



McGrathNicol

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Partnership

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Parkview Estate Pty Ltd (Administrators Appointed)
ACN 157 949 810
("the Company")

Circular to Creditors
21 March 2017

I refer to my appointment with Joseph Hayes as Joint and Several Administrators of the Company on 21 February 2017.

The purpose of this circular is to provide creditors with information about the business, property, affairs and financial circumstances of the Company in preparation for the second statutory meeting of creditors.

The meeting has been convened to be held at Cliftons, Level 13, 60 Margaret Street, Sydney NSW 2000 on **Tuesday, 28 March 2017 at 10:00AM.**

The following documents are attached:

- Administrators' Report to Creditors pursuant to Section 439A of the Act;
- Notice convening the meeting of creditors (Form 529);
- Proof of debt form (Form 535) along with an information sheet to assist you in completing the proof of debt; and
- Proxy form (Form 532) along with an information sheet to assist you in completing the proxy form.

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

- 1 the Company should execute a Deed of Company Arrangement;
- 2 the administration should end;
- 3 the Company be wound up; or
- 4 the meeting be adjourned.

Creditors who intend to vote at the meeting must lodge a formal proof of debt, including full supporting documentation, with the Administrators prior to the meeting. If you have already lodged a proof of debt, you are not required to do so again, however, a fresh proxy form is required.

0001 Circular to creditors

In association
with



Liability limited by a scheme
approved under Professional
Standards Legislation

Advisory
Forensic
Transactions
Restructuring
Insolvency



Creditors who are unable to attend the meeting and wish to be represented should ensure that either a proxy form, power of attorney, or evidence of appointment of a company representative pursuant to Section 250D of the Act is validly completed and provided to the Administrators prior to the meeting.

Additionally, creditors who are unable to attend in person may participate via teleconference, subject to providing relevant proof of debt and proxy documents in advance. Please contact us on or before Monday, 27 March 2017 should you wish to participate via teleconference.

Documents may be lodged with me prior to the meeting or may be brought to the meeting.

If a faxed copy of a proxy or power of attorney is provided prior to the meeting, the original of the instrument must be received by me either prior to or at the meeting.

Creditors who wish to discuss any aspects of the above should please contact Richard Woolf of this office on (02) 9248 9924 or by email rwoolf@mcgrathnicol.com.

Dated: 21 March 2017

Barry Kogan
Joint and Several Administrator

Enclosure(s):
Notice of Meetings
Proof of Debt
Instructions for completion of Proof of Debt
Proxy Form
Instructions for completion of Proxy Form
Information for attendance at meeting
Administrators' Report to Creditors



FORM 529A
Corporations Act 2001

Subregulation 5.6.12(1)

**NOTICE OF SECOND MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

Parkview Estate Pty Ltd (Administrators Appointed)
ACN 157 949 810
("the Company")

Notice is given that the second meeting of the creditors of the Company will be held at Cliftons, Level 13, 60 Margaret Street, Sydney NSW 2000 on **Tuesday, 28 March 2017 at 10:00AM.**

Agenda

1. To consider the Administrators' report pursuant to Section 439A of the Corporations Act, in relation to the Company and any other matters raised relating to the Company's future and then to resolve either that:
 - a. the Company should execute a Deed of Company Arrangement;
 - b. the administration should end;
 - c. the Company be wound up; or
 - d. the meeting be adjourned.
2. To consider and if thought fit approve the Administrators' remuneration.
3. If the Company is wound up, to consider:
 - a. and, if thought fit, the Liquidators remuneration;
 - b. the appointment of a Committee of Inspection;
 - c. authorising the Liquidators to compromise debts of the Company beyond the prescribed amount under Section 477(2A) of the Corporations Act; and
 - d. authorising the Liquidators to enter into agreements that may take longer than three months to complete under Section 477(2B) of the Corporations Act.
4. To discuss any other relevant business which may arise.

Dated this 21st day of March 2017

Barry Kogan
Joint and Several Administrator

FORM 535

Corporations Act (2001)

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

To the Administrators of: Parkview Estate Pty Ltd (Administrators Appointed)

1. This is to state that the company was on 21 February 2017 (date of appointment of Administrators), and still is, justly and truly indebted to:

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

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

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

Date	Drawer	Acceptor	Amount \$c	Due Date

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

- *3. 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.

.....

Signature

Occupation:

Address

Dated

Proof of Debt Reference:

*Do not complete if this proof is made by the creditor personally.

**Guarantees/Indemnities**

- Executed guarantee/indemnity;
- Notice of Demand served on the guarantor; and
- Calculation of the amount outstanding under the guarantee.

Judgment Debt

- Copy of the judgment; and
- Documents/details to support the underlying debt as per other categories.

Deficiencies on Secured Debt

- Security Documents (eg. mortgage);
- Independent valuation of the secured portion of the debt (if not yet realised) or the basis of the creditor's estimated value of the security;
- Calculation of the deficiency on the security; and
- Details of income earned and expenses incurred by the secured creditor in respect of the secured asset since the date of appointment.

Loans (Bank and Personal)

- Executed loan agreement; and
- Loan statements showing payments made, interest accruing and the amount outstanding as at the date of appointment.

Tax Debts

- Documentation that shows the assessment of debts, whether it is an actual debt or an estimate, and separate amounts for the primary debt and any penalties.

Employee Debts

- Basis of calculation of the debt;
- Type of Claim (eg. wages, holiday pay, etc);
- Correspondence relating to the debt being claimed; and
- Contract of Employment (if any).

Leases

- Copy of the lease; and
- Statement showing amounts outstanding under the lease, differentiating between amounts outstanding at the date of the appointment and any future monies.

FORM 532
Corporations Act 2001

Regulation 5.6.29

APPOINTMENT OF PROXY

I/We (1) _____ of _____

a creditor of Parkview Estate Pty Ltd (Administrator's Appointed) appoint

(2) _____ or in his/her absence

(3) _____ as my/our general/special proxy to vote at the meeting of creditors to be held on 28 March 2017 at 10.00am or at any adjournment of that meeting.

VOTING DIRECTIONS

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf
(please do not complete the table)

Option 2: If appointed as a special proxy in the manner set out below:
(Please complete the table below)

No	Resolution	\$	For	Against	Abstain
1	"That Parkview Estate Pty Ltd (Administrators Appointed) be wound up, and Barry Kogan and Joseph Hayes be appointed Joint and Several Liquidators."				
2	"That the remuneration of the Administrators for the period from 21 February 2017 to 17 March 2017, calculated on hours spent at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, in the amount of \$128,639.70 (exclusive of GST), is hereby approved for payment."				
3	"That the Administrators' remuneration for the period from 18 March 2017 to 28 March 2017 shall be a sum equal to the time cost spent by the Administrators, their partners and their staff, calculated at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, up to the capped amount of \$24,956.00 (exclusive of GST). Creditors acknowledge that if actual costs incurred are below the amount approved, the Administrators are only authorised to draw the amount incurred. Creditors also acknowledge that if actual costs incurred exceed the amount approved, the Administrators may seek further approval from creditors. The Administrators are approved to draw their remuneration as and when it is incurred from funds under their control".				

No	Resolution	\$	For	Against	Abstain
4	<p>"That the initial remuneration of the Liquidators, for the period of the liquidation, shall be a sum equal to the time cost spent by the Liquidators, their partners and their staff, calculated at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, up to an initial capped amount of \$157,975.00 (exclusive of GST).</p> <p>Creditors acknowledge that if actual costs incurred are below the amount approved, the Liquidators are only authorised to draw the amount incurred. Creditors also acknowledge that if actual costs incurred exceed the amount approved, the Liquidators will seek further approval from creditors.</p> <p>The Liquidators are approved to draw their remuneration as and when it is incurred from funds under their control".</p>				
5	"That a Committee of Inspection be appointed"				
6	"That so far as is necessary for the beneficial winding up of Parkview Estate Pty Ltd (In Liquidation) the Liquidators are hereby authorised pursuant to subsections 506(1A), and 477(2A) of the Corporations Act 2001 to compromise any debt to That Parkview Estate Pty Ltd (In Liquidation) greater than the prescribed amount (currently \$100,000)."				
7	"That so far as necessary for the beneficial winding up of Parkview Estate Pty Ltd (In Liquidation) the Liquidators are hereby authorised to enter into agreements that may take longer than three months to complete pursuant to section 477(2B) of the Corporations Act 2001."				

DATED this _____ day of _____ 2017

(4) Signature _____

CERTIFICATE OF WITNESS - only complete if the person given the proxy is blind or incapable of writing.

I, _____ of _____

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

DATED this _____ day of _____ 2017

Signature of witness _____

Description _____

Place of residence _____

Notes:

- (1) If a firm strike out "I" and set out the full name of the firm.
- (2) Insert the name of the person appointed.
- (3) If a special proxy, "add the words 'to vote for' or the words 'to vote against' and specify the particular resolution".
- (4) If the creditor is a sole trader, sign in accordance with the following example: "A.B., proprietor".
If the creditor is a partnership, sign in accordance with the following example: "A.B., a partner of the said firm."
If the creditor is a company, then the form of proxy must be under its Common Seal or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "for the company, A.B." (duly authorised under the Seal of the Company).

Proxy forms should have been completed and returned by no later than 4pm on 27 March 2017 to be eligible to vote at the meeting.

RETURN TO: **Parkview Estate Pty Limited**
C/- McGrathNicol, GPO Box 9986, Sydney NSW 2001
Phone: +61 2 9248 9924
Fax: +61 2 9338 2699
Email: rwoolf@mcgrathnicol.com



Proxy

Notes for your Guidance

- Insert full name and address of creditor, contributory or member on the top line.
- On the second line, insert the name of the person you appoint as your proxy. You may insert "the Chairperson of the meeting" if you wish.
- On the next line insert the organisation the proxy holder represents or works for (not required if the Chairperson is your proxy).
- You may appoint an alternate proxy on the fourth line who may act if your first appointed proxy cannot attend the meeting. You may insert "the Chairperson of the meeting" if you wish.
- If the proxy is a general proxy the form requires no addition.
- If the proxy is a special proxy the form must include instructions regarding the use of the proxy (i.e. details of the resolution and whether the proxy holder is to cast a vote in favour or against the resolution or abstain from voting).
- Date and sign the Proxy form using one of the following various forms of execution:
 - Sole Trader - Sign the proxy yourself.

 - Partnership - e.g. sign – "Smith & Associates
Per John Smith - Partner"

 - Company - (i) By a director or secretary, e.g. "J Smith – Director".
(ii) By a person duly authorised to sign on behalf of the company, e.g.
"Smith & Sons Pty Ltd. ACN: _____
Per: J Smith
A person duly authorised to sign on the company's behalf".

OR

"Smith & Sons Pty Ltd. ACN: _____
By its duly constituted attorney J Smith".

NB: If signing on behalf of a company the following example is not sufficient:

"Smith & Sons Pty Ltd. ACN: _____
Per: J Smith"
- "Certificate of Witness" is only to be used where the Proxy is being completed on behalf of a person who is blind or incapable of writing. In all other cases a witness to the signature of the person appointing the Proxy is not required and you may ignore the section headed "Certificate of Witness".



Parkview Estate Pty Ltd (Administrators Appointed)
ACN 157 949 810
('the Company')

General Information for Attending and Voting at Meetings of Creditors

Time and Place of Meeting

Pursuant to Corporations Regulations 2001 (**Regulation**) 5.6.14 a meeting of creditors must be convened at a time and place most convenient for the majority of creditors entitled to receive notice of the meeting.

Quorum

- Pursuant to Regulation 5.6.16 a meeting must not act for any purpose except:
 - the election of a chairperson; and
 - the proving of debts; and
 - the adjournment of the meeting;unless a quorum is present.
- A quorum is deemed to be present if at least 2 (two) creditors are present at the meeting in person, by proxy, by power of attorney or participating by telephone.
- A meeting is sufficiently constituted if only one person is present in person if the person represents personally or by proxy or otherwise a number of persons sufficient to constitute a quorum.

