



Forum Group Financial Services Pty Ltd ACN 623 033 705
Forum Enviro Pty Ltd ACN 168 709 840
Forum Enviro (Aust) Pty Ltd ACN 607 484 364
(All in Liquidation)
(collectively, the Companies)

Initial Information for Creditors

I refer to the appointment of Jason Preston and I as Provisional Liquidators of the Company on 15 July 2021 by order of the Federal Court of Australia (**Court**), and the subsequent appointment of Jason Preston and I as liquidators (**Liquidators**) of the Companies on 12 November 2012 by order of the Court.

As a result of these Court orders, the Companies are now in liquidation.

According to the Companies' records, you may be a creditor of one or a combination of, the Companies.

The purpose of this document is to provide you with information about the liquidations and your rights as a creditor.

The Companies are entities associated with Forum Finance Pty Ltd (Receivers Appointed) (In Liquidation) (**Forum Finance**) and its associated entities, of which Jason Preston and I are also appointed Liquidators. The wider group of companies over which we are appointed is set out in Annexure A of this report, and are collectively referred as the "Appointment Group" (**Appointment Group**).

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

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

What do you need to know?

Question	Answer
What is a court liquidation?	A Court may appoint a liquidator on 'just and equitable' grounds if it considers it appropriate to do so on the application of a party.
What are your rights as a creditor?	We enclose a copy of the information sheet "Creditor Rights in Liquidations" issued by the Australian Restructuring Insolvency & Turnaround Association (ARITA). It includes information on your rights to: <ul style="list-style-type: none">▪ make reasonable requests for a meeting;▪ make reasonable requests for information;▪ give directions to the Liquidators;▪ appoint a reviewing liquidator; and▪ replace us as Liquidators.



Question	Answer
<p>What happens to your debt?</p>	<p>All creditors of the Companies are now creditors in the respective liquidations and will now be dealt with in the liquidations.</p> <p>The amount of money you will receive as a creditor depends on the amount we recover in the company(ies) against which you have an admitted claim, including from locating, securing and selling the assets of that company. After paying our fees, creditors share in any remaining money proportionally. If funds are available, the amount paid is called a dividend.</p> <p>A dividend can vary between creditors because the law entitles different types of creditors to be paid before other types of creditors. In addition, a dividend will only be paid where there are sufficient recoveries in the liquidation, which will not always be the case.</p> <p>If you have leased property to the Companies, have a retention of title claim or have a registered personal property securities interest in relation to the Companies, please contact a member of my staff at forum@mcgrathnicol.com.</p> <p>We are not trading the businesses of the Companies.</p>
<p>Do you have to do anything?</p>	<p>You should read this information. You can choose to participate in the liquidation process, but you don't have to.</p> <p>If we need you to take action, we will write and ask you. For example, we may ask you to provide proof of your debt before we can pay you a dividend.</p> <p>If you do not think you are a creditor, please let us know.</p>
<p>What has happened in the liquidation so far?</p>	<p>Jason Preston and I were appointed Liquidators by the Court on 12 November 2021. Prior to our appointment as Liquidators, we were appointed as provisional liquidators of the Companies on 15 July 2021 with our appointment ending when the Court ordered the Companies be put into liquidation.</p> <p>Since our appointment as provisional liquidators, we have also been carrying out investigation work into the affairs and causes of failures of each of the Companies. As part of this work, we have performed analysis of key bank account transactions, expanding the work to include transactions between the Companies and other entities within the Appointment Group. The work was carried out as part of our investigations into the alleged fraudulent activities in Forum Finance, and the extent to which the Companies were involved or impacted.</p> <p>Since our appointment as Liquidators on 12 November 2021, we have been attending to the statutory obligations with regard to the liquidation process. We have assumed control of the affairs of the Companies and have continued our investigations into the Companies, including the circumstances of the Companies' failures. These investigations are ongoing.</p> <p>We have made information requests of various parties involved in the Companies' affairs, and are currently reviewing this information.</p> <p>Should you have any information regarding the affairs for the Companies or their assets, please make contact with this office.</p>



