

**Yabonza Group Pty Ltd ACN 620 161 604
(Administrators Appointed) (“the Company”)**

Initial Information for Creditors

27 July 2022

We, Andrew McCabe and Joseph Hayes, were appointed Joint and Several Voluntary Administrators of the Company on 26 July 2022.

We have been appointed to represent the interests of all creditors. We are responsible for taking control of the Company’s assets and business, investigating the Company’s affairs, and reporting and providing recommendations to creditors as to the future of the Company. We will also hold meetings of creditors to make decisions on the future of the Company.

According to the Company’s records, you may be a creditor of the Company. The purpose of this document is to provide you with information about the Voluntary Administration (VA) and your rights as a creditor.

Creditors are advised that on 26 July 2022, Andrew McCabe was also appointed as Liquidator of the Company’s subsidiaries listed below.

Name	ACN
Yabonza Holdings Pty Ltd (In Liquidation)	620 722 616
Yabonza Australia Pty Ltd (In Liquidation)	620 722 634
Yabonza Marketplace Pty Ltd (In Liquidation)	624 895 067
Yabonza Keys Pty Ltd (In Liquidation)	624 913 499
Yabonza Operations Pty Ltd (In Liquidation)	616 105 563
Yabonza Portfolio 1 Pty Ltd (In Liquidation)	649 822 015
Yabonza Portfolio 2 Pty Ltd (In Liquidation)	652 717 452
A.C.N. 168 090 293 Pty. Ltd. (In Liquidation) T/As Yabonza Easyshare	168 090 293

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

We enclose our DIRRI. Our independent status and who appointed us is outlined in our DIRRI.

What you should do next?

- Read the enclosed information;
- Decide whether you are going to participate in the First Meeting of Creditors (**First Meeting**); and if so
- Complete and return your proof of debt and proxy form (if required) by 5:00pm 3 August 2022.



Meetings of Creditors

As Voluntary Administrators, we are required to hold two meetings of creditors.

First Meeting of Creditors

The first meeting of creditors will be held as follows:

Date: 5 August 2022
Time: 10:00AM
Address: Via Microsoft Teams

The purpose of this meeting is to consider:

- Our appointment; and
- Whether to appoint a Committee of Inspection (COI).

We enclose a notice of meeting. To participate in this meeting, you must submit a proof of debt and information to substantiate your claim. If the creditor is a person and will attend the meeting, this is all that is required. However, if the creditor is another type of entity (such as a company), they must also appoint a person – a “proxy” or person authorised under a power of attorney – to vote on behalf of the creditor at the meeting. A proxy should also be appointed if the creditor is a person but is not available to attend the meeting.

You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Proof of debt and proxy forms are enclosed, together with guidance notes to assist you when you complete them. To ensure that the meeting is conducted as efficiently as possible, completed proof of debt and, if applicable, proxy forms must be returned to our office by post or email by 5:00pm on 3 August 2022.

Committee of Inspection

At the first meeting, creditors will consider whether a COI should be appointed. The role of a COI is to consult with the Voluntary Administrators and receive reports on the conduct of the administration. A COI can also approve the Voluntary Administrators' fees.

We enclose a copy of the information sheet “Committees of Inspection” issued by ARITA. You should consider whether you would like to act as a member of the COI, if one is appointed.

Second Meeting of Creditors

We will also in due course call a second meeting of creditors (**Second Meeting**).

The purpose of the Second Meeting is for creditors to consider the Administrators' report and make a decision on the future of the Company.

Before that meeting you will be sent the notice of meeting and a detailed report which will set out the options for the Company's future. We will also provide our opinion as to what option we think is in the best interests of creditors. You are encouraged to attend these meetings and participate in the VA process.



