

SPITFIRE CORPORATION LTD ACN 602 654 964;

SPITFIRE ASSET MANAGEMENT PTY LTD ACN 605 492 635;

SPITFIRE MACHINES PTY LTD ACN 623 642 437;

SPITFIRE OPERATIONS PTY LTD ACN 163 452 300;

(ALL ADMINISTRATORS APPOINTED)

(COLLECTIVELY REFERRED TO AS "THE SPITFIRE GROUP")

30 SEPTEMBER 2020

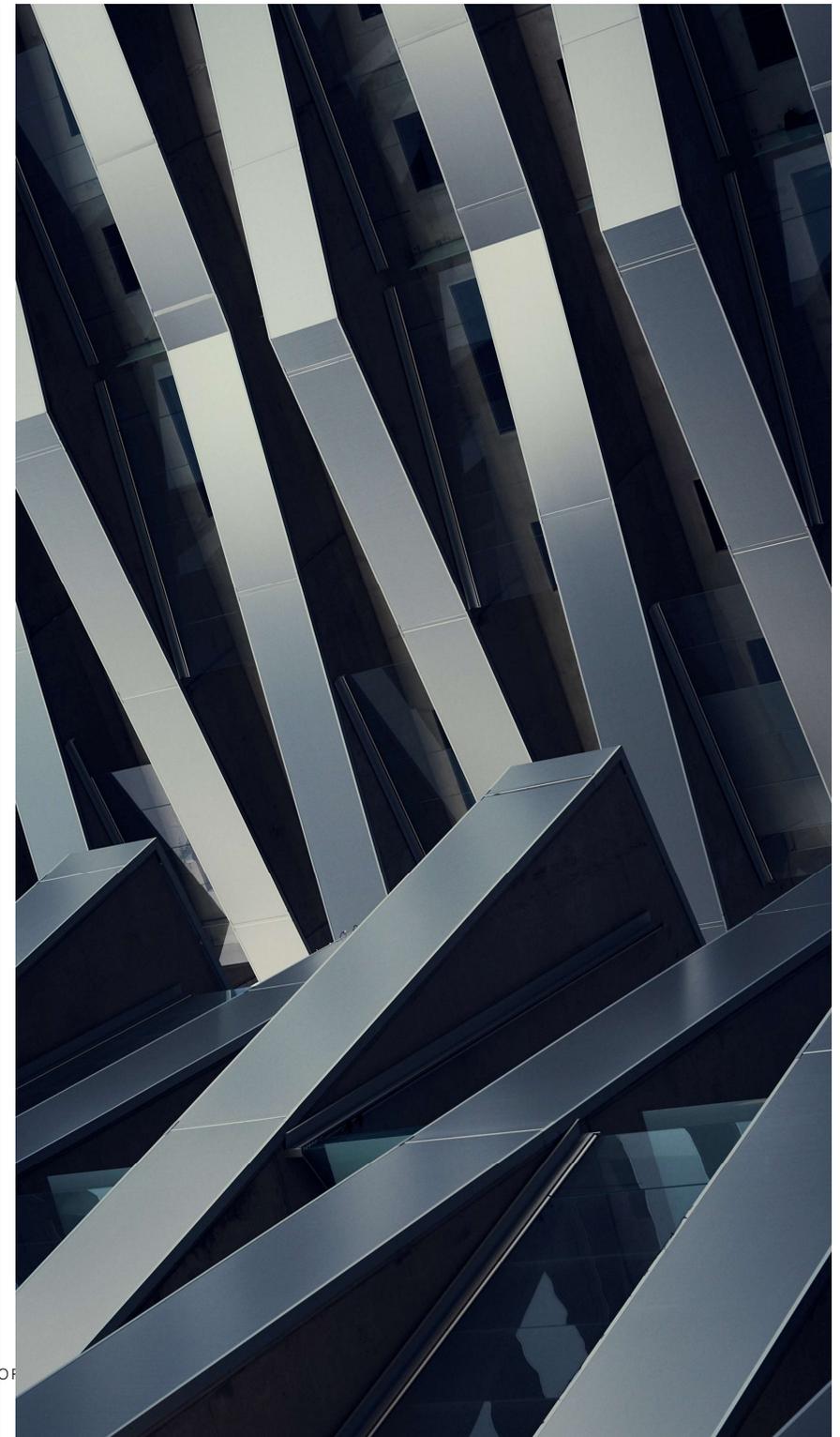


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glossary

Abbreviation	Full Text
Act	<i>Corporations Act 2001</i>
Administrators	Damien Mark Hodgkinson and Katherine Elizabeth Barnet
AFSL	Australian Financial Services Licence
ASIC	Australian Securities and Investments Commission
Asset Management	Spitfire Asset Management Pty Limited (Administrators Appointed) ACN 605 492 635
Aspirio	Aspirio Pty Ltd (In Liquidation)
ASX	Australian Stock Exchange
Assurance	Assurance Financial Group Pty Ltd
Assurance Proposal	Deed of Company Arrangement submitted by Assurance Financial Group Pty Ltd
ATO	Australian Taxation Office
CRA	Company Report on Affairs
Directors	Laurence Milne and Brian Thomas
DIRRI	Declaration of Independence, Relevant Relationships and Independence
DOCA	Deed of Company Arrangement
EBITDA	Earning Before Interest, Tax, Depreciation and Amortisation
ERV	Estimated Realisable Value
FY	Financial Year
Iglo	Iglo Logistics (HK) Ltd
Investar	Investar Research Pty Ltd
IPR	<i>Insolvency Practice Rules (Corporations) 2016</i>
Machines	Spitfire Machines Pty Limited (Administrators Appointed) ACN 623 642 437

Abbreviation	Full Text
Operations	Spitfire Operations Pty Limited (Administrators Appointed) ACN 163 452 300
PMSI	Purchase Money Security Interests
Premises	Level 6, 50 Carrington Street, Sydney
PPSR	Personal Property Security Regulation
Resilient	Resilient Investment Group Pty Ltd ACN 128 547 580
ROCAP	Report on Company Activities and Property
Rules	Insolvency Practice Rules (Corporations) 2016
Secured Creditor	Resilient Investment Group Pty Ltd
Spitfire Group or Companies	Spitfire Corporation Limited, Spitfire Asset Management Pty Limited, Spitfire Machines Pty Limited, Spitfire Operations Pty Limited (All Administrators Appointed)