Question	Answer
What is the cost of the liquidation?	<p>We get paid out of the Companies' money, including realisations from assets or from money paid to us by others, including any funding which may be provided by the Companies' creditors. If there is not enough money in the liquidations, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice, which provides you with details on the funding available to the Liquidators from certain creditors, and information about how we propose to be paid for undertaking the liquidations.</p> <p>We may write and ask that you approve our remuneration for the work that we do in completing the liquidations. If we do, we will provide you with detailed information about what tasks we have undertaken and the costs of those tasks.</p>
What further communication will you receive?	<p>Based on section 70-40 of the Insolvency Practice Rules (Corporations) 2016, part of our role includes us writing to you within three months of our appointment advising whether a dividend is likely and to update you on the progress of our investigations.</p> <p>As we have been in office as external administrators of the Companies since our appointment as provisional liquidators on 15 July 2021, we intend to update you on the progress of our investigations soon.</p> <p>If we consider it to be in the interests of creditors, we will hold a meeting to communicate with creditors. Further, if we receive a request for a meeting that complies with the guidelines set out in the creditor rights information sheet, we will also hold a meeting of creditors.</p>
What happens next?	<p>We will proceed with the liquidations, which will include:</p> <ul style="list-style-type: none">▪ recovering and selling any available property;▪ investigating the Companies' affairs;▪ reporting to the corporate regulator, ASIC; and▪ distributing any available funds to creditors in accordance with their priority.
Where can you get more information?	<p>ARITA provides information to assist creditors to understand liquidations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.</p> <p>A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by ASIC is also enclosed for your information.</p>

If you have any queries, please contact a member of my staff at forum@mcgrathnicol.com.

Dated: 6 December 2021

Jason Ireland
Liquidator



Enclosures:

- Annexure A - Forum Group External Appointments
- Annexure B - ARITA Information Sheet - Creditor Rights in Liquidations
- Annexure C - Declaration of Independence, Relevant Relationships and Indemnities
- Annexure D - Initial Remuneration Notice
- Annexure E - ASIC Information Sheet - Insolvency information for directors, employees, creditors and shareholders

ANNEXURE A

Forum Group External Administrator Appointments

No.	Entity	ACN	Appointment Type	Appointment Date	Appointees
1	Forum Finance Pty Limited (Receivers Appointed) (In Liquidation)	153 301 172	Court Appointed Liquidation	9/07/2021	Jason Ireland and Jason Preston
2	Forum Group Pty Ltd (Receivers Appointed) (In Liquidation)	153 336 997	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
3	The Forum Group of Companies Pty Ltd (In Liquidation)	151 964 626	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
4	Forum Group (QLD) Pty Ltd (In Liquidation)	103 609 678	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
5	Forum Group (VIC) Pty Ltd (In Liquidation)	153 062 018	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
6	Forum Fleet Pty Limited (In Liquidation)	155 440 994	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
7	Forum Direct Pty Ltd (In Liquidation)	054 890 710	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
8	Iugis Pty Ltd (In Liquidation)	632 882 243	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
9	Iugis Investments Pty Ltd (In Liquidation)	647 627 745	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
10	Iugis Waste Solutions Pty Ltd (In Liquidation)	647 212 299	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
11	Imagetec Financial Services Pty Ltd (In Liquidation)	111 978 182	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
12	Imagetec Solutions Australia Pty Ltd (In Liquidation)	074 715 718	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
13	Onesource Australia Holdings Pty Limited (In Liquidation)	120 463 541	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
14	Smartprint Fleet Management Pty Ltd (Receivers Appointed) (In Liquidation)	132 807 080	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
15	Orca Enviro Solutions Pty Ltd (In Liquidation)	626 552 645	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
16	Orca Enviro Systems Pty Ltd (In Liquidation)	627 597 782	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
17	Aramia Holdings Pty Ltd (In Liquidation)	114 958 717	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
18	Eros Management Pty Ltd (In Liquidation)	622 298 346	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
19	Intrashield Investment Group Pty Ltd (In Liquidation)	645 578 829	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
20	Intrashield Pty Ltd (In Liquidation)	133 426 534	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
21	Spartan Consulting Group Pty Ltd (In Liquidation)	168 989 544	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
22	5 Bulkara Street Pty. Ltd. (Receivers and Managers Appointed) (In Liquidation)	630 982 160	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
23	6 Bulkara Street Pty Ltd (Receivers and Managers Appointed) (In Liquidation)	639 734 473	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
24	14 James Street Pty Ltd (Receivers and Managers Appointed) (In Liquidation)	638 449 206	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
25	26 Edmonstone Road Pty. Ltd. (Receivers and Managers Appointed) (In Liquidation)	622 944 129	Court Appointed Liquidation	28/07/2021	Jason Ireland and Jason Preston
26	Forum Group Financial Services Pty Ltd (In Liquidation)	623 033 705	Court Appointed Liquidation	12/11/2021	Jason Ireland and Jason Preston
27	Forum Enviro (Aust) Pty Ltd (In Liquidation)	607 484 364	Court Appointed Liquidation	12/11/2021	Jason Ireland and Jason Preston
28	Forum Enviro Pty Ltd (In Liquidation)	168 709 840	Court Appointed Liquidation	12/11/2021	Jason Ireland and Jason Preston