Chairperson

Pursuant to Regulation 5.6.17 the Administrator is appointed Chairperson of the meeting. Alternatively, the Administrator may, pursuant to Regulations 5.6.17 and 5.6.34, appoint someone else to act as chairperson of the meeting and authorise that person to use any proxies held by the Administrator on the Administrator's behalf.

For the second meeting of creditors in a Voluntary Administration, the Administrator must chair the meeting pursuant to Section 439B of the Corporations Act 2001.

Voting

- Pursuant to Regulation 5.6.23 creditors will not be eligible to vote at the meeting unless they have lodged particulars of their debt or claim prior to or at the meeting.
- Accordingly, creditors who intend to vote at the meeting should ensure that they lodge a formal proof of debt with the company prior to or at the meeting.
- Pursuant to Regulation 5.6.19 all resolutions put to the meeting will be decided on the voices unless a poll is demanded, before or on the declaration of the result of the voices.

A poll may be demanded by:

- the chairperson; or
- at least 2 (two) persons present in person, by proxy, by power of attorney or participating by telephone and entitled to vote at the meeting; or



- a person present in person, by proxy, by power of attorney or participating by telephone and representing not less than 10% of the total voting rights of all persons entitled to vote at the meeting.
- Pursuant to Regulation 5.6.21, should a poll be demanded:
 - a resolution will be carried if a majority in number and a majority in value vote in favour of the resolution; and
 - a resolution will be lost if a majority in number and a majority in value vote against the proposed resolution.

In the event of a deadlock, the chairperson may exercise a casting vote. In such situations, the minutes of the meeting must specify the chairperson's reasons for exercising, or not exercising, their casting vote.

Proxies

- Pursuant to Regulation 5.6.28 creditors who are entitled to attend and vote at the meeting may appoint a natural person over the age of 18 years as their proxy to attend and vote at the meeting on their behalf.
- Accordingly, creditors who are unable to attend the meeting but who wish to be represented should ensure that a validly executed proxy form is lodged with the Administrator prior to the meeting.
- Pursuant to Regulations 5.6.28 and 5.6.36A creditors may lodge a facsimile copy of a proxy form with the Administrator prior to the meeting; however, the original of the instrument must be received by the Administrator within 72 hours of receipt of the faxed copy.
- Pursuant to Regulations 5.6.28, 5.6.29 and 5.6.31 creditors may lodge a proxy form with the company prior to the meeting by electronic means, however electronic lodgement will only be possible where the convenor has specified an electronic address or other electronic means on the proxy form. Proxy forms lodged via electronic means must be validly executed by signing and scanning the form.
- Pursuant to Regulation 5.6.32 a person may, should they so desire, appoint the Administrator by name or by reference to his or her office to act as his, her or its general or special proxy.

Corporate Creditors

Corporate creditors who wish to attend the meeting should note that they may only be represented by an individual if that person is validly granted a proxy or power of attorney by that corporation.

Alternatively, Section 250D of the Corporations Act 2001 provides that a corporation may, by resolution of its board, provide a standing authority for a specified person to represent the corporation at specified meeting of creditors. A copy of any such resolution should be provided to the Administrator prior to attending the meeting.

Committee of Inspection/Committee of Creditors

Pursuant to Section 436G of the Corporations Act 2001, a person may only serve as a member of a Committee of Creditors if the person is:

- a creditor of the company personally; or
- the attorney of a creditor under a general power of attorney; or
- authorised in writing by a creditor.

Corporate creditors who are members of a Committee of Inspection may be represented by:

- an officer or employee of the member; or
- an individual authorised in writing by the member to represent the member on the committee.

**Parkview Estate Pty Ltd (Administrators
Appointed)**

ACN 157 949 810

ABN 88 157 949 810

("the Company" or "Parkview")

**Report to creditors pursuant to Section 439A of the
Corporations Act 2001**

21 March 2017



McGrathNicol

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Appendix A: Declaration of Independence, Relevant Relationships and Indemnities



1 Introduction

1.1 Appointment

Barry Frederic Kogan and Joseph David Hayes (“**Administrators**”) were appointed Joint and Several Administrators of Parkview Estate Pty Ltd (“**Parkview**” or “the **Company**”) on 21 February 2017 by Westpac Banking Corporation (“**Secured creditor**”) pursuant to Section 436C of the Corporations Act 2001 (“**the Act**”).

1.2 Purpose of this report

The purpose of this report is to provide creditors with details about the Company’s business, property, affairs and financial circumstances in preparation for the forthcoming second meeting of creditors.

This report also informs creditors about the investigations undertaken by the Administrators and the Administrators’ opinion about each of the options available to creditors at the second creditors’ meeting, together with their opinion as to the course of action that the Administrators recommend is in creditors’ best interests.

1.3 Object of administration

In an administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the Directors and officers, to manage the company’s affairs and deal with its assets in the interests of its creditors.

The intention of a voluntary administration is to maximise the prospects of a company, or as much as possible of its business, continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During an administration there is a moratorium over most pre-administration creditor claims.

Administrators are required to investigate the company’s affairs and report to creditors on the Administrators’ opinion as to which outcome of the administration process is in the creditors’ best interests so as to inform creditors prior to voting at the second meeting.

1.4 First meeting of creditors

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed.

The first meeting of creditors of Parkview was held on 3 March 2017 and there were no nominations to appoint an alternative Administrator.

Creditors did not resolve to appoint a Committee of Creditors.

1.5 Second meeting of creditors

The purpose of the second meeting is for creditors to:

1. resolve the future of the Company. In this regard, the options available include whether the Company should:
 - a. be returned to its Director; or
 - b. enter into a Deed of Company Arrangement (“**DOCA**”); or
 - c. enter into liquidation.If creditors do not wish to make an immediate decision, they may also resolve to adjourn the meeting for a period of up to 45 business days;
2. consider and, if thought fit, approve the remuneration of the Administrators;
3. if the Company is wound up, to consider:
 - a. and if thought fit, approve the Liquidators’ remuneration;
 - b. the appointment of a Committee of Inspection;
 - c. authorising the Liquidators to compromise debts of the Company under Section 477(2A) of the Act; and
 - d. authorising the Liquidators to enter into agreements that may take longer than three months to complete under Section 477(2B) of the Act.

The second meeting of creditors for Parkview has been convened to be held at the following location on Tuesday, 28 March 2017:

Second creditors meeting details

Venue	Address	Time
Cliftons	Level 13, 60 Margaret Street, Sydney NSW 2000	10:00am

An agenda in respect of the second meeting is enclosed with this report.

2 Executive summary

- Barry Kogan and Joseph Hayes were appointed joint and several administrators of the Company by Westpac Banking Corporation ("**Secured creditor**") on 21 February 2017, following its lending facility entering into default.
- The Company was incorporated on 23 April 2012 as a special purpose vehicle to acquire and develop a real estate project located at 113-117 Barry Road, Kellyville NSW ("**the Land**"). The Company's objective was to subdivide the Land into individual residential lots and sell them to third party purchasers.
- The Land was acquired for \$4,150,000, with a Development Approval ("**DA**") in place allowing for an initial subdivision ("**Stage 1**") to occur. This subdivision would create 20 individual residential lots for sale, with a remaining 3 lots that could, in due course, be further subdivided.
- We understand that the acquisition and development of the Land was funded by a combination of equity, and debt funding from the Secured creditor.
- The Secured creditor holds a charge over all assets and undertakings of the Company and must be repaid in full before distributions are available for unsecured creditors.
- Whilst the Company's objective was to complete the Stage 1 subdivision during 2014, significant delays have occurred (and individual titles have not been registered as at the date of our appointment).
- Many of the individual lots were pre-sold to third party purchasers (17 pertaining to Stage 1).
- The sunset dates for completion of the contracts have progressively expired and, in some cases, the Company rescinded the contracts. A number of the purchasers commenced legal action in the Supreme Court of New South Wales seeking an order for specific performance (compelling the Company to complete the sale at the original contracted price). The matter is set down for hearing in August 2017.
- The Company's sole Director at the time of our appointment was Ms Lilly Stojcevski.
- Since our appointment, we have served statutory notifications on the Director to deliver all books and records. Notwithstanding numerous follow up requests (and reporting the matter to the Australian Securities and Investments Commission), the Director only commenced providing us with the substantive records of the Company on 19 March 2017. As at the date of this report, considerable materials remain outstanding.
- The absence of books and records has created difficulty for us in undertaking our role as Administrators.
- The Report as to Affairs ("**RATA**") prepared by Ms Stojcevski (which we understand the Director wishes to withdraw and amend) discloses the following financial position:
 - **Assets (circa \$16.5 million)**: Predominantly consisting of the Land;
 - **Liabilities (circa \$11.5 million)**: Secured creditor (owed circa \$7.9 million), Director loan (owed circa \$3.5 million), and unsecured creditors (owed circa \$150,000); and
 - **Net assets (circa \$5 million)**: Representing the Director's view of the net asset surplus available for shareholders.
- Given we have not received all books and records of the Company, we have been unable to verify the value of claims owing and we have also not yet received a valuation to determine the value of the Land. Accordingly, we are unable to comment on the likely outcome for creditors at this time. As our investigations continue, we will update creditors accordingly.
- Since our appointment, we have liaised with various third parties to determine the status of the subdivision and the Company's financial position. Whilst our investigations are continuing, we understand the remaining steps to complete Stage 1 are:
 - Payment of a Special Infrastructure Contribution to the NSW Department of Planning (assessment raised of \$347,255);
 - Re-submission of final (adjusted) plans to The Hills Shire Council; and
 - Final certification that the development complies with the terms and conditions of the DA.
- The registration of individual titles is expected to take approximately 4 weeks following completion of the above steps.

- Once individual titles have been granted, the Company will be in a position to complete the sale of individual lots to third party purchasers (which will generate funds for distribution to creditors).
- As the Company had no cash or liquid assets at the date of our appointment, the Administrators submitted a funding request to the Secured creditor in respect of meeting the remaining costs of the Stage 1 subdivision (which has now been approved, subject to documentation)¹.
- We have undertaken our preliminary investigations in relation to the conduct of the Director and whether there are any amounts that could be recoverable in a liquidation. Our investigations have been inhibited because we have not been provided with all books and records of the Company, and have predominately consisted of a review of banking records (obtained from third parties). These investigations have identified that approximately \$1.5 million has been paid to the current and former Directors since 5 November 2013 from company funds. Without the necessary records, we have been unable to ascertain what these transactions relate to and whether they are reasonable (for example, the Director has advised that she has personally paid certain Company debts and otherwise has loans owing by the Company).
- Whilst we have been unable to undertake a fulsome analysis of solvency at various points, there is evidence that the Company may have traded whilst insolvent for some time prior to our appointment. This includes the Company's failure to pay land tax for 2014 to 2016 (which led to winding up proceedings by the Office of State Revenue in November 2016), allegations from various service providers that amounts owed were overdue for payment and, the failure of the Company to repay the Secured creditor when its facility matured in October 2016.
- There is also a presumption of insolvency that could be relied upon by a Liquidator pursuant to Section 588E(4) of the Act (on the basis the Company may have failed to maintain appropriate books and records). We will consider this issue further as additional records are received and reviewed.
- Further investigations in relation to these issues are required in the event that the Company is placed into liquidation (including a cost benefit analysis of taking legal action). Additionally, prior to considering further action, it is important to consider the shortfall to creditors (if any).
- The second meeting of creditors will be held at **10.00am on 28 March 2017** at Cliftons, Level 13, 60 Margaret Street, Sydney NSW.
- The purpose of the second meeting is for creditors to:
 1. Resolve the future of the Company. In this regard, the options available include whether the Company should:
 - be returned to its Director; or
 - enter into a DOCA; or
 - enter into liquidation.