Spitfire Corp	Spitfire Corporation Limited (Administrators Appointed) ACN 602 654 964
Spitfire Money	Spitfire Money Pty Ltd ACN 621 343 824
Spitfire Q	Spitfire Q Pty Ltd ACN 616 362 148
Storm	Storm Capital Partners Pty Ltd
Storm Proposal	Deed of Company Arrangement proposed by Storm Capital Partners Pty Ltd
VHH	Victoria Harbour Holdings Limited
Wealthtrac	Wealthtrac Pty Ltd ACN 098 058 523

Disclaimer

Whilst every care has been taken in the preparation of this report, we are unable to warrant the accuracy, completeness or reliability of the information contained as it was compiled from the available books and records of the Companies and information provided by relevant parties. No audit has been conducted. Our conclusions must be regarded as preliminary and subject to change and subject to any future investigations.

In considering the options available to creditors, in formulating our recommendations, we have forecast asset realisations and costs of recovery. We have also been required to make estimates of the ultimate quantum of creditors' claims against the Companies. These forecasts and estimates may change as:

- our assessment of potential asset realisations progresses; and
- creditors' claims are made and adjudicated upon.

The forecasts and estimates in this report are our best assessment in the circumstances and creditors should note that the Companies' ultimate deficiency, and therefore the outcome for creditors, could differ from the information provided in this report.

1. EXECUTIVE SUMMARY

1.1 APPOINTMENT OF ADMINISTRATORS

On 7 August 2020 Damien Mark Hodgkinson, and Katherine Elizabeth Barnet were appointed Voluntary Administrators to each of the Companies in the Spitfire Group.

1.2 CONTROL OF THE COMPANIES' ASSETS AND BUSINESS

The Administrators have assumed control of the each of the companies in the Spitfire Group with the exception of Investar, Spitfire Q and Spitfire Money. The Directors powers have been suspended pending the outcome of the Administration process.