Creditor Rights in Liquidations

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



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Specific queries about the liquidation should be directed to the liquidator's office.



Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

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

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

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

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

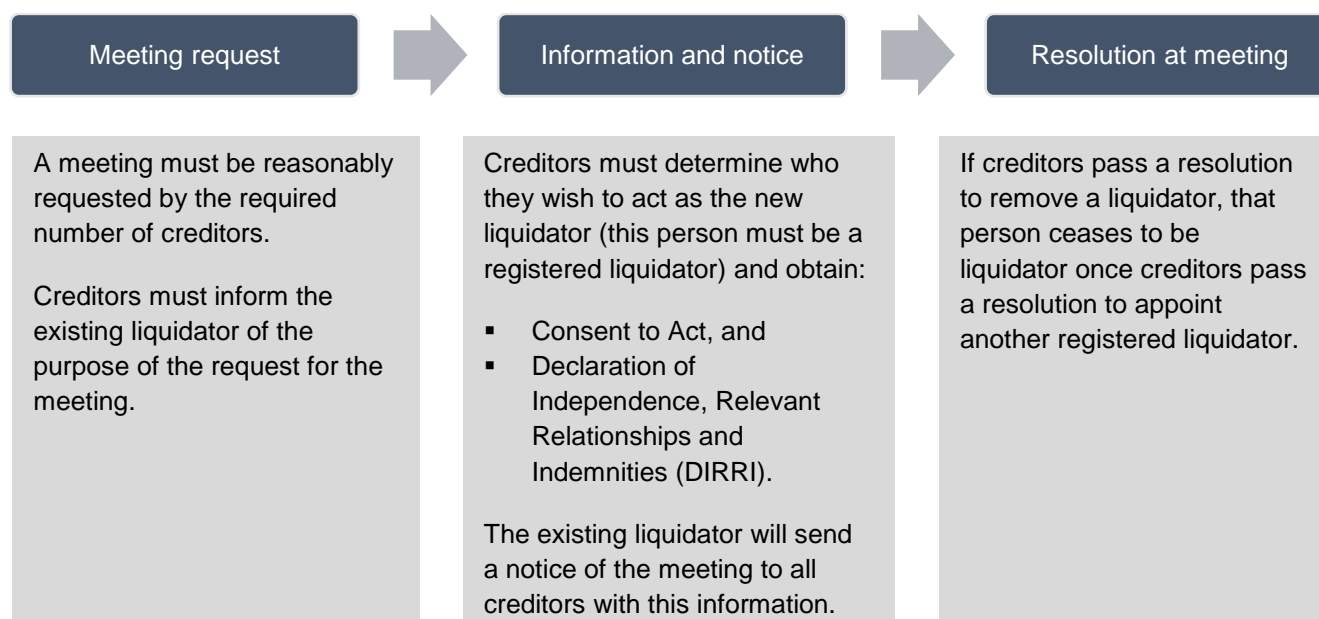
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



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



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Forum Group Financial Services Pty Ltd ACN 623 033 705

Forum Enviro Pty Ltd ACN 168 709 840

Forum Enviro (Aust) Pty Ltd ACN 607 484 364

(All in Liquidation)

(collectively, the Companies)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Companies and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

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

We are Professional Members of the Australian Restructuring Insolvency Turnaround Association (**ARITA**). We acknowledge that we are bound by the ARITA Code of Professional Practice (**CoPP**).