Question	Answer
<p>What is a Voluntary Administration?</p>	<p>A VA is a process initiated by the directors of a company or a secured creditor of a company when they form the view the company is, or is likely to become, insolvent. 'Insolvent' means that the company is, or is likely to become, unable to pay its debts when they fall due. Less commonly, a VA is commenced by a liquidator of the company. In this case, the VA appointment was made by the Director of the Company</p> <p>The objective of a VA is to preserve as much as possible of the business of the company or, if not, seek a better outcome for creditors than a liquidation of the company. The process involves the appointment of a voluntary administrator to the company to administer and investigate the business, property, affairs and financial circumstances of the company. A voluntary administrator must complete investigations, form an opinion about the company's financial position and its future and issue a detailed report to creditors of the company. Creditors are then given the opportunity to vote on the future of the company.</p>
<p>What are your rights as a creditor?</p>	<p>We enclose a copy of the information sheet "Creditor Rights in Voluntary Administrations" issued by the Australian Restructuring Insolvency & Turnaround Association. It includes your rights to:</p> <ul style="list-style-type: none"> ▪ Make reasonable requests for information; ▪ Give directions to the Administrators; ▪ Appoint a reviewing liquidator; and ▪ Replace us as Administrators.
<p>What happens to your debt?</p>	<p>All creditors of the Company are now creditors in the VA and your debt will be dealt with in the VA.</p> <p>It is important to note that a VA creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the company into liquidation or act on a personal guarantee.</p> <p>If you have leased property to the Company, have a retention of title claim or have a registered personal property security interest in relation to the Company, please contact Angus Malouf at amalouf@wexted.com as soon as possible.</p>
<p>What happens next with the Voluntary Administration?</p>	<p>We will proceed with the Voluntary Administration, which will include:</p> <ul style="list-style-type: none"> ▪ Undertaking an urgent assessment of the financial position of the Company; ▪ Liaising with key stakeholders during the process including employees, customers, suppliers, the ATO, landlords and any secured creditors; ▪ Investigating the Company's affairs; ▪ Considering any proposal for a Deed of Company Arrangement that is proposed; ▪ Preparing our report to creditors; and ▪ Convening meetings of creditors. <p>As discussed above, you will receive further correspondence from us</p>



Question	Answer
	before the second meeting of creditors.
Where can you get more information?	ARITA provides information to assist creditors to understand voluntary administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors . A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by the Australian Securities and Investments Commission (ASIC) is also enclosed for your information.

Further information

For further information about this engagement, please refer to the website www.wexted.com or contact Angus Malouf of our office at amalouf@wexted.com or 02 9210 1708.

Yours faithfully

Yabonza Group Pty Ltd (Administrators Appointed)

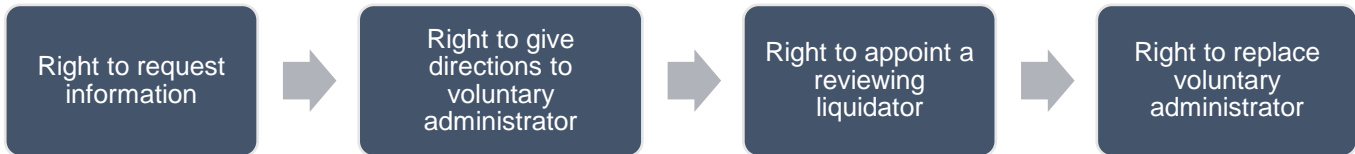
Andrew McCabe
Joint and Several Voluntary Administrator

Enclosures:

1. ARITA Information Sheet – Creditor Rights in Voluntary Administrations
2. DIRRI
3. Notice of Meeting
4. Proof of Debt (Form 535)
5. Proxy Form
6. ARITA Information Sheet – Committees of Inspection
7. Initial Remuneration Notice
8. ASIC Information Sheet - Insolvency Information for Directors, Employees, Creditors and Shareholders

Creditor Rights in Voluntary Administrations

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



Right to request information

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

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

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

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

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

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

Requests must be reasonable.

They are not reasonable if:

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

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

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

Right to give directions to voluntary administrator

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

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

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

Right to appoint a reviewing liquidator

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

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

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

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

Right to replace voluntary administrator

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

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

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

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

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

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

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

**CORPORATIONS ACT 2001
DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES**

**Yabonza Group Pty Limited ACN 620 161 604
(Administrators Appointed) (“the Company”)**

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

We note there are no relationships that are such that our independence is affected.

This declaration is made in respect of ourselves and staff at Wexted Advisors. We are members of Australian Restructuring Insolvency and Turnaround Association (ARITA). We acknowledge that we are bound by the ARITA Code of Professional Practice.

A. Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting these appointments. There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. Declaration of Relationships

How we were referred this appointment

On 26 April 2022, John Bush, a shareholder of the Company, introduced Andrew McCabe of Wexted Advisors to Peter Kinsey, Stephen Barrow and Cameron Knight to discuss restructuring options available to the Company and subsidiaries. Mr Bush previously worked at Ferrier Hodgson at the same time as Mr McCabe, in or around 2001 to 2005, and have remained in contact. There was no formal engagement or work undertaken by Wexted Advisors following this initial introduction.

On 25 May 2022, Mr Bush recirculated the introductory email of Mr McCabe to Mr Barrow and Mr Peter Kinsey, including contact phone numbers to arrange a follow up meeting.

On 30 May 2022, Mr Barrow provided Mr McCabe with a copy of a notice of termination of the Master Services Agreement between Yabonza Asset Management Pty Ltd (YAM) as trustee for the Yabonza Rent Roll fund (Fund), The Wealth Partnership Pty Ltd (TWP) and Yabonza Australia Pty Ltd, signed by Tony Rumble and Paul Manka, directors of YAM.

At 2.30pm on 30 May 2022, Mr McCabe and Mr James Le Messurier of Wexted Advisors attended a directors meeting with Mr Barrow, Mr Peter Kinsey, Mr Knight, Mr Simon Kinsey and Mr Bush in response to the termination letter. Mr McCabe provided a general overview of the external administration options available and the processes, this included voluntary administration and creditors voluntary administration options.

This was followed by conference calls with these parties on 29 June 2022, 13 July 2022 and 25 July 2022 to further discuss the external administration options and process.

From around 29 June 2022 to the date of appointment, Wexted Advisors staff obtained read only access to Company financial records in the Xero Accounting System, other Company records and reviewed ASIC company searches to understand the corporate structure of the group and interactions between the entities within the group to prepare for a potential appointment as external administrators.

The Voluntary Administration appointment was referred to us by Mr Bush, a shareholder of the Company and an employee of a subsidiary, at the request of the directors. We believe that this referral does not result in a conflict of interest or duty because:

- Mr Bush has not previously referred any insolvency matters to our firm; and
- There is no expectation, agreement or understanding between ourselves and the referrer, or the Company (or subsidiaries) about the conduct of this administration and we are free to act independently and in accordance with the law and the requirements of the ARITA Code of Professional Practice.

Did we meet with the Company, the Company Directors or their Advisers before we were appointed?

Yes No

We had several videoconference meetings with the Company directors, Mr Kinsey and Mr Barrow between 26 April 2022 and 26 July 2022, regarding our appointment. The video conference meetings were held on 26 April 2022, 30 May 2022, 29 June 2022, 13 July 2022 and 25 July 2022, for the purpose of:

- Obtaining sufficient information about the Company (and subsidiaries) to advise the Company Directors on the options available to the Companies; and
- To obtain a general understanding of the financial position of the businesses.

We received no remuneration for any advice provided during this period.

We believe that these meetings and discussions do not result in a conflict of interest or duty because:

- The Courts and ARITA’s Code of Professional Practice specifically recognise the need for Members to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the advice provided to the Company (or subsidiaries) is such that it would not be subject to review and challenge during the course of the Voluntary Administration; and
- The pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the Company in an objective and impartial manner.

We have provided no other information or advice to the Company (or the subsidiaries), the Director or advisors prior to our appointment beyond that which we have outlined in this DIRRI.

C. Declaration of Relationships

Within the previous two years, we or our firm, had a relationship with:	
the Company	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The Directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of the Company (i.e. associated entities or their directors)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A former insolvency practitioner appointed to the Company?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole or substantially the	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

whole of the Company's property?	
Other creditors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
We have any other relationships that we consider are relevant to creditors assessing our independence?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Within the 24-month period prior to our appointment as Administrators to the Companies, Wexted Advisors has not had any previous business / financial / commercial dealings with the Referrer, the Directors, the Company (or subsidiaries) or any related parties. Wexted Advisors is not reliant on the Referrer for work in terms of number and or value of assignments.	

D. Group Company Appointments

The appointment as voluntary administrators is being made solely to Yabonza Group Pty Limited A.C.N. 620 161 604.