1.3 STATEMENT OF INDEPENDENCE

Please refer to the Initial Notice to Creditors dated 11 August 2020 for the Declaration of Independence, Relevant Relationships and Independence ("DIRRI"). The DIRRI was tabled at the First Meeting of Creditors of the Companies held on 19 August 2020. At the date of this report there are no changes to the DIRRI.

1.4 PURPOSE OF THIS REPORT

The purpose of this report is to:

- a) provide creditors with information about the Companies' business, property, affairs and financial circumstances; and
- b) set out our opinion about the future of the Companies.

1.5 PRELIMINARY INVESTIGATIONS

We have conducted our preliminary investigations into the affairs for each of the Companies and have identified matters requiring further investigation. Please refer to Section 7 of this report for further details.

1.6 FIRST MEETING OF CREDITORS

The first meeting of creditors for each of the Companies was held concurrently on 19 August 2020. At that meeting, creditors if they wish to appoint a

Committee of Inspection and the appointment of alternative Administrator(s). No alternative Administrators were nominated and creditors resolved to appoint a Committee of Inspection. Please refer to Section 4 of this report for further details.

1.7 SECOND MEETING OF CREDITORS (AEST AND VIA VIDEO LINK)

	Check In Opens	Meeting Commences
Creditors meeting	Friday 9 October 2020 at 10:15am	Friday 9 October 2020 at 11:00am
Cut off for Registration of attendance	Wednesday 7 th October 2020 at 4pm	

Creditors wishing to attend the second meeting of creditors **must** register by emailing rui.wang@olveraadvisors.com by no later than Wednesday 7 October 2020 at 4.00pm AEST. Once you have registered, an email with a link will be provided to join the virtual meeting. Creditors are reminded to register prior to the meeting with check in opening at 10:15am.

1.8 ESTIMATED OUTCOME STATEMENT

A summary of the estimated returns to creditors is as follows:

Estimated Return under Recommended DOCA	Range c/\$
Priority Creditors	100
Secured Creditor	100
Unsecured Creditors	29 - 100

Estimated Return in Liquidation	Range c/\$
Priority Creditors	Subject to FEG
Secured Creditor	0 - 100
Unsecured Creditors	Unknown

A detailed analysis of the estimated returns to creditors for each of the alternatives available is set out at Annexure 6. Please refer to Section 9 of this report for a further outline.