A. Independence

We have assessed our independence and we are not aware of any reasons that would have prevented us from accepting these appointments.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. Circumstances of Appointment

B1. Background

Set out below are details of the corporate structure and connection between the Companies:

- While sharing a common term in their names, Forum Group Financial Services Pty Ltd (**FGFS**) is not part of the same group of companies in which Forum Enviro Pty Ltd (**Enviro**) and Forum Enviro (Aust) Pty Ltd (**Enviro Aust**) belong to.
- Enviro and Enviro Aust along with twelve other wholly-owned Australian subsidiaries of The Forum Group of Companies Pty Ltd, are known as the "Forum Group" (**Forum Group**).
- FGFS is related to both Enviro and Enviro Aust by virtue of common director, Basile Papadimitriou (**Mr Papas**), and ultimate controlling shareholders, Mr Papas and Vincenzo Francesco Tesoriero (**Mr Tesoriero**).
- Mr Papas and Mr Tesoriero are equal shareholders of FGFS, and they together, indirectly control 73.64% of the Forum Group.

The appointment of Jason Preston and Jason Ireland as Liquidators of the Companies follows earlier appointments over associated entities, detailed below.



B1.1 Forum Finance Pty Ltd (In Liquidation) (Receivers Appointed)

Forum Finance Pty Ltd (**Forum Finance**) is an entity within the Forum Group and is related to the Companies by virtue of common director, Mr Papas, and ultimate controlling shareholders, Mr Papas and Mr Tesoriero.

Mr Preston and Mr Ireland were appointed Liquidators of Forum Finance on 9 July 2021 by order of the Federal Court of Australia (**Court**).

This appointment was referred to us by MinterEllison, who have been engaged to provide legal services to Westpac Banking Corporation (**WBC**), one of several financiers of the Forum Group.

B1.2 Forum Group Pty Ltd (In Liquidation) (Receivers Appointed) and 24 other associated entities, listed in Annexure A (collectively referred as the "VA Entities")

On 8 July 2021, Domenico Alessandro Calabretta, Grahame Robert Ward and Thyge Trafford-Jones of Mackay Goodwin were appointed voluntary administrators by resolution of the company director over all entities within the Forum Group (including Enviro and Enviro Aust but not Forum Finance) along with FGFS and thirteen other entities associated with Mr Papas and/or Mr Tesoriero outside the Forum Group.

At the first meeting of creditors of the VA Entities convened by Mackay Goodwin (convened on 20 July 2021 and adjourned to 21 July 2021 and then, in respect of Forum Group Pty Ltd (**FG**) to 22 July 2021), WBC proposed to remove Mackay Goodwin and have them replaced by Jason Preston, Jason Ireland and Katherine Sozou.

Consequently, the creditors at the adjourned meetings, resolved to appoint Mr Preston, Mr Ireland and Ms Sozou as the replacement Voluntary Administrators to the VA Entities, in place of Mackay Goodwin, on the dates listed in Annexure A.

On 28 July 2021, Mr Preston and Mr Ireland were subsequently appointed Liquidators of the VA Entities (except Autonomous Energy Pty Ltd) (**Affected VA Entities**) by order of the Court. Consequently, the Voluntary Administrators appointment to the Affected VA Entities ended on 28 July 2021. The Affected VA Entities are companies 1 to 24 as listed in Annexure A.

B2. Appointment over the Companies

How we were referred these appointments?

Following the appointment of Mr Preston and Mr Ireland as Liquidators of Forum Finance on 9 July 2021, during the course of their investigations into the alleged fraudulent activity carried out by Mr Papas, it became apparent that a full investigation of the VA Entities plus the Companies was also required.

