 or more years experience with at least 2 years as a manager. Qualified accountant with well developed technical skills and capable of controlling all aspects of an Administration and manage a team of staff.	\$600
Manager	Normally 4-6 years experience. Qualified accountant with well developed technical and commercial skills. Answerable to the Appointee, but otherwise responsible for all aspects of Administration and project manage a team on a large appointment.	\$500
Supervisor	Normally 2-4 years insolvency and accounting experience. Has conduct of minor Administrations. Assists planning and control of medium to larger appointments and responsibility to supervise a small team of staff	\$450
Senior Accountant 1	Normally more than 3 years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized appointments, as well as performing some of the more difficult work on larger appointments.	\$400
Senior Accountant 2	Normally graduate completing post graduate studies with 1 to 2 years experience. Required to control the fieldwork on small jobs and is responsible for assisting complete fieldwork on medium to large jobs	\$350
Intermediate Accountant 1	Normally 1-2 years experience and is capable of working on smaller routine matters unsupervised and assists in the day to day fieldwork under supervision of more senior staff.	\$300
Intermediate Accountant 2	Undergraduate with up to 1 year insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.	\$250
Graduate / Undergraduate	Normally a university undergraduate or recent graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.	\$200
Senior Professional Support	Normally 1 or more years experience, attending to all matters with respect to maintaining the Administration's bank accounts and bookkeeping, preparing and monitoring compliance of the Administration's lodgements.	\$200
Professional Support	Normally attends to data entry, simple document production, report compiling, filing. Assists Senior Professional Support with bookkeeping functions.	\$150

Notes:

1. the above figures are exclusive of GST;
2. the Guide to Staff Experience is only intended to be a guide as to the qualifications and experience of our staff members. Staff may be engaged under a classification that we consider appropriate for their experience;
3. time is recorded and charged in six-minute intervals;
4. rates are subject to increase from time to time;
5. work carried out by staff will be charged at their applicable rates irrespective of where the staff or administration is geographically based;
6. the above rates are those chargeable by Westburn Advisory in respect of our own employees/ contractors. If it becomes necessary to engage the services of an interstate insolvency firm to carry out work on our behalf, I reserve the right to recover the rates charged by that practice, which may vary from the rates set out above;
7. The classifications above do not cover professional staff that are unqualified and not studying to become qualified as accountants. I recognise that in this latter category there are some people who are highly skilled. It is my view that it is not possible to give a description which will adequately cover all situations.

Classification	Disbursements	Charges
Internal	Photocopying	\$0.65 per copy
	Printing	\$0.65 per copy
	Postage	Australia Post rates
	Storage	\$40 per box
	Mileage Reimbursement	\$0.66 per kilometre
	Searches, Couriers and Advertising	At Cost
	Other	At Cost
External	Professional services (non-insolvency) for specific tasks that are properly incurred by independent consultants	At a reasonable cost
	Non-professional services incurred with a third party in relation to work required	At a reasonable cost

Disbursements

Disbursements are divided into three types:

1. External professional services - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
2. External non-professional costs – these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees.
3. Firm non-professional costs – such as photocopying, printing and postage. These costs, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve our disbursements prior to these disbursements being paid from the administration.

Appendix B Proposal



17 November 2023

NOTICE OF PROPOSAL TO CREDITORS

ALT Financial Group Ltd (In Liquidation) ACN 609 449 194 ('the Company')

Proposal for creditor approval

'That the remuneration of the former Voluntary Administrator, Shumit Banerjee, his partners and staff, for the period from 17 August 2023 to 23 August 2023, calculated at hourly rates as detailed in the remuneration approval notice dated 23 August 2023, be fixed in the amount of \$22,485.00 plus GST and the former Voluntary Administrator can draw the remuneration immediately, on a monthly basis or as required.'

Reasons for the proposal and the likely impact it will have on creditors if it is passed

Section 60-10 of Schedule 2 of the Corporations Act entitles an external administrator of a company to receive remuneration for necessary work properly performed by the external administrator in relation to the external administration in accordance with a remuneration determination. A remuneration determination may be made by a resolution of creditors, as well as by a committee of inspection (if one is established) or by the Court.

The former Voluntary Administrator's remuneration report will be made available to download on 23 November 2023 from KordaMentha's website at <https://kordamentha.com/creditors/alt-financial-group-ltd>. Please refer to [this report](#) for information as to how the remuneration has been incurred and calculated.

The remuneration, if approved, will not decrease the amount that would otherwise be available to priority and unsecured creditors as the funds, which will be drawn on, were provided upfront to the former Voluntary Administrator by the Director of the Company per the disclosure in the remuneration report.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting in the liquidation for your vote to count. Please select the option that applies:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I enclose a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____

ACN/ABN (if applicable): _____

☐ I am not a related creditor of the Company.

☐ I am a related creditor of the Company

Details of the relationship: _____

Address: _____

Phone: _____

Email: _____

Name of creditor/authorised person: _____

Signature: _____

Date: _____

Return of documents by 14 December 2023

Please complete this document and return with any supporting documents by no later than 14 December 2023 for your vote to be counted, by email to Caleb Fidler at caleb.fidler@kordamentha.com. If you have any questions, please call Caleb Fidler on (03) 9908 8972.

Completed forms may also be sent by post attention to Caleb Fidler at KordaMentha, Level 31, Rialto South Tower, 525 Collins Street, Melbourne VIC 3001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

Appendix C Proof of Debt Form



Form 535 – Formal proof of debt or claim (General form)**ALT Financial Group Ltd (In Liquidation)
ACN 609 449 194 ('the Company')**

To: The Liquidators of ALT Financial Group Ltd (In Liquidation) ('the Company')

1. This is to state that the Company was on 23 August 2023, and still is, justly and truly indebted:

To

(name of creditor)

Of

(address of creditor)

ABN

For

\$

(amount owed to creditor, include cents, GST inclusive)

GST Amount:\$

Particulars of the debt are:

Date	Consideration	Amount (\$)	Remarks
<i>(insert date when debt arose)</i>	<i>(state how the debt arose and attach supporting invoices and statements of account)</i>	<i>(GST inclusive amount)</i>	<i>(include details of voucher substantiating payment)</i>

(If debt is held due to an assignment of debt, provide evidence of the transfer and the consideration paid for assignment of the debt.)

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

Date	Drawer	Acceptor	Amount (\$)	Due date
------	--------	----------	-------------	----------

3. This proof of debt may be used for the purposes of voting at any meeting, a proposal without a meeting or for distribution to creditors unless a further proof of debt is submitted by me.

Execution:

- ☐ I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. *(select if applicable)*
- ☐ I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. *(select if applicable)*
- ☐ I am a related creditor of the Company. *(select if applicable)*
- ☐ I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act at the email address or fax number listed below.

Signature

Name

Date

Address

Email

Phone

Fax

Appendix D ARITA Information Sheet



Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

**For more information, go to www.arita.com.au/creditors.
Specific queries should be directed to the external administrator's office.**