We advise that on the same day as our appointment as voluntary administrators, on 26 July 2022 the members of the eight (8) subsidiaries of the Company, appointed Andrew McCabe as liquidator. A schedule of the subsidiaries is provided below.

Name	ACN
Yabonza Holdings Pty Ltd	620 722 616
Yabonza Australia Pty Ltd	620 722 634
Yabonza Marketplace Pty Ltd	624 895 067
Yabonza Keys Pty Ltd	624 913 499
Yabonza Operations Pty Ltd	616 105 563
Yabonza Portfolio 1 Pty Ltd	649 822 015
Yabonza Portfolio 2 Pty Ltd	652 717 452
A.C.N. 168 090 293 Pty. Ltd.	168 090 293

E. Indemnities and up-front payments

We have been provided with an up-front payment of \$20,000 to meet part of our remuneration for the conduct of this voluntary administration.

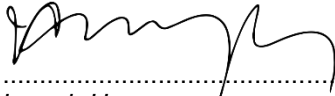
Name	Relationship with Yabonza Group Pty Limited	Nature of indemnity or payment
Mr Barrow, Mr Kinsey	Directors	Upfront indemnity payment of \$20,000. In the event there are sufficient asset realisations in the administration to meet costs and expenses in full, indemnity payment will be refunded to the extent of such realisations.

This does not include any statutory indemnities we may be entitled to under the law.


In relation to seven (7) subsidiaries of the Company, we received an up-front payment of \$50,000 from the directors to meet part of our remuneration for the conduct of the creditors voluntary liquidations. No up-front payment was received for the liquidation of Yabonza Australia Pty Ltd.

We have not received any other indemnities or upfront payments that should be disclosed.

Dated: 27 July 2022



.....
Joseph Hayes



.....
Andrew McCabe

Notes:

1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.
2. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.

NOTICE OF MEETING OF CREDITORS OF COMPANY

Yabonza Group Pty Ltd (Administrators Appointed) ACN 620 161 604 (“the Company”)

On 26 July 2022, the directors under section 436A of the Corporations Act 2001 appointed Andrew McCabe and Joseph Hayes of Wexted Advisors as the Voluntary Administrators of the Company.

Notice is given that a meeting of the creditors of the Company will be held via video conference facilities as follows:

Date: 5 August 2022
Time: 10:00am
Address: Via Microsoft Teams

Agenda

The purpose of the meeting is to:

- Provide a brief history of the Company and the background to the appointment.
- The meeting would also determine:
 - Whether to appoint a committee of inspection; and
 - If so, who are to be the committee's members.
- At the meeting, creditors may also, by resolution:
 - Remove the administrator from office; and
 - Appoint someone else as administrator of the Company.
- Discuss any other relevant business which may arise.

Attending and voting at the meeting

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

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

A proxy is only valid for a particular meeting and will need to be resubmitted for subsequent meetings.

To enable sufficient time to review, proofs of debt and proxies (or document authorising the representation) should be submitted to Angus Malouf by email to amalouf@wexted.com by no later than **5:00pm on 3 August 2022**. If you choose to return these documents, please allow sufficient time for the documents to be received prior to the due date.

Videoconference and virtual meeting particulars

The meeting will be conducted using video conference facilities. Should you wish to participate, please contact Angus Malouf on telephone number (02) 9210 1708 by no later than **5:00pm on 3 August 2022**. Any queries should be directed to Angus Malouf by email at amalouf@wexted.com.

Dated: 27 July 2022



Andrew McCabe
**Joint and Several Voluntary Administrator
Yabonza Group Pty Ltd (Administrators Appointed)**

Note 1: Entitlement to vote and completing proofs

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

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;
unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

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

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of Yabonza Group Pty Ltd (Administrators Appointed)

1. This is to state that the company was, on 26 July 2022⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

I am **not** a related creditor of the Company ⁽⁵⁾

I am a related creditor of the Company ⁽⁵⁾
relationship: _____

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No Yes

If yes, attach written evidence of the debt, the assignment and consideration given.

Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay \$ for the debt?) _____

3A.^{(6)*} 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2022

Signature of Signatory.....