In light of the above, on 12 July 2021, WBC filed an interlocutory application, seeking to have Mr Preston, Mr Ireland and Ms Sozou appointed as either provisional liquidators or liquidators, of the Companies, which had been identified as relevant to the investigation into the alleged fraudulent activity in Forum Finance, FG and associated entities.

As part of this application, SMBC Leasing and Finance, Inc (**SMBC**) and Societe Generale, other lease financiers of the Forum Group, confirmed their support for these additional appointments.

On 15 July 2021, Mr Preston and Mr Ireland were appointed Provisional Liquidators of the Companies by order of the Court, with the Judge noting the benefits of common practitioners acting across the entities relevant to the investigation.

Since the date of the Provisional Liquidators' appointment, the Provisional Liquidators and others within their team have performed additional analysis of the key bank account transactions, expanding the work to include transactions between the Companies and the VA Entities.



It became apparent during the course of this work that the Companies were insolvent and should be placed into liquidation.

On 10 August 2021, WBC filed a second further amended originating application, seeking orders to wind up the Companies, and have Mr Preston and Mr Ireland appointed as liquidators of the Companies. This application was repeated in further versions of the originating application.

On 12 November 2021, Mr Preston and Mr Ireland were appointed Liquidators of the Companies by order of the Court.

Prior to Mr Preston and Mr Ireland's appointment as Liquidators of the Companies, McGrathNicol was never engaged by WBC or MinterEllison to provide any professional advice or service in relation to the Companies.

The Companies together with Forum Finance and the Affected VA Entities, over which Mr Preston and Mr Ireland have been appointed Liquidators, are collectively referred as the "Appointment Group" (**Appointment Group**).

We believe that neither the original referral from MinterEllison, nor the subsequent appointments at the request of WBC, result in a conflict of interest or duty because:

- While we undertake work referred by MinterEllison from time to time, there is no expectation, agreement or understanding between us, MinterEllison and/or WBC regarding the conduct of these appointments;
- we are free to act independently and in accordance with the law and applicable professional standards; and
- the appointments were made by the Court after consideration of the preferable outcome for the external administration appointments of the Appointment Group of companies.

McGrathNicol undertakes restructuring and advisory work from time to time on instructions from WBC. However, we believe this relationship does not result in a conflict of interest or duty because:

- 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 bearing on this appointment;
- these engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and
- McGrathNicol has not undertaken an engagement for WBC in respect of the Appointment Group, including the Companies.

Given these factors, our independence in acting as Liquidators of the Companies has not been affected.

Did we meet with the Companies, the directors or their advisors before we were appointed?

Prior to Mr Preston and Mr Ireland's appointment as Provisional Liquidators or Liquidators of the Companies, Mr Ireland, in his capacity as Liquidator of Forum Finance, spoke to both Mr Papas and Mr Tesoriero, in their capacity as directors and ultimate controlling shareholders of Forum Finance.

The purpose of these discussions was to confirm the directors' statutory requirements following the Liquidators appointment to Forum Finance and to receive their explanations regarding the circumstances leading to the liquidation of Forum Finance.

In our opinion, the communications and correspondence with Mr Papas and Mr Tesoriero do not affect our independence as they were focused on understanding the circumstances leading to the liquidation of Forum Finance.

We have provided no other information or advice to the Companies and their director(s) prior to our appointment beyond that outlined in this DIRRI.

