

First Creditors Meeting

4 September 2019

SETTLERS COMPANY PTY LIMITED
ATF SETTLERS PROPERTY TRUST
SETTLERS OPERATIONS PTY LIMITED

(Administrator Appointed)
(Receivers and Managers Appointed)



AGENDA

Item	Description
1	Introduction and Meeting Procedures
2	Declaration of Relationships
3	Appointment Details
4	Reasons for Appointment
5	Corporate Structure and Villages
6	Extension of Time and Sale Process
7	Administration Timeline
8	Resolutions
9	Questions



DECLARATION OF RELATIONSHIPS

i. Circumstances of appointment

This appointment was referred to me by Mr Brett Lennane of Newpoint Advisory. I was first contacted on 26 August by Mr Lennane and was subsequently asked to provide my consent to act. After assessing the risks to my independence, I provided my consent. I believe that this referral does not result in a conflict of interest or duty because:

- No advice was provided in relation to any of the director's personal affairs
- No prior engagement with the Company nor had I met the Director prior to the appointment.

My colleague Lucy Vecchio, and I had one (1) meeting with the Company director on 27 August 2019 for the purposes of:

- Obtaining information about the Company, including its assets and liabilities;
- Provide information to the Company and its representatives in relation to the nature and consequences of an insolvency appointment; and
- After assessing the risks to my independence, provided my consent to act.

II. Indemnity for Remuneration

The Director has provided an upfront payment of \$25,000 excluding GST for each entity to cover my initial remuneration and expenses associated with the administration.

At the date of this declaration, the amount of \$25,000 excluding GST for each entity has been provided.



APPOINTMENT DETAILS

Damien Hodgkinson was appointed Administrator on Monday 26 August 2019 to:

Entity	ACN	Activity/Purpose
Settlers Company Pty Limited ATF Settlers Property Trust	606 610 904	Village land owner
Settlers Operations Pty Limited	609 526 605	Village Operating Entity

Joseph Ronald Hansell, John Richard Park and Ian Charles Francis of FTI Consulting were appointed Receivers and Managers on 28 August 2019 by the secured creditor Investec .



REASONS FOR APPOINTMENT

The appointment was precipitated by the introduction of changes to the Retirement Villages Act 1999 (Qld) which confirmed mandatory buy-back provisions to residents living in freehold retirement village units.

The changes came into effect on 23 May 2019.

Under the provisions, the village operator must:

- Enter into a contract to purchase the former resident's freehold property with 18 months of the termination date;
- Termination date is one month's written notice to the village operator or death of the resident.

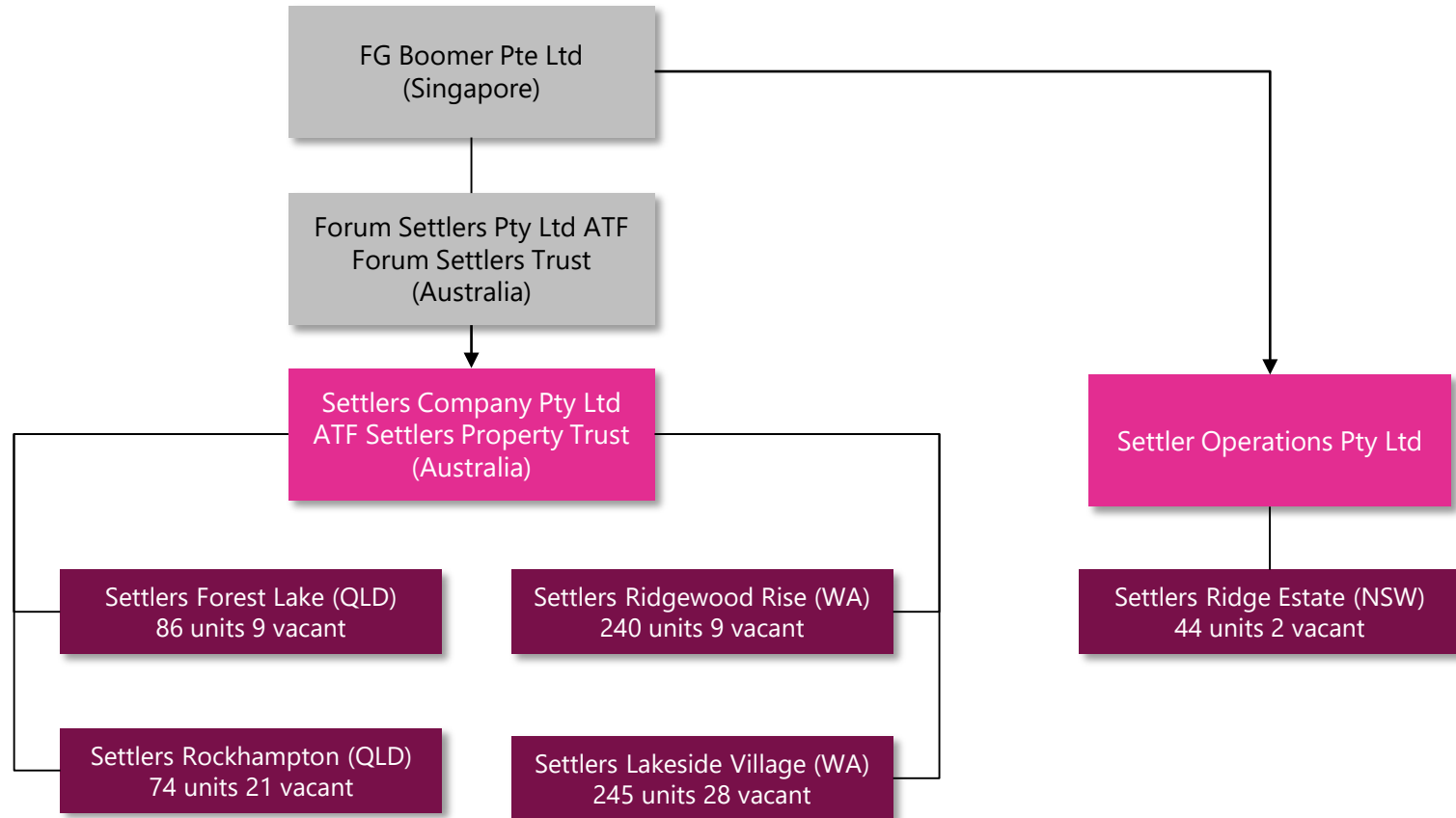
The mandatory purchase provisions also apply to units where former resident terminated their right to reside before the provisions stated, but their freehold interest remains unsold.