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*;
and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Information Sheet: Committees of Inspection

You have been elected to be, or are considering standing for the role of, a member of a Committee of Inspection (COI) in either a liquidation, voluntary administration or deed of company arrangement of a company (collectively referred to as an external administration).

This information sheet is to assist you with understanding your rights and responsibilities as a member of a COI.

What is a COI?

A COI is a small group of creditors elected to represent the interests of creditors in the external administration. The COI advises and assists the external administrator and also has the power to approve and request certain things – this is discussed in more detail below.

Membership of the COI is a voluntary, unpaid position.

Who can be elected to a COI?

To be eligible to be appointed as a member of a COI, a person must be:

- A creditor
- A person holding the power of attorney of a creditor
- A person authorised in writing by a creditor; or
- A representative of the Commonwealth where a claim for financial assistance has, or is likely to be, made in relation to unpaid employee entitlements.

If a member of the COI is a company, it can be represented by an individual authorised in writing to act on that creditor's behalf. It also allows the creditor to maintain its representation if a change in the individual is required

A COI usually has between 5 and 7 members, though it can have more, or less, depending on the size of the external administration.

A member of a COI can be appointed by:

- resolution at a meeting of creditors
- an employee or a group of employees owed at least 50% of the entitlements owed to employees of the company
- a large creditor or group of creditors that are owed at least 10% of the value of the creditors' claims,

If an employee or group of employees, or a large creditor or group of creditors, appoints a member to the COI, they cannot vote on the general resolution of creditors to appoint members to the COI. Each of these groups also have the power to remove their appointed member of the COI and appoint someone else.

If you are absent from 5 consecutive meetings of the COI without leave of the COI or you become an insolvent under administration, you are removed from the COI.

What are the roles and powers of a COI?

A COI has the following roles:

- to advise and assist the liquidator, voluntary administrator or deed administrator (collectively referred to as the external administrator)
- to give directions to the external administrator
- to monitor the conduct of the external administration.

In respect of directions, the external administrator is only required to have regard to those directions. If there is a conflict between the directions of the COI and the creditors, the directions of the creditors prevail. If the external administrator chooses not to comply with the directions of the COI, the external administrator must document why.

A COI also has the power to:

- approve remuneration of the external administrator after the external administrator has provided the COI with a Remuneration Approval Report (a detailed report setting out the remuneration for undertaking the external administration)
- approve the use of some of the external administrator's powers in a liquidation (compromise of debts over \$100,000 and entering into contracts over 3 months)
- require the external administrator to convene a meeting of the company's creditors
- request information from the external administrator
- approve the destruction of the books and records of the external administration on the conclusion of the external administration
- with the approval of the external administrator, obtain specialist advice or assistance in relation to the conduct of the external administration
- apply to the Court for the Court to enquire into the external administration.

An external administrator is not required to convene a meeting of creditors if the request by the COI is unreasonable, or provide requested information if the request is unreasonable, not relevant to the administration or would cause the external administrator to breach their duties.

A request to convene a meeting of creditors is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- there are insufficient funds in the external administration to cover the cost of the request
- a meeting of creditors dealing with the same matters has already been held or will be held within 15 business days, or
- the request is vexatious.

If a request for a meeting is reasonable, the external administrator must hold a meeting of creditors as soon as reasonably practicable.

A request for information is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- the information would be subject to legal professional privilege
- disclosure of the information would be a breach of confidence
- there are insufficient funds in the external administration to cover the cost of the request
- the information has already been provided or is required to be provided within 20 business days, or
- the request is vexatious.

If the request for information is not unreasonable, the external administrator must provide the requested information within 5 business days, but the law provides for further time in certain circumstances.

An external administrator must inform the COI if their meeting or information request is not reasonable and the reason why.

How does the COI exercise its powers?

A COI exercises its powers by passing resolutions at meetings of the COI. To pass a resolution, a meeting must be convened and a majority of the members of the COI must be in attendance.

A meeting is convened by the external administrator by giving notice of the meeting to the members of the COI. Meetings of the COI can be convened at short notice.

The external administrator must keep minutes of the meeting and lodge them with ASIC within one month of the end of the meeting.

ASIC is entitled to attend any meeting of a COI.

What restrictions are there on COI members?