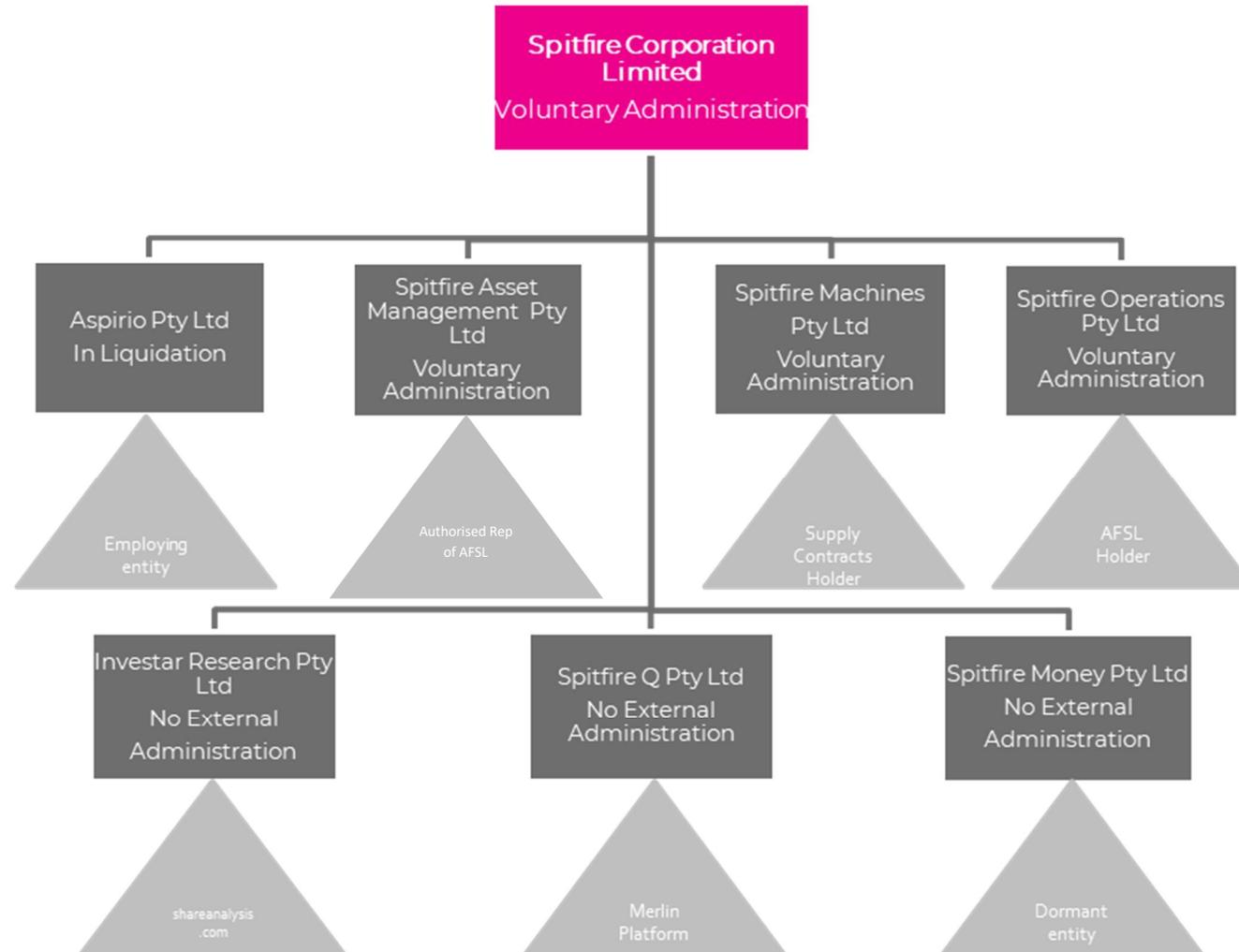
1.9 SUMMARY OF ADMINISTRATORS' RECOMMENDATION

Please refer to Section 10 in respect to the Administrators' recommendation. In summary we are of the opinion that:

- i) it is in the creditors' interests for each of the Companies to execute a Deed of Company Arrangement in accordance with the terms set out in the Assurance Proposal;
- ii) it is not in the creditors' interests for the administration to end and for control of the Companies to be returned to the directors as the Companies are insolvent; and
- iii) it is not in the creditors' interests for the Companies to be wound up based on the estimated return to creditors under the Proposed Deed compared to Liquidation.

2. GROUP'S HISTORY AND SUMMARY OF OPERATIONS

2.1 SPITFIRE GROUP CORPORATE STRUCTURE



2.2 SPITFIRE CORPORATION LTD (ADMINISTRATORS APPOINTED)

Damien Hodgkinson and Katherine Barnet were appointed Joint and Several Administrators of Spitfire Corp on 7 August 2020 pursuant to a resolution of the Directors.

Our appointment was also ratified by Justice Black by an order of the Supreme Court of NSW on 31 August 2020 as Spitfire Corp had only two directors at the date of appointment.

Spitfire Corp is an unlisted public company that was incorporated on 3 November 2014. Spitfire Corp is the holding company for the group and its main purpose was to invest in its subsidiaries. These subsidiaries were predominately involved in developing and acquiring wealth management and share analysis technology platforms.

These technology platforms include a share market analysis technology platform (shareanalysis.com) and a wealth management technology platform (Merlin) and are discussed in further detail below. Each of the companies listed below are wholly owned subsidiaries of Spitfire Corp.

2.3 ASPIRIO PTY LTD (IN LIQUIDATION)

Damien Hodgkinson and Katherine Barnet were appointed Joint and Several Liquidators of Asprio entity on 7 August 2020 pursuant to a resolution of the directors.

Asprio was incorporated on 4 August 2015 and its primary role in the Group was to operate as the employment entity. In early 2020 Asprio had approximately 50 employees that were predominately engaged in software development and associated services of the group's assets and businesses. All employees were terminated prior to the appointment of Administrators.

As Asprio is now in Liquidation, employees are now able to access the Government Fair Entitlements Guarantee scheme where eligible employees are able to claim from the Government a portion of their outstanding entitlements.