Additionally, creditors can resolve that the meeting be adjourned for a period of up to 45 business days and as such, the future of the Company will be determined at a further meeting of creditors;

 2. Consider and, if thought fit, approve the remuneration of the Administrators;
 3. If the Company is wound up, to consider:
 - and if thought fit, approve the Liquidators' remuneration;
 - the appointment of a Committee of Inspection;
 - authorising the Liquidators to compromise debts of the Company under Section 477(2A) of the Act; and
 - authorising the Liquidators to enter into agreements that may take longer than three months to complete under Section 477(2B) of the Act.
- As the Company is insolvent and no DOCA proposal has been put forward, the Administrators are unable to recommend that the Company be returned to its Director or that the Company enter into a DOCA.

¹ In the absence of securing funding and completing the subdivision, the Administrators would have limited alternatives other than to realise the Land in its current form. In these circumstances, the likely (financial) outcome for Parkview would be significantly below completion and sell down of the subdivision.

- Accordingly, the Administrators' recommendation at this time is that creditors vote in favour of the Company being placed into liquidation.
- We note that the Director has advised us that she is considering submitting a DOCA proposal in respect of the Company. In the event that a DOCA is submitted prior to the second meeting (or for any other reason), creditors can determine to adjourn the second meeting for up to 45 business days. If this occurs, the Administrators will have time to properly consider the DOCA and whether it provides a superior return than liquidation.
- Creditors should note that although an adjournment will add costs to the administration (circa \$30,000 to \$50,000) in relation to preparing a further report to creditors and convening an additional meeting, if the Company is placed into liquidation and the Director/shareholders are able to secure a refinance, this becomes more difficult and time consuming to implement (as against an immediate DOCA).

3 Administrators' prior involvement

3.1 Background

In accordance with Section 436DA of the Act and the Australian Restructuring, Insolvency & Turnaround Association ("ARITA") Code of Professional Practice, a Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") was enclosed with our first communication to creditors.

The DIRRI disclosed information regarding our independence, prior personal or professional relationships with the Company or related parties and indemnities received in relation to this appointment.

The DIRRI is attached at Appendix A.

3.2 Ongoing assessment

Since the date of our appointment, we have continued to assess whether any potential conflict of interest issues have developed. At the date of this report, our opinion has not changed in that there is no change to the information provided in the DIRRI dated 24 February 2017 which was provided with the notice of the first meeting of creditors.

We remain of the view that we are free from conflict of interest and can therefore continue to properly discharge our duties.

4 Background and statutory information

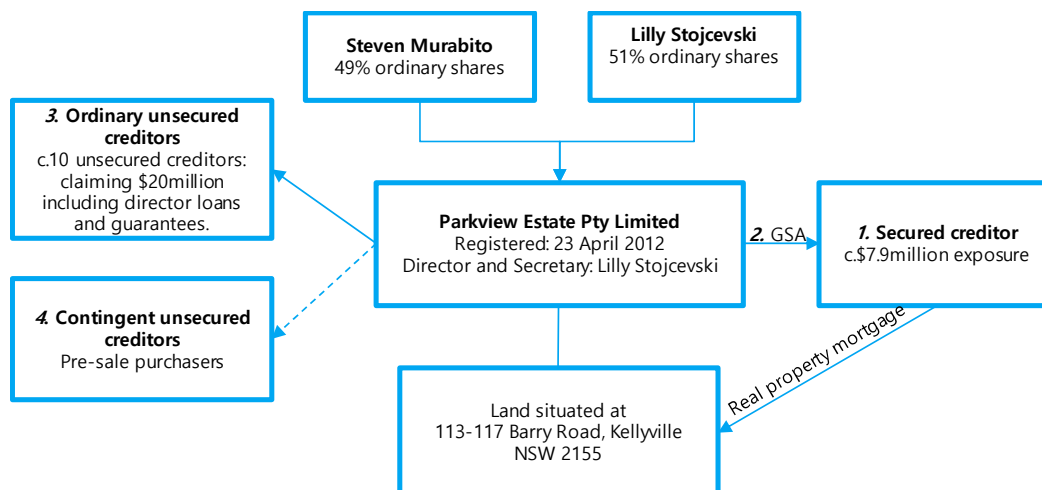
4.1 Business activity

- The Company was incorporated on 23 April 2012 as a special purpose vehicle to acquire and develop a real estate project located at 113-117 Barry Road, Kellyville NSW 2155 (formerly known as 45 Barry Road, Kellyville NSW) (“**the Land**”).
- The Company’s objective was to subdivide the Land into individual residential lots and sell them to third party purchasers.
- We understand that the Company had no other material operations or assets.

4.2 Timeline of key events

Year	Description
April 2012 to June 2013	<ul style="list-style-type: none">▪ Company incorporated▪ Land (on a single title) acquired for \$4,150,000. At the time of the purchase, a Development Approval (“DA”) was in place allowing for subdivision of the Land into individual lots▪ Lending facility entered into with the Secured creditor
July 2013	<ul style="list-style-type: none">▪ Further DA approved (for 2 larger lots created from the initial subdivision to be further subdivided into additional lots)
2012 – 2015	<ul style="list-style-type: none">▪ Roads, essential services and other works undertaken to comply with DA conditions▪ 19 contracts exchanged for the sale of individual lots to third party purchasers (“presale contracts”) with settlement to occur upon completion of the subdivision
2014 - 2015	<ul style="list-style-type: none">▪ Sunset dates expire (at different points) in respect of certain presale contracts
May – June 2015	<ul style="list-style-type: none">▪ 7 presale contracts rescinded by the Company on the basis of sunset dates being reached prior to completion of the subdivision
June 2015	<ul style="list-style-type: none">▪ Litigation commenced by certain presale contract holders with rescinded contracts, seeking specific performance (i.e. sale of land at original contracted price)
October 2016	<ul style="list-style-type: none">▪ Secured creditor’s lending facility due for repayment
November 2016	<ul style="list-style-type: none">▪ Office of State Revenue (“OSR”) filed winding up application in relation to unpaid land tax for 2014, 2015 and 2016
February 2017	<ul style="list-style-type: none">▪ OSR paid and proceedings withdrawn▪ Barry Kogan and Joseph Hayes appointed Joint and Several Administrators pursuant to Section 436C of the Act

4.3 Organisational structure



Notes:

1. Subject to interest and costs.
2. General Security Charge ("GSA") over all assets.
3. \$0.4 million has been claimed by third party creditors to date. \$19.7 million has been claimed by the Director and related parties (including a contingent exposure to the Secured creditor under personal guarantees, where no monies have yet been paid).
4. In respect of deposits and other contractual rights.

4.4 Statutory details, shareholders and officers

A search of the records maintained by the Australian Securities and Investments Commission ("ASIC") database as at the date of our appointment reveals the following statutory details:

Company details				
Company name	ABN	A.C.N	Registered office	Incorporation date
Parkview Estate Pty Ltd	88 157 949 810	157 949 810	Level 1, 106 Queens Road, Five Dock NSW 2046	23/04/2012

Set out below is a summary of the Company's issued share capital as at the date of our appointment:

Shareholder details			
Shareholder details	Class	Shares held	Proportion
Steven Samuel Murabito	ORD	49	49.00%
Lilly Stojcevski	ORD	51	51.00%
Total ordinary shares	ORD	100	100.00%

Source: ASIC searches

Set out below is the Company's office holder at the date of our appointment:

Current office holders		
Name	Position	Appointment date
Lilly Stojcevski	Director	25/01/2017
Lilly Stojcevski	Secretary	25/01/2017

Source: ASIC searches

Set out below are additional office holders who held positions in the twelve months prior to our appointment as Administrators:

Former office holders			
Name	Former position	Appointment date	Cease date
Lupco Stojcevski	Director	30/10/2015	1/02/2017
Lupco Stojcevski	Company Secretary	30/10/2015	1/02/2017

Source: ASIC searches

4.5 Security interests

A search of the Personal Properties Securities Register (“PPSR”) has revealed the following registered security interests over the Company:

Security interests		
Secured party	Type of security	PMSI
Westpac Banking Corporation (ACN 007 457 141)	ALL PAAP	No

Source: PPS Register Search, 28 February 2017

The Secured creditor appointed the Administrators under Section 436C of the Act.

The Secured creditor has the following collateral over the Company:

- A General Security Agreement (“GSA”) over all assets and undertakings of Parkview; and
- A registered Real Property Mortgage over the Land.

The Secured creditor submitted a proof of debt for the purposes of the first creditors meeting totalling \$7,909,234 (subject to interest and costs).

5 Administrators' actions to date

The Administrators and our staff have attended to the following matters since our appointment:

- Notifying major financial institutions of our appointment, seeking to freeze any bank accounts;
- Attending to statutory duties including informing the Australian Securities and Investments Commission ("**ASIC**"), the Australian Taxation Office ("**ATO**"), the OSR and various other statutory authorities of our appointment;
- Attending to numerous meetings with the Company's Director to understand the background to and financial position of the Company;
- Issuing a request to the Director to complete a Report as to Affairs, Director's Questionnaire and deliver the books and records of the Company to the Administrators;
- Following up the Director on several occasions in relation to the delivery of the Company's books and records and seeking other information and assistance;
- Reporting the Director's failure to deliver the books and records of the Company to ASIC and seeking assistance from ASIC in relation to same;
- Corresponding with and reporting to creditors on the progress of the administration;
- Liaising with and issuing notices to third parties who hold books and records of the Company;
- Following up additional information in respect of the Company with various third parties;
- Liaising with key stakeholders, including:
 - service providers (solicitors and other company advisers);
 - land purchasers;
 - the Hills Shire Council; and
 - unsecured creditors;
- Undertaking a physical inspection of the Land and arranging insurance coverage;
- Ongoing correspondence (including meetings) with the Department of Planning, The Hills Shire Council, LCI Legal, Kells Lawyers and various other parties to ascertain the position of the Company and the status of the land subdivision;
- Ongoing correspondence, including numerous calls, emails and meetings with the Director, her advisors and her solicitors;
- Corresponding and meeting with Leverage Lawyers (who represent the rescinded contract holders);
- Corresponding with various estate agents regarding the status of sales/deposits;
- Instructing lawyers in relation to various legal matters, including the litigation with the rescinded contract holders;
- Considering the optimal method to realise the assets of the Company;
- Requesting quotes to obtain a land valuation;
- Issuing our Notices of Appointment and first Circulars to Creditors convening the meeting of creditors held on 3 March 2017;
- Attending and chairing the first meeting of creditors held on 3 March 2017 and lodging the minutes of the meeting with ASIC;
- Undertaking various investigations in relation to the Company and its officers;
- Preparing this report pursuant to Section 439A of the Act and convening the second meeting of creditors to be held on 28 March 2017; and
- Attending to other general and statutory requirements.

6 Books and records

6.1 Introduction

One of the matters the Administrators are required to provide an opinion on is whether the Company's books and records were maintained in accordance with the requirements of Section 286 of the Act.

This Section of the Act requires that a company must keep written financial records that:

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

Failure to maintain books and records in accordance with Section 286 of the Act provides a presumption of insolvency. In accordance with Section 588E(4) of the Act, this presumption can be relied upon by a Liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to the Act from Directors and other related parties (please see Section 11 of this report).

6.2 Commentary

Since our appointment, we have served the necessary statutory notifications on the Company's Director to deliver all books and records in both physical and electronic form to our office. Notwithstanding numerous follow up requests (and reporting the matter to ASIC), the Director only commenced providing us with the substantive records of the Company on 19 March 2017. As at the date of this report, considerable materials remain outstanding.

We consider that a company operating a business similar to Parkview should, as a minimum, maintain the following books and records in order to comply with Section 286 of the Act:

- accounting files and associated working papers;
- management accounts;
- reconciliations of bank accounts and supporting documentation for receipts and payments;
- board meeting minutes and statutory records;
- asset listing;
- taxation returns and supporting documents;
- sale and marketing materials;
- contracts of sale for exchanged lots;
- details surrounding deposits held and the relevant trustee/custodian;
- project/development documentation;
- correspondence/documentation in respect of any debt facilities (including with related third parties); and
- debtor and creditor listings.