A member of a COI must not directly or indirectly derive any profit or advantage from the external administration. This includes by purchasing assets of the company or by entering into a transaction with the company or a creditor of the company. This prohibition extends to related entities of the member of the COI and a large creditor(s) that appoints a member to the COI.

Creditors, by resolution at a meeting of creditors, can resolve to allow the transaction. The member of the COI or the large creditor(s) that appoints a member to the COI is not allowed to vote on the resolution.

Where can you 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 www.arita.com.au/creditors.

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 (search "insolvency information sheets").

Initial Remuneration Notice

Yabonza Group Pty Ltd (Administrators Appointed) ACN 620 161 604 (“the Company”)

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the administration will be set.

1 Remuneration Methods

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

- A. **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;
- B. **Fixed Fee:** The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee;
- C. **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations; and
- D. **Contingency:** The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

2 Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based / hourly rates. This is because:

- It ensures that creditors are only charged for work that is performed;
- The practitioner is required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC, distributing funds in accordance with the provisions of the Corporations Act;
- The practitioner is unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the Administration;
- The practitioner has a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration;
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed; and
- The method provides full accountability in the method of calculation.

Details of the hourly rates are attached.

3 Estimate of the cost of the administration

We estimate that our remuneration for this administration will be approximately \$40,000 to \$80,000, plus GST and disbursements up to the second creditors meeting, subject to the following variables which may have a significant effect on this estimate provided and that we are unable to determine until we have commenced the administration:

- An understanding of the assets of the business;
- Assessing a Deed of Company Arrangement (“DOCA”) proposal, if received;
- Accounting to and liaising with investors, employees, creditors and the regulators;
- Assessing potential litigation claims and other recoveries for creditors and shareholders;
- Extension of the convening period or adjournment of the second meeting of creditors, if required; and
- Negotiations or complications with third parties seeking to acquire the business, if a sale process is required.

This estimate is consistent with the estimate provided to the directors prior to our appointment.

4 Explanation of Hourly Rates

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

5 Disbursements

Disbursements are divided into three types:

- **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;
- **External non-professional costs** – these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees; and
- **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 not 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.

Details of the basis of recovering disbursements in this administration are provided overleaf.

Wexted Advisors Insolvency Matters – Schedule of rates January 2022

Classification	Rate	Guide to Staff Experience
Partner	\$700	Registered liquidator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. Leads engagements with full accountability for strategy and execution.
Director	\$600	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner
Senior Manager	\$545	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.
Manager	\$500	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.
Assistant Manager	\$450	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements
Senior Accountant	\$375	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.
Accountant	\$250	Generally, degree qualified and undertaking or about to undertake Chartered Accountant's qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.
Undergraduate	\$180	Generally undertaking relevant degree. Required to assist in day to day fieldwork and basic tasks under the supervision of senior staff.
Support	\$175	Appropriate skills and experience to support professional staff in an administrative capacity.

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 administration is geographically based;
6. the above rates are those chargeable by Wexted Advisors in respect of our employees and contractors. If it becomes necessary to engage the services of an interstate or overseas based insolvency firm to carry out work on our behalf, we reserve the right to recover the rates charged by that practice, which may vary from the rates set out above.

The rates set out above are Wexted Advisors ordinary hourly charge out rates and assume that there is a real prospect of the time costs incurred (at those rates) being paid and within a reasonable time span (within 2 to 3 months). Where that assumption does not hold true, that is, there is either:

- a risk to the collectability of the time costs being incurred; and/or
- there is an expectation that the time costs will need to be carried for a period in excess of a reasonable time span (greater than 3 months);

then, subject to the approval of members, Wexted Advisors reserve the right to seek recovery of their time at a rate in excess of the ordinary hourly charge out rates (set out above) to reflect that additional risk, and or time delay, in recovery.

Basis of disbursement claim

Classification	Disbursements	Charges
Internal	Photocopying	\$0.20 per copy
	Printing	\$0.20 per copy
	Postage	Australia Post rates
	Storage	\$40 per box
	Searches, Couriers and Advertising	At Cost
	ASIC Service Levy	Estimated at \$80 per Company in external administration and per notifiable event
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



ASIC
Australian Securities &
Investments Commission

Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

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

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

Last updated: 30/03/2021 09:23