**C. Declaration of Relationships**

Within the previous two years, have we, or our firm, had a relationship with:	
The Companies or Forum group?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The directors?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No As stated above, Mr Ireland spoke to Mr Papas and Mr Tesoriero in July 2021, with each of these conversations lasting less than one hour. The discussion did not specifically involve the Companies. This very limited interaction will not impair our ability to fully comply with the statutory and fiduciary obligations associated with the liquidations of the Companies in an objective and impartial manner.
Any associates of the Companies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No As specified in section B1 of this Declaration, in addition to Mr Preston and Mr Ireland's appointment as Liquidators of the Companies, they have been appointed as liquidators to 25 entities within the wider Forum group as follows: <ul style="list-style-type: none">▪ On 9 July 2021, Mr Preston and Mr Ireland were appointed Liquidators of Forum Finance by order of the Court.▪ On 28 July 2021, Mr Preston and Mr Ireland were appointed Liquidators of 24 entities known as the Affected VA Entities, by order of the Court. We are of the view that Mr Preston and Mr Ireland's appointment as Liquidators of the Companies will have significant benefits to creditors, including cost-savings and efficiencies when building an accurate view of the dealings, linkages, activities and cash flow between the entities as well as a group as a whole. We are aware that there have been transfers of monies between entities within the Appointment Group, but at this time are not aware of any potential conflicts of interest arising from the appointments over the various group entities. However, to the extent it becomes apparent that pre-appointment dealings between the Companies and other entities within the Appointment Group may give rise to a conflict which may impact the outcome for creditors of a particular company, then we undertake to disclose any such conflicts to the creditors and, as appropriate, seek Court directions regarding how to resolve the potential conflict.
A former insolvency practitioner appointed to the Companies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



Within the previous two years, have we, or our firm, had a relationship with:	
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Companies' property?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No National Australia Bank (NAB) holds a charge on the whole or substantially the whole of the property of certain entities within the Appointment Group (including the Companies). McGrathNicol undertakes restructuring and advisory work from time to time on instructions from NAB. 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 NAB in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment;▪ these engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and▪ McGrathNicol has not undertaken an engagement for NAB in respect of the Appointment Group, including the Companies. Given these factors, we believe that our independence in acting as Liquidators of the Companies has not been affected.

Do we have any other relationships that we consider are relevant to creditors assessing our independence?
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D. Indemnities and up-front payments

Upon Mr Preston and Mr Ireland's initial appointment as Liquidators of Forum Finance on 9 July 2021, there were insufficient funds/assets available to allow for work beyond the basic statutory obligations.

In order for the Liquidators to undertake a comprehensive investigation and understand the claims or assets that may be available for the benefit of creditors of all entities within the Appointment Group (including the Companies), Mr Preston and Mr Ireland engaged with the major financiers in respect of providing funding to allow this work to be undertaken.

Funding for the conduct of the Liquidation of the Companies and other entities within the Appointment Group has been provided on the following terms:

- On 7 September 2021, following approval of the Court, the Liquidators entered into a funding agreement with WBC to obtain a loan of up to a value of \$4.5 million (excluding GST) for the purposes of funding the Liquidators' remuneration and expenses incurred in July, August and September 2021 (or other such longer period as agreed in writing) (**Funding Agreement**);
- On 18 November 2021, SMBC entered into an Accession Deed and became a party to the Funding Agreement; and



- On 18 November 2021, Westpac and SMBC amended the Funding Agreement with the Liquidators, increasing the facility limit to \$8.5 million (excluding GST) and extending the period covered to January 2022.

The funding was put in place to allow the Liquidators to undertake investigations of the Appointment Group, and the identification of possible future sources of asset recoveries.

The Liquidators consider that entering into the Funding Agreement and the subsequent amendment was in the best interest of the Companies and other entities within the Appointment Group, and their creditors. Any funds utilised for the payment of our remuneration will not be drawn until our remuneration has been approved by either the creditors or committee of inspection or the Court.

To date, no amounts have been drawn under the agreements.

The above does not include any indemnities we may be entitled to under the law. We have not received any other indemnities or up-front payments.

Dated: 6 December 2021

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Jason Preston

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Jason Craig Ireland

Note:

1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.
2. If 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 creditors with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors. For Creditors' Voluntary Liquidations and Voluntary Administrations, this document and any updated versions of this document are required to be lodged with ASIC.
3. Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.