Where possible, we have attempted to obtain records and information from various third parties (e.g. solicitors, consultants, banking institutions, and statutory authorities). The Director's failure to provide us with the books and records on a timely basis (and the materials we are yet to receive) has created difficulty in undertaking our role as Administrators and increased costs.

6.3 Summary

While the Director has advised us that the Company has maintained comprehensive books and records, at this time, we are unable to confirm that the Company has met the requirements of Section 286 of the Act. Unless evidence is available to the contrary, the Administrators may be able to presume that the Company has been trading whilst insolvent under Section 588E(4) of the Act.

Further information concerning the ramifications of same are set out in Section 11 of this report.

7 Financial statements and historical financial performance

Amongst other matters, Section 439A of the Act requires the Administrators to report to creditors on the Company's business, property, affairs and financial circumstances.

Ordinarily in a report such as this, the Administrators would set out the Company's statement of financial position, statement of financial performance and cash flow statement over recent years and highlight any key issues or trends in order that the Company's solvency, profitability and liquidity may be assessed at various points in time.

As outlined in Section 6 of this report, the Director only commenced providing us with the substantive records of the Company on 19 March 2017. As at the date of this report, considerable materials remain outstanding.

To date, the only historical financial information we have received are statements of financial performance and statements of financial position for financial year 2016 and for the period from 1 July 2016 to 21 February 2017. No trial balance reports, ledger accounts, or other supporting materials have been provided. The absence of these materials impacts our ability to analyse and report on the materials provided.

7.1 Financial performance

A summary of the Company's statement of financial performance is set out below:

Statement of financial performance		
\$	Unaudited 1 July 2015 to 30 June 2016	Unaudited 1 July 2016 to 21 February 2017
Income		
Construction income	275,012	-
Total Income	275,012	-
Expenses		
Bank fees	(5,387)	(23,129)
Legal and consulting fees	(343,392)	(37,846)
Property holding costs	(152,067)	(93,837)
Total Expenses	(500,845)	(154,812)
Operating profit/(loss)	(225,833)	(154,812)
Other expenses		
Bank and loan interest expenses	(1,699,221)	-
Total other expenses	(1,699,221)	-
Net Profit/(loss)	(1,925,054)	(154,812)

Source: Company accounts

Key points

- We note that the Company was loss making across both periods, however as the Company is a SPV with its sole activity (as we understand it) consisting of purchasing, developing and selling down the Land subdivision, this is not considered unusual (i.e. profits were presumably expected to be crystallised after the individual lot sales occurred).
- The only reported source of income is "construction income". We are unsure what this relates to, given we understand the Company to be a land holding SPV.
- The Company's expense profile is typical for companies involved in property development consisting of legal and consultant's fees, property holding costs (such as land tax and council rates) and interest expense. We understand that the recorded interest expense relates to both the Secured creditor's facility and other (presumably related party) borrowings.
- The Administrators have not received supporting documentation to verify these figures, therefore we are unable to comment on their accuracy.

7.2 Financial position

A summary of the Company's statement of financial position is set out below:

Statement of financial position		
\$	Unaudited 30 June 2016	Unaudited 21 February 2017
Current Assets		
Cash	448	20
Total current assets	448	20
Other assets		
Land - Kellyville	8,566,038	8,566,038
Other assets	(253,241)	497,576
Total other assets	8,312,798	9,063,614
Total Assets	8,313,245	9,063,634
Current liabilities		
Trade payables	417,940	310,379
GST liabilities	30,904	34,843
Total current liabilities	448,844	345,222
Non-current liabilities		
Secured creditor business loan	7,363,653	7,866,813
Director / Secured loan	4,043,313	5,390,837
Total non-current liabilities	11,406,966	13,257,650
Total Liabilities	11,855,810	13,602,872
Net assets	(3,542,565)	(4,539,238)

Source: Company accounts

Key points:

- The Land is disclosed as the key asset of the Company. We have not been advised how the value of the Land in the accounts (which is significantly below the Director's RATA) has been arrived at. We assume that the value consists of the cost of acquisition plus capitalised development costs (with profits on development to be recognised upon sell down of the lots).
- We note that a "secured loan", in addition to the loan from the Secured creditor is disclosed in the accounts. We have been advised by the Director that this relates to funding provided by related parties to acquire the Land. We have not received appropriate documentation to support this loan (nor its security), nor are there any encumbrances registered on the Land title or PPSR (other than in favour of the Secured creditor and the OSR²).
- Based on the disclosed values in the accounts, there is a reported net asset deficiency.
- The Administrators have not received supporting documentation to verify these figures, therefore we are unable to comment on their accuracy.

7.2.1 Cash flow

We have not received any evidence that the Company prepared cash flow statements, however further comments regarding the cash position of the Company are outlined in section 11.2 of this report.

² A caveat supporting outstanding land tax appears on the land title

8 Financial position based on Report as to Affairs ("RATA")

8.1 Introduction

Pursuant to Section 438B(2) of the Act, the Director is required to submit a RATA setting out the book value (and her assessment of the estimated realisable value) of each of the Company's assets and liabilities and ultimately, the expected return available to creditors.

Ms Stojcevski submitted a RATA on 2 March 2017. Whilst we have since been notified that the Director wishes to withdraw the RATA and re-submit an amended version, this has not been received to date.

For the purposes of this report, a summary of the RATA (as provided) is as follows³:

Parkview Estate Pty Ltd (Administrators Appointed) - Director's RATA		
	Director's valuation (book value) (\$)	Estimated realisable value ("ERV") (\$)
Assets		
Cash on hand	20	20
Cash at bank	20	20
Land	9,735,794	16,545,685
Work in progress	11,865,355	-
Plant and equipment	790	-
Prepaid borrowing costs	7,999	-
Total assets	21,609,978	16,545,725
Liabilities		
Secured loan	(7,866,813)	(7,866,813)
Director loan (Lilly Stojcevski)	(3,498,542)	(3,498,542)
Unsecured creditors	(6,435)	Unknown
Contingent liabilities	(143,380)	Unknown
Total	(11,515,170)	Unknown
Net assets	10,094,808	Unknown

Source: Director's RATA submitted 2 March 2017

Our comments follow below.

8.2 Assets

8.2.1 Overall comments

Whilst the Director lists a number of assets in her RATA, the sale of the Company's land interests, is the only asset category that is expected to generate a return to creditors. Further particulars in relation to the Land are set out in Section 9 of this report.

Please note that the Administrators have not audited any of the figures contained in the Director's RATA, nor can they verify their accuracy. These figures represent the Director's views only.

Further details on each of the Company's assets are set out below.

8.2.2 Cash at bank

As at the date of our appointment, Parkview had credit funds in its bank accounts totalling approximately \$20.

Separately, we have written to all major Australian banks to identify and secure any additional funds held by the Company (no additional funds have been located).

³ Please note that this may ultimately be amended by the Director as she has foreshadowed.

As the Company has no available cash (or other readily realisable assets), we have been unable to progress the subdivision works to date.

The Administrators have submitted a funding request to the Secured creditor (which has since been approved, subject to documentation) in respect of the relevant work required to complete the subdivision (this is set out further in Section 9.6). Any additional funds advanced by the Secured creditor will be added to its preferential claim (and subject to its security).

8.2.3 Cash on hand

The Director has disclosed "cash on hand" of \$20. We are unaware of the status of these monies.

8.2.4 Land and "work in progress"

The Director has disclosed values in respect of the Land and "work in progress" (which we assume relates to the partially completed subdivision works). The values attributed to the Land have not been reconciled to exchanged contracts, valuation evidence or other documentation and accordingly, we are unsure of how these values have been arrived at.

The Administrators expect to obtain an independent valuation of the Land in the near future.

8.2.5 Prepaid borrowing cost

Whilst we have been given no additional information in respect of this asset, we expect it relates to loan establishment fees on the Company's secured lending facility (which are unlikely to be recoverable).

8.3 Liabilities

Set out below is our commentary on the Company's liabilities.

8.3.1 Secured creditor

The Director's RATA discloses a balance outstanding to the Secured creditor of \$7,866,813. We note that the Secured creditor has submitted a formal Proof of Debt totalling \$7,909,234 as at the date of our appointment.

The Secured creditor's claim will increase as further interest and costs are incurred and will need to be repaid in full before any funds become available for unsecured creditors.

8.3.2 Director's loans

The Director has advised that she is owed \$3,498,542 in relation to loans advanced to the Company. We have not received sufficient documentation to support this claim at this time.

8.3.3 Unsecured creditors

The Director's RATA lists The Hills Shire Council as the sole unsecured creditor, with a claim of \$6,435.

We note we have received the following Proofs of Debt from unsecured creditors to date:

Proofs of Debt received - Ordinary unsecured creditors

Creditor	Amount (\$)	Notes
Abax Contracting	3,999	
HoskingHurst	25,115	
Kells Lawyers	36,070	
LCI Legal	209,072	
Lila Stojcevski (as Guarantor)	7,866,813	1
Mepstead and Associates Pty Ltd	1,650	
North Western Surveys Pty Ltd	56,823	
Office of State Revenue - Land Tax	88,264	
Rosaria Murabito, Salvatore Murabito, Steven Murabito and Lilly Stojcevski	3,998,541	2
Shady and Rose-Mary Bassili	24,000	
Steven Murabito (as Guarantor)	7,866,813	1
Yarraman Developments Pty Ltd	7,970	
Total Proofs of Debt received	20,185,131	3

Source: Proofs of Debt received by the Administrators

Notes:

1. This claim relates to the liability to the Secured creditor in relation to personal guarantees supporting monies advanced to the Company. As at the date of this report, we understand that no payments have been made under the guarantees (and accordingly, no monies are presently owing in respect of these claims).
2. Insufficient evidence supporting this creditor balance has been provided to date. We understand from the Director that this claim relates to the "contribution" made by Parkview to initially acquire the Land.
3. At this stage, the Administrators will only adjudicate on creditor claims for voting purposes (in respect of creditor meetings). No adjudication for distribution purposes will take place until the Secured creditor has been repaid and funds are available for ordinary unsecured creditors. Please note that the Administrators reserve their rights to adjudicate on creditor claims for dividend purposes in a different manner to what has been adjudicated for voting purposes.

8.3.4 Contingent liabilities

The Director's RATA lists three contingent liabilities totalling \$143,380, as follows:

Contingent liabilities

Creditor	Nature	Amount (\$)	Notes
Office of State Revenue	Future land tax 2017	88,294	1
Sydney Water	Future contribution - Stage 2	15,820	2
NSW Department of Planning and Environment	Future contribution - Stage 2	39,266	2
Total		143,380	

Source: Director's RATA submitted 2 March 2017

Notes:

1. We have received confirmation from the OSR that land tax for 2017 of \$88,294 is currently outstanding.
2. Relates to future sub-division work to be carried out.

8.3.5 Overall comments

Based on the book values set out in the Director's RATA (which may be amended), it is the Director's assessment that there are likely to be sufficient assets to repay creditors in full.

Given we have not yet:

- obtained all of the Company's records to determine the full extent of creditors (or adjudicated on claims received to date); or
- obtained a valuation of the Land,

we are unable to verify the position at this time.

9 Land located at 113-117 Barry Road, Kellyville NSW 2155 (“the Land”)

The Company’s key asset is its land subdivision in Kellyville, NSW. This section of the report provides further detail in relation to this asset.