Settlors Operations Pty Limited was liable for 10 mandatory buy backs at its Rockhampton Village in Queensland with an estimated liability of \$1.5M.

The inability to fund the buybacks created a default across all entities within the Group necessitating the appointment of the Receivers and Managers



CORPORATE STRUCTURE AND VILLAGES



■ Administrator and Receivers & Managers appointed

■ Not Subject to Administration



EXTENSION OF CONVENING PERIOD TO FACILITATE SALE

PROCESS

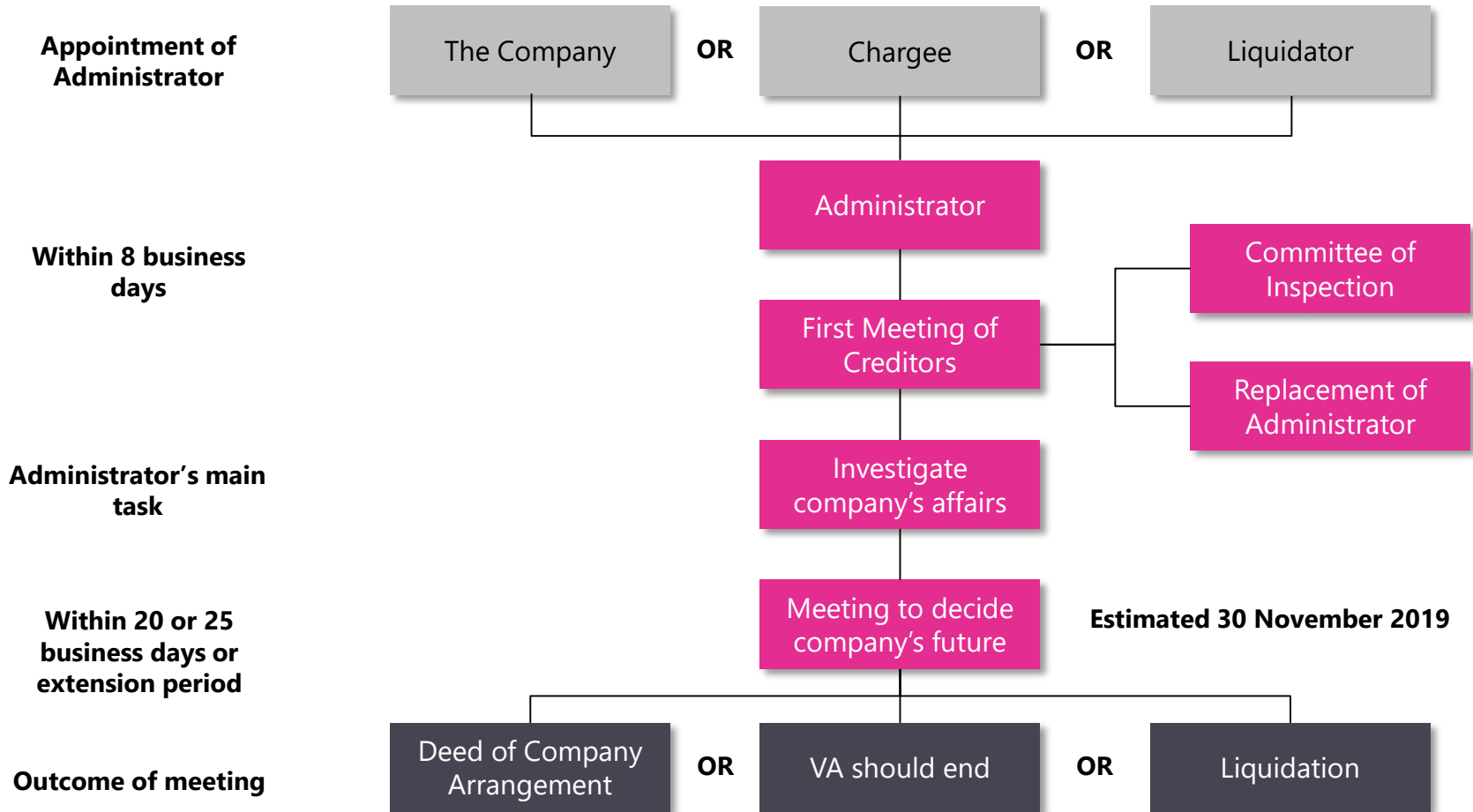
- Administrators are considering making an application to Court to extend the convening period by 3 months

PURPOSE

- Application to extend the convening period allows time for the sale and recapitalisation campaign to be completed
- Allows sufficient time for the Administrator's investigation to be concluded and detailed in the Administrator's Report to Creditors



ADMINISTRATION TIMELINE



RESOLUTIONS

RESOLUTION 1

That a Committee of Inspection be appointed

RESOLUTION 2

That in the event an alternative Administrator is proposed, that the existing Administrator be replaced, and the alternative Administrator be appointed.



QUESTIONS





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