Annexure A

Forum - VA Entities

No.	Entity	ACN	Appointment Date of Voluntary Administrators	Appointment Date of Liquidators
1	Forum Group Pty Ltd (Receivers Appointed) (In Liquidation)	153 336 997	22/07/2021	28/07/2021
2	The Forum Group of Companies Pty Ltd (In Liquidation)	151 964 626	21/07/2021	28/07/2021
3	Forum Group (QLD) Pty Ltd (In Liquidation)	103 609 678	21/07/2021	28/07/2021
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11	Imagetec Solutions Australia Pty Ltd (In Liquidation)	074 715 718	21/07/2021	28/07/2021
12	Onesource Australia Holdings Pty Limited (In Liquidation)	120 463 541	21/07/2021	28/07/2021
13	Smartprint Fleet Management Pty Ltd (Receivers Appointed) (In Liquidation)	132 807 080	21/07/2021	28/07/2021
14	Orca Enviro Solutions Pty Ltd (In Liquidation)	626 552 645	21/07/2021	28/07/2021
15	Orca Enviro Systems Pty Ltd (In Liquidation)	627 597 782	21/07/2021	28/07/2021
16	Aramia Holdings Pty Ltd (In Liquidation)	114 958 717	21/07/2021	28/07/2021
17	Eros Management Pty Ltd (In Liquidation)	622 298 346	21/07/2021	28/07/2021
18	Intrashield Investment Group Pty Ltd (In Liquidation)	645 578 829	21/07/2021	28/07/2021
19	Intrashield Pty Ltd (In Liquidation)	133 426 534	21/07/2021	28/07/2021
20	Spartan Consulting Group Pty Ltd (In Liquidation)	168 989 544	21/07/2021	28/07/2021
21	5 Bulkara Street Pty. Ltd. (Receivers and Managers Appointed) (In Liquidation)	630 982 160	21/07/2021	28/07/2021
22	6 Bulkara Street Pty Ltd (Receivers and Managers Appointed) (In Liquidation)	639 734 473	21/07/2021	28/07/2021
23	14 James Street Pty Ltd (Receivers and Managers Appointed) (In Liquidation)	638 449 206	21/07/2021	28/07/2021
24	26 Edmonstone Road Pty. Ltd. (Receivers and Managers Appointed) (In Liquidation)	622 944 129	21/07/2021	28/07/2021
25	Autonomous Energy Pty Ltd (Administrators Appointed)	113 593 383	21/07/2021	N/A



Initial Remuneration Notice

Forum Group Financial Services Pty Ltd ACN 623 033 705

Forum Enviro Pty Ltd ACN 168 709 840

Forum Enviro (Aust) Pty Ltd ACN 607 484 364

(All in Liquidation)

(collectively, the Companies)

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

This initial Remuneration Notice relates to the Companies in which Jason Preston and Jason Ireland were appointed Liquidators by the Federal Court of Australia on 12 November 2021.

1 Remuneration methods

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

- A. Time based/hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.
- B. Fixed Fee:** The total fee charged is normally quoted at the commencement of the Liquidation and is the total cost for the Liquidation.
- C. Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.
- D. Contingency:** The Liquidation fee is structured to be contingent on a particular outcome being achieved.

2 Method chosen

Given the nature of these external administration, we propose that our remuneration be calculated on a time basis which will be recorded and charged in six-minute increments. Details of the hourly rates for different levels of staff are included below. The complexity and demands of the external administration will determine the staff to be utilised for this appointment

We have chosen the time-based method because:

- This method is considered to be most suitable for these appointments as it ensures creditors are only charged for work that is performed in the Liquidations, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time-based method in this case again ensures that creditors are only charged for work that is actually performed in the Liquidations.
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC and distributing funds in accordance with the provisions of the *Corporations Act*.
- We have a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the Liquidations.



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

3 Explanation of Hourly Rates

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

Title	Description	Hourly rate (excl GST)
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$770
Director 1	Generally Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$710
Director	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$660
Senior Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$620
Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$580
Assistant Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$530
Senior Accountant	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$480



Title	Description	Hourly rate (excl GST)
Accountant	Generally, degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$390
Undergraduate/Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$230
Practice Services Director	National Practice Service leaders, generally degree qualified with more than ten years of experience and reporting directly to partners. Technical experts in their specific areas and have team management responsibilities.	\$710
Senior Treasury staff	Appropriately experienced and undertakes senior Treasury activities such as oversight of the processing of payment of receipts and banking administration. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$470
Senior Client Administration and Treasury	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$370
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$210

McGrathNicol reviews its hourly rates on either 31 December or 30 June. Creditors will be advised of any change to the hourly rates for this external administration.