9.1 Background

- The Company purchased 2.023 hectares of land at 113-117 Barry Road, Kellyville, NSW in 2012 for \$4,150,000.
- When the Land was acquired, there was a DA in place for a 57 lot subdivision (comprising the Land and adjoining property held by an unrelated third party).
- The Company’s intention was to develop and sell down an initial 20 lot residential subdivision (to individual purchasers) (“**Stage 1**”) and then to undertake further subdivision work in respect of 3 remaining “residue” parcels.
- We understand that a separate DA for 2 of the 3 residue parcels was approved in 2013 (which will split the 2 lots into 4 lots) (“**Residue Lots – Parcel 1**”) and that there has been no DA submitted for the remaining residue lot (“**Residue Lots – Parcel 2**”).

9.2 Status of subdivision

In order to determine the remaining work required to finalise the subdivision and have individual lots registered (for Stage 1), we have been in contact with various external parties, including:

- The NSW Department of Planning and Environment;
- The Hills Shire Council;
- North Western Surveys and ADW Surveyors (the Company’s surveyors and development advisers);
- Brent Annis-Brown (the Company’s superintendent); and
- Conveyancing and other consultants of the Company.

A summary of the status of the subdivision, by stage, is set out in the table below (and more detailed comments follow overleaf).




Status of lots in subdivision			
Development phase	Report section	Current position	Number of lots
Stage 1 (initial 20 lot subdivision)	Section 9.3	Exchanged contracts	11
		Rescinded contracts	6
		Never sold	3
			20
Residue Lots - Parcel 1 (DA for 4 lot subdivision)	Section 9.4.1	Exchanged contracts	2
		Rescinded contracts	1
		Never sold	1
			4
Residue Lots - Parcel 2 (no DA)	Section 9.4.2	Exchanged contracts	-
		Rescinded contracts	-
		Never sold	All

Source: Third party enquiries

A diagram setting out the proposed subdivision (including relevant lot configuration) is set out below:



Key:

-  Stage 1
-  Residue lots – Parcel 1
-  Residue lots – Parcel 2

Source: NSW Department of Planning

9.3 Stage 1

Based on our enquiries of various third parties, we understand that all civil works, roads, and services necessary to meet the DA conditions have been satisfied and the remaining steps to complete the subdivision and secure individual titles are as follows:

- Payment of a "Special Infrastructure Contribution" ("SIC") to the NSW Department of Planning (assessment raised of \$347,255);
- Re-submission of final (adjusted) plans to The Hills Shire Council; and
- Final certification that the development complies with the terms and conditions of the DA.

Once individual titles have been granted, the Company will be in a position to sell the individual lots to various third party purchasers.

9.4 Residue lots

We have been advised that there are two parcels of residue lots where additional work is required before individual titles are granted. Our comments follow below.

9.4.1 Residue lots - Parcel 1

We understand that this land is subject to a separate DA for subdivision into 4 lots.

We understand that there may be certain physical works to be carried out as well as payment of a further SIC contribution for this subdivision to be completed.

9.4.2 Residue lots – Parcel 2

We understand that no DA has been granted in respect of this lot and that the Company has not yet determined its strategy for the realisation of this land.

9.5 Delays in completion of subdivision and litigation

Based on discussions with various third parties, we understand that the Company's objective was for Stage 1 of the subdivision to be completed by late 2014. Shortly after this timeframe, the sunset date for completion of the various pre-sale contracts began to expire.

The Director has advised us that the delays were caused by factors outside the Company's control including, a dispute with an adjoining owner in relation to a storm water easement (which has since been resolved).

The reasons for the delay in the subdivision are being considered in the context of a litigation in the Supreme Court of New South Wales ("**the Court**") between the Company (as defendant) and certain pre-sale contract holders (as plaintiffs) who have had their contracts rescinded by Parkview.

Section 9.5.1 (below) provides further information in relation to the litigation.

9.5.1 Legal dispute with rescinded contract holders

Following the Company's decision to rescind certain pre-sale contracts due to the sunset date for settlement expiring, a number of the purchasers ("**Aggrieved Purchasers**") commenced legal action against the Company.

The Aggrieved Purchasers are seeking an order for specific performance compelling the Company to settle the sale of the pre-sold lots at the original purchase price. In the event that the Aggrieved Purchasers are unsuccessful in securing a specific performance order, they are seeking a judgement for damages, being a claim for the difference between the original contract price and current market value (we understand the lots have appreciated since contracts were exchanged).

Depending on the outcome of the litigation, the Aggrieved Purchasers may constitute an additional creditor group.

The Administrators are seeking independent legal advice in relation to the Company's position and have not taken any active steps in relation to the proceedings since our appointment.

The litigation has been set down for hearing in August 2017.

9.6 Next steps

It is the Administrators' strategy to complete the Stage 1 subdivision as soon as possible and then proceed to realise the individual lots. Concurrent with this process, we will seek a valuation of the Land in order to determine the likely returns to creditors.

As outlined earlier in this report, as the Company is without funds to meet the remaining costs of the subdivision, we have submitted a funding request for the consideration of the Secured creditor. The Secured creditor has indicated that they have approved the funding request (subject to relevant documentation being agreed). In the absence of securing funding to complete the subdivision, the Administrators would have limited alternatives other than to realise the Land in its current form. In these circumstances, the likely (financial) outcome for Parkview would be significantly below a completion and sell down of the subdivision.

Once the Administrators have received independent legal advice on the Company's position with regard to the litigation, we will determine next steps in relation to same.

10 Explanation for difficulties

10.1 Director's reasons for failure

On 3 March 2017, the Company's Director provided the Administrators with a completed questionnaire in relation to certain matters concerning the Company.

In that questionnaire, the Director advised that the Company was not insolvent and that any financial difficulties were brought on by events outside her control, including disputes with various third parties.

10.2 Administrators' view

As we have not been provided with all of the Company's books and records, it is difficult for us to comment with clarity as to full range of reasons leading to the Company's insolvency.

From the information provided to date, it appears that delays in completing the subdivision of Stage 1 of the Land (and the sale of the individual lots) in a timely manner, resulted in the Company being unable to pay various costs associated with the Land (including the Secured creditor's facility on maturity), leading to our appointment as Administrators.

10.3 Outstanding winding up applications

The Chief Commissioner of State Revenue (on behalf of the OSR) filed a winding up application with the Court on 25 November 2016. The winding up application was filed in relation to outstanding Land Tax owing for 2014, 2015 and 2016 in the amount of \$163,847.

We have been advised that on 13 February 2017, the outstanding amount of \$163,847 was paid (however Land Tax of \$88,295 for 2017 has now also fallen due for payment and is presently outstanding).

We have not been made aware of any other winding up applications against the Company.

11 Offences, insolvent trading and voidable transactions

11.1 Offences

The ARITA has issued an "Offences, Recoverable transactions and Insolvent trading" information sheet providing general information for creditors about insolvent trading and voidable transactions.

This information sheet is available from the ARITA website (www.arita.com.au). If you are unable to access this website, please contact this office to obtain a copy.

11.2 Insolvent trading

Other than in cases of fraud, the directors of a company may only be sued for insolvent trading if the company is in liquidation. Where a Voluntary Administrator has been appointed, assessment of the issue of insolvent trading can be important to creditors if they are being asked to choose between a DOCA or a liquidation. In that instance, creditors have to assess the advantages to them of a DOCA (which does not include proceeds from insolvent trading actions) compared to the likely return to them in a liquidation (which could include the proceeds of any successful insolvent trading action). A liquidation also preserves the possibility of individual creditors taking action in their own right.

Before a Court will order that a person pay compensation in respect of insolvent trading, a Liquidator must establish that:

- The person was a director of the company at the time the company incurred the debts that are the subject of the claim;
- The company was insolvent at that time or became insolvent by incurring the debt;
- At that time, there were reasonable grounds for suspecting that the company was insolvent or would become insolvent by incurring the debt; and
- The debt the subject of the claim was wholly or partly unsecured and the creditors to whom debts are owed have suffered loss and damage.

In determining whether the Director traded the Company at a time when it was insolvent, both a net assets and cash flow assessment of the Company are generally required to be considered.

11.2.1 Introductory comments

Given we have not yet received all of the books and records of the Company, it is difficult for us to undertake a proper assessment of whether the Company traded whilst insolvent in the period leading up to our appointment.

In the circumstances, the Administrators may be able to form a general presumption in relation to the Company's insolvency (please see Section 11.2.4 below).

Our comments on the issue of solvency follow below.

11.2.2 Net assets assessment

Considering a company's solvency from a "net assets" perspective, requires a review of the company's assets and liabilities (to determine whether there is a net asset surplus) at various points in time.

In the context of Parkview, this requires a proper assessment of the value of the Land, amounts owed to various creditors and, whether after, taking into account the full range of construction, realisation and other costs, the proceeds from the sale will discharge all creditors' claims in full.

With regard to the information received to date, we note the following:

- *Management accounts:* The Company's management accounts as at 30 June 2016 and the date of our appointment disclose a significant net asset deficiency. A key component of these accounts is the value attributed to the land. As we have not been provided with access to the Company's underlying accounting system, we are unable to verify the manner in which this value has been arrived at (for example, it may have been disclosed at acquisition cost plus capitalised improvements, not taking into account 'end' market value).
- *RATA:* the Director's RATA (which may be resubmitted) discloses a significant surplus of assets as against the Company's liabilities as at the date of our appointment, meaning the Director's assessment is that the Company is solvent from a net assets/balance sheet perspective.

As advised earlier in this report, as various Company records have not been provided to us, we cannot confirm that all claims have been properly captured and we do not yet know the likely realisable value of the Land. Accordingly, we cannot comment on the Company's net asset position in the time leading up to (or on the date of) our appointment.

11.2.3 Cash flow assessment

Assessment of a company's solvency position on a cash flow basis requires a review of the company's ability to meet its ongoing liabilities from its available cash resources.

This requires consideration of issues such as cash holdings, whether creditors were paid within terms, and whether the company has complied with its statutory payment obligations.

Given we have not been furnished with the complete books and records of the Company, we cannot undertake a detailed assessment of the Company's solvency position in the period leading up to our appointment from a cash flow perspective.

However, we note that:

- the Company has failed to pay its Land Tax liability since 2014 (we understand that the OSR issued a Statutory Demand for Payment in February 2016 and commenced winding up proceedings in November 2016);
- various solicitors and other service providers allege that their invoices were overdue for payment; and
- the Company failed to repay the Secured Creditor's facility when it matured on 30 October 2016.

Accordingly, it is arguable that the Company was insolvent on a cash flow basis at some stage in the period leading up to our appointment.

This assessment will need to be refined based on a review of the Company's books and records in due course.

11.2.4 Presumption of insolvency

As set out in Section 6 of this report, we have not been furnished with all of the Company's books and records and have therefore been unable to conclude that the Company maintained appropriate books and records in accordance with Section 286 of the Act.

Pursuant to Section 588E(4) of the Act, a company is presumed to have been insolvent throughout a particular period if it has failed to keep sufficient and appropriate financial records in relation to that period.

Accordingly, at this time (and subject to provision of records to support a contrary view), it may be possible to conclude that the Company traded whilst insolvent at various points leading up to our appointment.

11.2.5 Director defences

Section 588H of the Act sets out statutory defences available to directors in respect of a claim for insolvent trading. These include:

- At the time of incurring debts, the director had reasonable grounds to expect that the company was solvent;
- The director relied on information provided by a competent and reliable person which concluded that the company was solvent at the time debts were incurred;
- The director was ill (and therefore did not take part in management) at the time the debt was incurred; and
- The director took reasonable steps to prevent the debt being incurred.

11.2.6 Administrators' conclusions regarding solvency

The Administrators have not been provided with the Company's books and records in order to clearly determine if and when the Company was trading whilst insolvent. However, based on the analysis set out in section 11.2.3 of this report, it is arguable that the Company was insolvent on a cash flow basis at some stage in the period leading up to our appointment (and perhaps for a more significant period based on the presumption of insolvency due to a failure to maintain books and records).

Further investigations are required in relation to this issue and will be undertaken in the event that we are appointed as Liquidators of the Company, subject to determining the loss suffered by creditors (if any).

11.3 Voidable transactions

11.3.1 General comments

In the event that the Company is wound up, certain transactions that occurred prior to the appointment of the Administrators, and where the property of the company was disposed of or dealt with, may be recovered by the Liquidator under Part 5.7B of the Act. This may result in, among other things, a requirement for a third party to return property and/or money to the Company and thereby increase the assets available to the Liquidator and creditors. These are known as voidable transactions.

Corporations Regulation 5.3A.02 requires an Administrator to specify whether there are any transactions that appear to the Administrator to be voidable transactions in respect of which money, property or other benefits may be recoverable by a Liquidator under Part 5.7B of the Act. As with the insolvent trading analysis above, this issue is relevant to creditors if they are being asked to choose between a DOCA or a liquidation, because voidable transactions are only recoverable if a liquidation occurs.

Voidable transactions include:

- *unfair preference* claims: being transactions between the company and a creditor, resulting in the creditor receiving from the company, in relation to an unsecured debt owed to the creditor, a greater amount than it would have received in relation to the debt in a winding up of the company;
- *uncommercial transactions*: being transactions which a reasonable person in the place of the company would not have entered into, taking into account the benefits and the detriment to the company, the respective benefits to the other parties involved and any other related matters;
- *unfair loans*: being a loan agreement where the interest or charges are considered to be extortionate. Unfair loans made to the company any time prior to the appointment of the Administrators may potentially be overturned by a subsequently appointed Liquidator, whether or not the company was insolvent at the time the loan was entered into; and
- *Unreasonable Director-related transactions*: being an unreasonable director-related transaction where a payment, conveyance or other disposition by the company of property is made to a director or close associate of the director. Furthermore, it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to the benefits (if any) and detriment to the company of entering into the transaction. The transaction must have been unreasonable, and entered into during the four years leading up to the company's liquidation, regardless of the solvency at the time the transaction occurred.

Given the full extent of the books and records of the Company have not been made available to us, our investigations into voidable transactions have been limited to reviewing withdrawals from the Company's bank accounts since 5 November 2013 (which have been sourced directly from the Company's bank).

Without supporting documentation in respect of the Company's transactions, we are unable to form any views in relation to unfair preference claims, uncommercial transactions or unfair loans. Comments in relation to potential "unreasonable director-related transactions" follow in Section 11.3.2 below.

11.3.2 Unreasonable director-related transactions

Our preliminary investigations have identified the following payments made to a Director or former Director during the period 5 November 2013 to 20 February 2017:

Parkview Estate (In Administration) Pty Ltd - Director related payments			
Individual	Position	Number of transactions	Amount (\$)
Lilly Stojcevski	Director and Secretary	37	401,163
Steven Samuel Murabito	Former Director	31	1,066,752
Lupco Stojcevski	Former Director and Secretary	-	-
Total		68	1,467,915

Source: Westpac bank statements

As the Administrators have not been provided with relevant books and records, we are unable to ascertain what these transactions relate to and whether they are reasonable.

We note the Director has advised that she has paid a number of the Company's debts personally (and is owed monies on loan account), but has not provided appropriate support to confirm these claims (additionally, there are a range of unknown deposits totalling circa \$665,000 over this period, which may have been funded by the Director/related parties).

We note that our investigations to date are preliminary. If the Company is wound up (and subject to the loss to creditors, if any), further investigations and a cost benefit analysis of pursuing recovery action will need to be undertaken.

11.4 Breach of Directors' duties

Sections 180 to 184 of the Act set out the duties, obligations and responsibilities imposed on directors which are designed to promote good governance and ensure that directors act in the interests of the company. These duties include:

- duty of care and diligence;
- duty of good faith;
- duty not to make improper use of position; and
- duty not to make improper use of information.

At this time, we have been unable to ascertain whether the Directors have failed to discharge their statutory obligations to the Company. The Administrators will give further consideration to this issue if the Company is wound up.

11.5 Director's asset position

We have undertaken public searches in respect of real property assets and shareholdings the Director may hold.

Preliminary investigations indicate the Director may hold assets in NSW (including real estate) however at this stage we are unable to precisely clarify the Director's asset position.

We will conduct further investigations into the Director's asset position if the Company is wound up.

11.6 Funding to pursue insolvent trading and voidable transactions

Insolvent trading and voidable transactions can only be pursued in a liquidation and further investigations and any subsequent proceedings may incur significant costs. Funding may be required from creditors or litigation funders should the Liquidators (if appointed) seek to commence such action. A key consideration on whether such action is pursued is the ultimate loss (if any) to creditors.

12 Alternative courses of action

As Administrators, we are required to provide creditors with a statement of our opinion about each of the courses of action in respect of which creditors are entitled to vote at the meeting to be held on 28 March 2017.

The matters requiring our opinion are:

- whether it would be in the creditors' interests for the administration to end, with control of the Company reverting to its Director; or
- whether it would be in the creditors' interests for the Company to execute a DOCA; or
- whether it would be in the creditors' interests for the Company to be wound up.

In addition, creditors are entitled to adjourn the meeting for up to 45 business days.

12.1 Deed of Company Arrangement

A DOCA is a binding arrangement between a company and its creditors governing how the company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business, continuing, or to provide a better return for creditors than an immediate winding up. A DOCA binds all unsecured creditors, even if they voted against the proposal.

At this stage, we have not received a DOCA proposal, however, we understand that the Company's Director is considering submitting a proposal prior to the second meeting.

Should this occur, it may be appropriate for creditors to resolve to adjourn the meeting for up to 45 business days to allow the Administrators time to assess the proposal and provide a recommendation to creditors.

Given we have not received a DOCA proposal for creditors' consideration as at the date of this report, at this time, it is our opinion, that it is not in the best interests of creditors to vote in favour of a DOCA.

12.2 Administration to end

Creditors may consider ending the administration and returning the control of the Company to its Director.

If control of the Company were returned to its Director, then she would resume control of the Company's assets and be able to deal with them as deemed appropriate. This would place the Company in a similar position to that existing prior to the appointment of the Administrators.

At this stage we have not received any proposals from the Director which would convince us that this would be a commercially viable option given the Company is currently without funds to meet creditor liabilities and is therefore insolvent.

Given the Company is insolvent, in our opinion, it is not in the best interests of creditors to vote in favour of the administration to end.

12.3 The Company to be wound up

An Administrator would usually recommend that creditors vote for an insolvent company to be wound up in the absence of an acceptable DOCA proposal. An Administrator would also recommend liquidation in preference to a DOCA if there is a strong likelihood that recoveries in a liquidation (for example, voidable transaction recoveries) will improve the return to creditors in comparison to the return expected under a DOCA.

The liquidation of the Company would involve:

- the completion of a more detailed investigation into the affairs of the Company and the conduct of its Director;
- further enquiries with regard to potential insolvent trading and voidable transaction actions;
- reporting to ASIC in relation to any offences committed by the Director of the Company; and
- adjudication of creditor claims and payment of dividends.

Given we have not received a DOCA proposal for creditors' consideration as at the date of this report and the Company is insolvent, at this time, the Administrators' recommendation is that creditors vote in favour of the Company being placed into liquidation.

12.4 Adjourning the creditors meeting

In addition to the above three options, creditors may resolve to adjourn the creditors meeting for up to 45 business days. Creditors may determine to pass this resolution in circumstances where (for example) a DOCA is proposed but has not been properly considered prior to the second meeting of creditors on 28 March 2017 (or for any other reason deemed appropriate).

Creditors should consider the following advantages and disadvantages of adjourning the meeting before determining the manner in which they vote:

- **Advantages of adjournment:** If the meeting is adjourned, it is possible that a DOCA may be proposed which provides creditors with a superior or more timely return than liquidation. If the Company is placed into liquidation and the Director/shareholders are able to secure a refinancing proposal, this becomes more difficult and time consuming to implement (as against an immediate DOCA).
- **Disadvantages of adjournment:** Whilst the Administrators will continue to advance the subdivision, the adjournment of the meeting will require a further report to creditors and the convening of an additional meeting (including relevant statutory lodgements). We expect that this will increase the costs of the administration by circa \$30,000 to \$50,000 (exclusive of GST). Additionally, the stay of proceedings against the Company under Section 440D of the Act and against guarantors under Section 440J of the Act will continue to be in place (which may impact the rights of certain creditors).

Creditors should carefully consider the relative advantages and disadvantages of the various courses of action prior to determining how they wish to vote at the forthcoming meeting on 28 March 2017.

Based on the analysis outlined above, at this time, our overall recommendation is that creditors resolve to place the Company into liquidation.

12.5 Anticipated return to creditors

As stated earlier in this report, as we have not been provided with the books and records of the Company and have not yet received a valuation of the Land, it is not possible for us to prepare an estimate of the likely return to creditors at this time.

For illustrative purposes (only), we have adopted certain information provided by the Director in her RATA and other information made available to us to provide the following estimates.

Estimated return to creditors in a liquidation (for illustrative purposes only)			
ERV	High (\$)	Low (\$)	Notes
Cash at bank and in hand	-	-	
Land	16,545,725	12,409,294	1
Less			
Land registration, statutory and holding costs	(751,715)	(989,644)	2
Administrators' fees and disbursements (21 February 2017 to 17 March 2017)	(141,504)	(141,504)	
Estimated Administrators' fees and disbursements (18 March 2017 to 28 March 2017)	(27,452)	(27,452)	
Estimated Liquidators' fees and disbursements (if applicable)	(173,773)	(191,150)	
Legal and other advisor costs incurred to date	(43,350)	(60,000)	
Estimated future legal and other advisor costs	(125,000)	(200,000)	
Amount available for secured creditor	15,282,932	10,799,544	
Secured creditor claim (subject to interest and charges)	7,909,234	7,909,234	
Estimated return to secured creditor	100%	100%	
Amount available for unsecured creditors	7,373,698	2,890,311	
Unsecured creditor claims	375,848	4,374,389	3
Estimated return to unsecured creditors	100%	66%	
Funds available to shareholders	6,997,850	(1,484,079)	

Notes:

1. The "high" realisable value figure for the land is extracted from the Director's RATA, whereas the "low" scenario applies a 25% discount to this figure.
2. In order for the subdivision to be registered there are a number of statutory and other payments required including land holding costs.
3. In the "high" scenario, unsecured creditors' claims consist of the total proofs of debt received to date excluding all Director and related party claims (i.e. Director and related party guarantees and loans). In the "low" scenario, unsecured creditors' claims consist of all proofs of debt lodged (including Director and related party claims other than guarantee exposures, which are already represented by the Secured creditor's claim).

It should be noted that the above analysis does not take into account any taxes or other charges which may be levied upon the sale of the Land. The Administrators are unsure of the tax position of the Company at this time.

Creditors should note that the above analysis is for illustrative purposes only. Actual outcomes may differ significantly from what is indicated and no warranty as to the accuracy or reliability of this estimate is provided.

As the Company's financial position is better understood, creditors will be updated accordingly.

13 Creditors information on remuneration

Sections 14 to 15 of this report deal with remuneration incurred to date and future remuneration required to deal with the remainder of the administration and the liquidation of the Company (depending on the outcome of the meeting of creditors convened for 28 March 2017).

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an External Administrator's fees in a liquidation, a voluntary administration or a DOCA.

This information sheet is available from the ARITA website (www.arita.com.au). If you are unable to access this website, please contact my office to obtain a copy

14 Administrators' remuneration

An Administrators' remuneration can only be fixed by resolution of a committee of creditors, the Company's creditors or by application to the Court.

In accordance with Section 449E of the Act and the ARITA Code of Professional Practice, a Schedule of Remuneration Methods and Hourly Rates was provided to creditors with our initial circular and tabled at the first creditors meeting held on 3 March 2017.

14.1 Remuneration incurred from 21 February 2017 to 17 March 2017

The following resolution will be proposed at the meeting of creditors convened for 28 March 2017:

"That the remuneration of the Administrators for the period from 21 February 2017 to 17 March 2017, calculated on hours spent at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, in the amount of \$128,639.70 (exclusive of GST), is hereby approved for payment."