4 Estimated remuneration

We estimate that these Liquidations will cost approximately \$550,000 to \$1,050,000 (GST exclusive) to complete. A breakdown of the estimate on an entity-by-entity basis is provided below:

- Forum Group Financial Services Pty Ltd (In Liquidation) - \$500,000 to \$1,000,000
- Forum Enviro Pty Ltd (In Liquidation) - \$25,000
- Forum Enviro (Aust) Pty Ltd (In Liquidation) - \$25,000

The above estimates are subject to the following variables may have a significant effect on these estimates and that we are unable to determine at this early stage:

- the time that may be required to obtain books, records, funds and assets (if any) from the parties that hold them;
- the number and value of claims that may be received in the Liquidations and work that may be required to adjudicate on those claims for voting and/or dividend purposes;
- work that may be required to distribute funds to creditors;



- significant investigations that may be required to ascertain the existence and location of any assets (including in overseas jurisdictions), including potential legal actions that may be available to the external administrator;
- where viable legal claims are identified, the timeframe to resolution becomes very significantly impacted by the conduct of the defendant and their willingness to resolve the claim by a negotiated settlement, as well as Court timeframes, both of which are difficult to predict; and
- any identified matters that are required to be reported to statutory authorities such as ASIC.

We have entered into a funding agreement with Westpac Banking Corporation and SMBC Leasing and Finance Inc for up to \$8.5 million (excluding GST) for the purpose of funding the Companies and other associated entities Liquidators' remuneration and expenses (including costs of the liquidations) incurred from July 2021 to January 2022. Further details of this have been disclosed in our declaration of relevant relationships and indemnities.

Approved remuneration for each company together with other associated entities may exceed the amount of the funding agreement and can be only paid after approval by creditors or the Court.

5 Disbursements

Disbursements are divided into two types:

- **External disbursements** – these are recovered at cost. Examples are travel, accommodation, postage, advertising, couriers and search fees.
- **Internal disbursements** – these disbursements are charged at a rate which recoups both fixed and variable costs and may include an element of profit or advantage to the External Administrator or a related party of the External Administrator. Examples are printing and data storage. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

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

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

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

For clarity, it is noted that any time costs of any employee of McGrathNicol or any associated entity will be reported as part of our remuneration, for which approval may be sought.

Basis of disbursement claim

<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
External disbursements	
Postage	At cost
Stationery and other incidental disbursements	At cost
Conference call phone charges	At cost



<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
Searches	At cost
Advertising	At cost
Courier	At cost
Staff per diem travel allowance*	\$89.00 per day**
Staff vehicle use	\$0.72 per km**
ASIC user pays levy	At cost
Internal disbursements (that may have an element of profit or advantage)	
Data processing – data loading & processing fee	\$20-\$60 per gigabyte (GB)***, minimum \$3,000 for matters less than 50GB.
Data hosting – monthly hosting fee	\$10 per GB, per month. Minimum \$1,000 for small matters. Large matters are priced on application.
Printing – black and white	\$0.09 per page
Printing – Colour	\$0.28 per page

* Tiered pricing model depending on volume of data to be hosted

** Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight

*** These rates are deemed reasonable by the Australian Taxation Office

Further explanation of data hosting disbursements

In the conduct of these Liquidations, we may use McGrathNicol's Forensic Technology team to extract, aggregate, electronically process and/or host electronic data, which will be used for the:

- investigations regarding the causes of failure of the Companies; and/or
- investigations regarding transactions or potential recoveries available to creditors.

If data hosting is required and we choose not to use the services of McGrathNicol's Forensic Technology team, we will otherwise have to purchase those services from an alternative provider and/or use another method to achieve the same end, which will not be as efficient as using these available internal services.

We note that the data hosting rates above are no more than our standard commercial pricing available for the same services when they are provided to external parties.

Dated: 6 December 2021



Insolvency information for directors, employees, creditors and shareholders

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

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

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

List of information sheets

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

Where can I get more information?

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

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