This remuneration has been calculated in accordance with the Schedule of Remuneration Methods and Hourly Rates previously provided at the commencement of the administration.

14.1.1 Description of work completed

Task area	General description	Includes
Assets 45.6 hours \$19,482.30	Strategy and process	<ul style="list-style-type: none"> Considered the optimal method to realise the assets of the Company.
	Land	<ul style="list-style-type: none"> Visited the Kellyville site to view the Land and ascertain whether any immediate remedial work was required (ie site clean-up). Requested quotes to obtain a land valuation. Communicated with local council to determine action required to finalise the subdivision. Queried subdivision of land with local council. Investigated information contained on local council portal. Corresponded with neighbouring property owner regarding residue land. Liaised with Department of Planning and Environment regarding SIC payment. Corresponded with surveyors to determine actions required for the subdivision of the land. Engaged surveyors to undertake the submission of final plans to local council. Liaised with conveyancing lawyers, real estate agents and pre-sale holders to determine the status of sales activity. Held multiple meetings with various Company advisors and lawyers to determine status of subdivision. Reviewed conveyancing files provided by lawyers. Queried reports regarding sales and marketing activity.
Creditors 132.5 hours \$55,985.20	Creditor enquiries	<ul style="list-style-type: none"> Liaised with creditors in relation to their claims and the administration generally. Reviewed and prepared correspondence to creditors and their representatives via email and post.

Task area	General description	Includes
		<ul style="list-style-type: none"> Reviewed information regarding litigation. Discussed and confirmed replacement of solicitor on record for litigation. Held meetings with legal advisors regarding litigation on foot. Provided instructions for adjournment hearings. Received updates from lawyers regarding outcome of adjournment hearings. Corresponded and held a meeting with legal advisors who represent the rescinded contract holders. Provided updates to pre-sale contract holders. Provided written progress reports to Secured creditor. Corresponded with secured creditor regarding provision of books and records. Liaised with secured creditor regarding funding.
	Circulars	<ul style="list-style-type: none"> Prepared creditor reports and notifications (including our initial circular to creditors and notice of first meeting of creditors).
	Dealing with proofs of debt	<ul style="list-style-type: none"> Reviewed proofs of debt received by the Administrators. Liaised with Director regarding proofs of debt received.
	Meeting of Creditors	<ul style="list-style-type: none"> Prepared for and attended the first meeting of creditors including preparing the meeting circular, notices, proxies, and advertisements. Prepared meeting file including; Chairman's notes, meeting presentation, agenda, certificate of postage, attendance register and list of creditors. Prepared and lodged minutes of first meeting of creditors with ASIC. Responded to creditors queries and questions immediately following the meeting of creditors.
Investigations 58.1 hours \$27,308.20	Books and Records	<ul style="list-style-type: none"> Issued a request to the Director to complete a Report as to Affairs, Director's Questionnaire and deliver the books and records of the Company to the Administrators; Requested books and records from the Director, including numerous follow up requests. Issued books and records requests to conveyancing solicitors. Contacted the Director's lawyers and advisor multiple times to request books and records. Liaised with ASIC to request assistance regarding provision of books and records from director.
	Insolvent trading, preferential payments	<ul style="list-style-type: none"> Reviewed Parkview's bank statements and identified relevant transactions.

Task area	General description	Includes
	and voidable transactions	
Statutory and administration 66.0 hours \$25,864.00	Liaising with management	<ul style="list-style-type: none"> Prepared for and attended meetings and calls with the Company's Director and her representatives on the administration status. Multiple written correspondence to and from the Director
	Project management	<ul style="list-style-type: none"> Held internal strategy meetings and maintained work plans. Prepared key engagement information. Established administration timeline. Obtained and reviewed public information from ASIC and the PPSR.
	Bank account administration	<ul style="list-style-type: none"> Prepared correspondence to open Administrators' bank account. Requested bank statements. Corresponded with the bank on various matters. Notified major financial institutions of our appointment, seeking to freeze any bank accounts.
	Statutory notices	<ul style="list-style-type: none"> Prepared and lodged statutory lodgements with ASIC including the Form 505. Advised other statutory authorities (e.g. the Australian Taxation Office and the Office of State Revenue) of our appointment.
	DIRRI	<ul style="list-style-type: none"> Reviewed, amended and approved the DIRRI.
	Reports as to Affairs ("RATA")	<ul style="list-style-type: none"> Issued a letter to the Company's Director requesting she complete a RATA and a questionnaire. Liaised with Director regarding RATA. Reviewed the Director's RATA and questionnaire.

14.1.2 Calculation of remuneration incurred

Parkview Estate Pty Ltd (Administrators Appointed)												
Actual remuneration incurred for the period 21 February 2017 to 17 March 2017												
Employee	Position	Rate \$/hr	Total		Assets		Creditors		Investigations		Statutory and Administration	
			hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)
Barry Kogan	Partner	585	49.1	28,723.50	2.0	1,170.00	26.7	15,619.50	11.2	6,552.00	9.2	5,382.00
Joseph Hayes	Partner	585	2.5	1,462.50	-	-	1.0	585.00	-	-	1.5	877.50
Jason Ireland	Partner	585	2.0	1,170.00	-	-	1.0	585.00	-	-	1.0	585.00
Benjamin Ryan	Director	495	47.5	23,512.50	5.9	2,920.50	6.6	3,267.00	27.3	13,513.50	7.7	3,811.50
Louise Mann	Senior Manager	450	64.7	29,115.00	20.9	9,405.00	31.6	14,220.00	3.8	1,710.00	8.4	3,780.00
Thomas Scarf	Assistant Manager	387	52.2	20,201.40	9.6	3,715.20	20.1	7,778.70	8.7	3,366.90	13.8	5,340.60
Richard Woolf	Senior Accountant	338	48.6	16,426.80	5.4	1,825.20	29.4	9,937.20	4.5	1,521.00	9.3	3,143.40
Calypso Lowrey	Accountant	248	27.9	6,919.20	1.8	446.4	16.1	3,992.8	2.6	644.8	7.4	1,835.20
Various	Client Admin/Treasury	144	7.7	1,108.80	-	-	-	-	-	-	7.7	1,108.80
Total (excluding GST)			302.2	128,639.70	45.6	19,482.30	132.5	55,985.20	58.1	27,308.20	66.0	25,864.00
GST				12,863.97								
Total Inc GST				141,503.67								

14.2 Estimated Administrators' remuneration from 18 March 2017 to 28 March 2017

In addition to our remuneration incurred to 17 March 2017, we will also be seeking creditor approval of our remuneration incurred and (expected) to be incurred over the period from 18 March 2017 to 28 March 2017.

Approval is being sought for our future remuneration as Administrators (calculated on the basis of time spent at McGrathNicol rates) in the amount of \$24,956.00 (excluding GST). In the event that our remuneration is below the amount approved, we will only draw the amount incurred. In the event that our remuneration exceeds the amount approved, we will seek further approval from creditors.

The following resolution will be proposed at the meeting of creditors convened for 28 March 2017:

"That the Administrators' remuneration for the period from 18 March 2017 to 28 March 2017 shall be a sum equal to the time cost spent by the Administrators, their partners and their staff, calculated at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, up to the capped amount of \$24,956.00 (exclusive of GST).

Creditors acknowledge that if actual costs incurred are below the amount approved, the Administrators are only authorised to draw the amount incurred. Creditors also acknowledge that if actual costs incurred exceed the amount approved, the Administrators will seek further approval from creditors.

The Administrators are approved to draw their remuneration as and when it is incurred from funds under their control".

The future remuneration being sought represents the current estimate of the work required to be completed up to the date of the second meeting of creditors.

14.2.1 Description of major tasks to be completed and explanation of estimated fees

Task area	General description	Includes
Assets 13.5 hours \$6,345.50	Strategy and process	<ul style="list-style-type: none"> Progressing with relevant lodgements in regard to the subdivision of the Land. Preparing payment of the SIC. Liaising with Council, Department of Land and Environment and surveyors regarding registration of subdivision at LPI. Liaising with agents to determine deposits held in trust.
Creditors 27.0 hours \$9,829.50	Circulars	<ul style="list-style-type: none"> Preparing creditor reports and notifications (including our second circular to creditors, s439A report and notice of second meeting of creditors).
	Dealing with proofs of debt	<ul style="list-style-type: none"> Reviewing proofs of debt received from creditors.
	Meeting of Creditors	<ul style="list-style-type: none"> Preparing for the second meeting of creditors including preparing the meeting circular, notices, proxies, and advertisements. Preparing meeting file including; Chairman's notes, meeting presentation, agenda, certificate of postage, attendance register and list of creditors. Preparing and lodging minutes of second meeting of creditors with ASIC. Responding to creditors' queries and questions leading up to the second meeting.

Task area	General description	Includes
Investigations 8.5 hours \$3,198.00	Conducting Investigations	<ul style="list-style-type: none"> • Conducting investigations in relation to any potential voidable transactions. • Continuing to attempt to retrieve books and records.
Statutory and administration 16.0 hours \$5,583.00	Planning / review	<ul style="list-style-type: none"> • Internal strategy meetings and work plans. • Preparation of key engagement information.
	Statutory notices	<ul style="list-style-type: none"> • Preparing and lodging statutory lodgements with ASIC and the ATO.
	Books and records	<ul style="list-style-type: none"> • Reviewing the Company's books and records (including electronic accounting data) should they be received.

14.2.2 Calculation of estimated remuneration

Parkview Estate Pty Ltd (Administrators Appointed)												
Estimated remuneration for the period 18 March 2017 to 28 March 2017												
Employee	Position	Rate \$/hr	Total		Assets		Creditors		Investigations		Statutory and Administration	
			hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)
Barry Kogan	Partner	585	9.5	5,557.50	3.0	1,755.00	3.0	1,755.00	2.0	1,170.00	1.5	877.50
Joseph Hayes	Partner	585	1.5	877.50	0.5	292.50	-	-	-	-	1.0	585.00
Jason Ireland	Partner	585	1.0	585.00	-	-	1.0	585.00	-	-	-	-
Benjamin Ryan	Director	495	5.5	2,722.50	1.5	742.50	3.0	1,485.00	-	-	1.0	495.00
Louise Mann	Senior Manager	450	8.5	3,825.00	5.0	2,250.00	1.0	450.00	0.5	225.00	2.0	900.00
Thomas Scarf	Assistant Manager	387	6.5	2,515.50	2.5	967.50	2.5	967.50	-	-	1.5	580.50
Richard Woolf	Senior Accountant	338	12.5	4,225.00	1.0	338.00	5.5	1,859.00	3.5	1,183.00	2.5	845.00
Calypso Lowrey	Accountant	248	17.0	4,216.00	-	-	11.0	2,728.00	2.5	620.00	3.5	868.00
Client Admin/Treasury	Administration	144	3.0	432.00	-	-	-	-	-	-	3.0	432.00
Total (excluding GST)			65.0	24,956.00	13.5	6,345.50	27.0	9,829.50	8.5	3,198.00	16.0	5,583.00
GST				2,495.60								
Total Inc GST				27,451.60								

15 Liquidators' remuneration

Should creditors vote to place the Company into liquidation at the second meeting of creditors, we will also put a resolution to creditors for approval of the Liquidators' initial remuneration in the amount of \$157,975.00 (exclusive of GST).

In the event that our actual remuneration is below the amount approved, we will only draw the amount incurred. In the event that our actual remuneration exceeds the amount approved, we will seek further approval from creditors.

The following resolution will be proposed at the forthcoming meeting:

"That the initial remuneration of the Liquidators, for the period of the liquidation, shall be a sum equal to the time cost spent by the Liquidators, their partners and their staff, calculated at the rates detailed in the Schedule of Remuneration Methods and Hourly Rates provided to creditors, up to an initial capped amount of \$157,975.00 (exclusive of GST).

Creditors acknowledge that if actual costs incurred are below the amount approved, the Liquidators are only authorised to draw the amount incurred. Creditors also acknowledge that if actual costs incurred exceed the amount approved, the Liquidators will seek further approval from creditors.

The Liquidators are approved to draw their remuneration as and when it is incurred from funds under their control".

15.1 Description of major tasks to be completed and explanation of estimated fees

At this stage it is difficult to predict the costs involved in realising remaining assets, undertaking further investigations into potential liquidation recoveries and commencing recovery action (where it is commercially viable to do so). At this stage we have only included relatively minor costs surrounding these matters.

In the event that work undertaken exceeds current estimates, a further Remuneration Report will be provided and approval sought for further remuneration.

Task area	General description	Includes
Assets 143.0 hours \$58,442.50	Preparing Land	<ul style="list-style-type: none"> • Registering the subdivision of the Land with LPI. • Investigating the requirements to register the residue lots. • Engaging with surveyors and project managers regarding completion of residue lots. • Reviewing schedule of works from project managers regarding works required for residue lots. • Undertaking necessary works to apply for registration of residue lots. • Applying for DA for further subdivision of residue lots if necessary. • Liaising with Department of Planning and Environment regarding additional SIC assessments. • Payment of additional SIC assessments. • Registration and payment of fees required to register residue lots with LPI. • Correspondence with insurance broker regarding ongoing insurance requirements.
	Sale completion	<ul style="list-style-type: none"> • Engaging a real estate agent to manage sale of remaining lots (if required). • Finalising sale of lots to individual purchasers. • Negotiating with neighbouring property owners regarding potential land-swap deals.

Task area	General description	Includes
Creditors 133.0 hours \$54,955.00	Dealing with creditors and their claims	<ul style="list-style-type: none"> • Liaising with creditors in relation to their claims and the liquidation generally. • Receiving and following up creditor enquiries generally. • Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post. • Preparing and lodging minutes of creditors meeting. • Liaising with and reporting to Secured creditor as to progress of liquidation.
	Litigation	<ul style="list-style-type: none"> • Requesting legal advice regarding litigation. • Liaising with legal advisors regarding carriage of litigation. • Reviewing information received from our lawyers regarding litigation. • Issuing instructions to lawyers regarding carriage of litigation. • Attending court if required. • Reviewing judgement.
Dividend 40.5 hours \$12,202.00	Processing Proofs of Debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting them to lodge Proofs of Debt ("POD"). • Confirming receipt of POD. • Undertaking adjudication of creditors' claims. • Requesting further information from creditors regarding their claims. • Advising creditors of the acceptance or rejection of their claim. • Considering timing of dividend to secured and unsecured creditors. • Undertaking payment of dividend to creditors.
	Dividend procedures	<ul style="list-style-type: none"> • Preparing of correspondence to creditors advising them of intention to declare a dividend. • Advertising potential dividend. • Preparing dividend calculation. • Preparing distribution file. • Arranging payment of dividend.
Investigations 35.0 hours \$15,878.50	Conducting investigations	<ul style="list-style-type: none"> • Preparing and lodging report pursuant to Section 533 of the Act with ASIC. • Litigation/Recovery <ul style="list-style-type: none"> • Liaising with solicitors regarding recovery actions • Considering merits of proceeding • Analysing cost/benefit of pursuing claims • Conducting further investigations in relation to any transactions including seeking legal advice and liaising with (potential) defendants and their advisers. • Correspondence with the Director regarding information received.

Task area	General description	Includes
Statutory and Administration 45.5 hours \$16,497.00	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911 and other ASIC forms. Corresponding with ASIC regarding statutory forms.
	Dealing with Director and their advisers	<ul style="list-style-type: none"> General liaison in relation to the liquidation including requests for assistance/confirmation of background issues etc.
	ATO & other statutory reporting	<ul style="list-style-type: none"> Notifying of appointment. Preparing Business Activity Statements.
	Finalisation	<ul style="list-style-type: none"> Informing key parties that the liquidation has been finalised. Cancelling ABN / GST registration. Completing checklists.
	Planning / review	<ul style="list-style-type: none"> Attending internal discussions and planning in relation to the liquidation.
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Undertaking first month, then 6 monthly administration review. Filing of documents. Conducting file reviews. Updating checklists.
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage. Sending job files to storage.

15.1.1 Calculation of estimated remuneration

Parkview Estate Pty Ltd (Administrators Appointed)														
Initial estimated remuneration for the Liquidation for the period following 29 March 2017														
Employee	Position	Rate \$/hr	Total		Assets		Creditors		Dividend		Investigations		Statutory and Administration	
			hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)	hrs	\$ (ex GST)
Barry Kogan	Partner	585	49.0	28,665.00	16.0	9,360.00	17.0	9,945.00	1.5	877.50	10.0	5,850.00	4.5	2,632.50
Joseph Hayes	Partner	585	5.5	3,217.50	2.0	1,170.00	1.5	877.50	-	-	-	-	2.0	1,170.00
Jason Ireland	Partner	585	5.5	3,217.50	-	-	5.5	3,217.50	-	-	-	-	-	-
Benjamin Ryan	Director	495	39.0	19,305.00	11.5	5,692.50	16.5	8,167.50	1.5	742.50	7.5	3,712.50	2.0	990.00
Louise Mann	Senior Manager	450	79.5	35,775.00	42.5	19,125.00	21.0	9,450.00	5.0	2,250.00	3.0	1,350.00	8.0	3,600.00
Thomas Scarf	Assistant Manager	387	74.0	28,638.00	33.0	12,771.00	24.5	9,481.50	6.0	2,322.00	5.0	1,935.00	5.5	2,128.50
Richard Woolf	Senior Accountant	338	52.5	17,745.00	10.0	3,380.00	24.0	8,112.00	3.0	1,014.00	7.5	2,535.00	8.0	2,704.00
Calypso Lowrey	Accountant	248	78.5	19,468.00	28.0	6,944.00	23.0	5,704.00	15.5	3,844.00	2.0	496.00	10.0	2,480.00
Client Admin/Treasury	Administration	144	13.5	1,944.00	-	-	-	-	8.0	1,152.00	-	-	5.5	792.00
Total (excluding GST)			356.5	157,975.00	143.0	58,442.50	133.0	54,955.00	40.5	12,202.00	35.0	15,878.50	45.5	16,497.00
GST				15,797.50										
Total Inc GST				173,772.50										

16 Receipts and payments

Since the date of our appointment, the Administrators have received no funds and processed no payments.

17 Committee of inspection

In the event that creditors resolve that the Company be wound up, the Act provides that a Committee of Inspection (“**COI**”) may be formed.

In these circumstances, a COI would provide the Liquidators with a sounding board as to likely creditor views on any contentious issues, and may approve certain matters (for example compromises of claims and remuneration requests).

At the meeting of creditors convened for 28 March 2017, creditors will be invited to consider whether a COI should be formed, and if so, to nominate members.

18 Creditor meeting details

The second statutory meeting of creditors has been convened to be held at the following location on Tuesday, 28 March 2017:

Second creditors meeting details		
Venue	Address	Time
Cliftons	Level 13, 60 Margaret Street, Sydney NSW 2000	10:00am

Creditors who have already lodged a proof of debt do not need to complete a new proof.

Under the Act, the proxy forms lodged by creditors for the first meeting cannot be used for the second meeting. Accordingly, creditors who are unable to attend the meeting and wish to be represented should ensure that a proxy form, power of attorney or evidence of appointment of a company representative is completed. Documents may be lodged with our office prior to the meeting or may be brought to the meeting.

A formal notice of meeting, proof of debt form and proxy form are enclosed with the accompanying circular to creditors.

If you have any further queries in relation to this report or the administration, please do not hesitate to contact Richard Woolf on (02) 9248 9924 or by email at rwoolf@mcgrathnicol.com

Dated: 21 March 2017

Barry Kogan
Joint and Several Administrator

Appendix A – Declaration of Independence, Relevant Relationships and Indemnities



Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI")

Parkview Estate Pty Ltd (Administrators Appointed) ACN 157 949 810

The Corporations Act 2001 (the "Act") and professional standards require the Practitioners appointed to an insolvent entity to make a declaration as to:

- A. their independence generally;
- B. relationships, including
 - (i) the circumstances of the appointment;
 - (ii) any relationships with the company and others within the previous 24 months;
 - (iii) any prior professional services for the company within the previous 24 months;
 - (iv) that there are no other relationships to declare; and
- C. any indemnities given or up-front payments made to the Practitioner.

This declaration is made in respect of ourselves, our partners and the firm McGrathNicol which for the purpose of this declaration includes the McGrathNicol Partnership, the McGrathNicol Advisory Partnership, and McGrathNicol Services Pty Limited.

D. Independence

We, Barry Frederic Kogan and Joseph David Hayes of the firm McGrathNicol ("the Administrators") have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrators of Parkview Estate Pty Limited ("Parkview") in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

E. Declaration of Relationships

(i) Circumstances of appointment

On 16 February 2017 Barry Kogan, Jason Ireland (a partner at McGrathNicol) and Benjamin Ryan (an employee at McGrathNicol) met with Westpac Banking Corporation and their lawyers (Dentons) to discuss Parkview's financial position and options for the appointment of external administrators. This meeting was held at the request of Westpac Banking Corporation.

(ii) Relevant Relationships (excluding professional services to the Insolvent)

We, or a member of our firm, have or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Westpac Banking Corporation ("WBC")	WBC holds security over the whole or substantially the whole of the property of Parkview (by way of general security agreement and real property mortgage).	We believe this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none">▪ Each professional engagement undertaken for WBC in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no connection with this appointment.



	<p>McGrathNicol undertakes corporate recovery and advisory work from time to time on instructions from WBC.</p> <p>As detailed in the section C (i) above, McGrathNicol met with WBC to discuss Parkview prior to our appointment</p>	<ul style="list-style-type: none">▪ Each engagement is only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.▪ McGrathNicol has not undertaken any prior engagement on instructions from WBC in respect of Parkview and the appointment is entirely unconditional.▪ The work undertaken for WBC by McGrathNicol on other unrelated matters will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of Parkview in an objective and impartial manner. <p>Given these factors, our independence in acting as Voluntary Administrators of Parkview has not been affected.</p>
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iii) Prior professional services to the Insolvent

Neither we, nor our firm, have provided any professional services to Parkview in the previous 24 months.

iv) No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Parkview, an associate of Parkview, a former insolvency practitioner appointed to Parkview or any person or entity that currently has security over the whole or substantially the whole of Parkview's property and should be disclosed.

F. Indemnities and Up-front Payments

We have been provided with the following indemnities for the conduct of this Voluntary Administration:

WBC, the secured financier to Parkview, has provided an indemnity to the Administrators (subject to the condition detailed below) for:

- costs and expenses incurred in, and claims arising from, the conduct of the Voluntary Administration of Parkview; and
- the remuneration of the Administrators as approved in accordance with the requirements of Act.

This indemnity is generally only operative if the assets of Parkview are insufficient to meet these claims in accordance with the standard statutory right of indemnity in section 443D of the Act. It is limited to the extent that these types of claims exceed the available proceeds of the relevant assets of Parkview.

There are no other conditions imposed by the indemnity provided by WBC.

The indemnity provided by WBC does not include the provision of any up-front payments.

This indemnity does not impact our independence as:

- it is merely intended to supplement a possible deficiency of assets to which the statutory indemnity would respond;
- it is not contingent on obtaining any specific outcome;
- it confers no additional rights on the secured creditor, WBC and does not impact WBC's rights to undertake enforcement action under its security.



This does not include statutory indemnities. We have not received any other indemnities or upfront payments that should be disclosed.

Dated: this 24th day of February 2017

.....
Barry Frederic Kogan

.....
Joseph David Hayes

Note:

- 1 If the circumstances change or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to the creditors/committee of creditors with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors/committee of creditors.
- 2 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.