2.4 SPITFIRE OPERATIONS PTY LTD (ADMINISTRATORS APPOINTED)

Damien Hodgkinson and Katherine Barnet were appointed Joint and Several Administrators of Operations on 7 August 2020 pursuant to a resolution of the directors.

Operations was incorporated on 24 April 2013 and its primary role within the Group was to operate an asset management business. Operations held and operated under its own AFSL.

This entity was used to test the first generation of the Merlin trading platform.

Operations was in the process of being wound down on the appointment of the Administrators and continued this process during the Administration. All client funds have been, or are in the process of being returned.

2.5 SPITFIRE ASSET MANAGEMENT PTY LTD (ADMINISTRATORS APPOINTED)

Damien Hodgkinson and Katherine Barnet were appointed Joint and Several Administrators of Asset Management on 7 August 2020 pursuant to a resolution of the directors.

Asset Management was incorporated on 27 April 2015 and operated the Spitfire Group's asset management business. Asset Management operated under a third party AFSL as an authorised representative.

Asset Management predominant purpose was the second test entity for the use of the second generation Merlin software with trading clients.

Prior to the Administrators being appointed the asset management business was in the process of being wound down and client's funds were in the process of being transferred off the asset management platform.

The business of Asset Management has now ceased operating and all client funds have been transferred with all funds returned.

2.6 SPITFIRE MACHINES PTY LTD (ADMINISTRATORS APPOINTED)

Damien Hodgkinson and Katherine Barnet were appointed Joint and Several Administrators of Machines on 7 August 2020 pursuant to a resolution of the directors.

Machines was incorporated on 3 January 2018 and at the date of the appointment of administrators was a non-operating entity whose primary role was holding third party software contracts.

Prior to ceasing to trade Machines operated as an asset management business as an authorised representative under a third party AFSL.

Machines was the latest test entity for the use of the current generation Merlin software.

2.7 INVESTAR RESEARCH PTY LTD

Investar was incorporated on 23 October 2017. In March 2019 Investar acquired a share analysis platform (shareanalysis.com) for a purchase price of \$2.95m. Investar is not in any form of external administration.

The platform provides clients in the financial sector with key share research information and automates the analysis of portfolio holdings.

The platform operated a subscription service ideally suited for day trading on listed shares. The platform had only limited clients at the date of administration.

The Group invested significant time and value in redevelopment of the platform to its current operating level.

2.8 SPITFIRE Q PTY LTD

Spitfire Q was incorporated on 8 December 2016. Spitfire Q predominate purpose is the ownership of the wealth management platform known as “Merlin”. Spitfire Q does not trade in its own right.

Merlin provides global access to an unconstrained range of financial and non-financial asset classes which can be traded in their native currency without currency conversion inefficiencies. The platform provides the ability to place time-sensitive trades and contains practice management tools allowing users to provide a high level of service to their clients.

Spitfire Q is not in any form of external administration.

The Group has invested over \$10.0m in the development of the merlin platform since its inception. It has an estimated capitalised book value of \$8.83m.

2.9 SPITFIRE MONEY PTY LTD

Spitfire Money was incorporated on 28 August 2017 and is a dormant subsidiary. Spitfire Money does not have any material assets or liabilities and is not in any form of external administration.

3. STATUTORY INFORMATION

Detailed below is a summary of information relating to the Companies as recorded by the Australia Securities and Investment Commission (“ASIC”) as at the date of my appointment.

Company:	Spitfire Corporation Ltd	Spitfire Asset Management Pty Ltd
ACN:	602 654 964	605 492 635
Date of Incorporation:	3 November 2014	27 April 2015
Registered Office:	Level 6, 50 Carrington Street, Sydney NSW	Level 6, 50 Carrington Street, Sydney NSW
Principal Place of Business:	Level 6, 50 Carrington Street, Sydney NSW	Level 6, 50 Carrington Street, Sydney NSW

Company:	Spitfire Machines Pty Ltd	Spitfire Operations Pty Ltd
ACN:	623 642 437	163 452 300
Date of Incorporation:	3 January 2018	24 April 2013
Registered Office:	Level 6, 50 Carrington Street, Sydney NSW	Level 6, 50 Carrington Street, Sydney NSW
Principal Place of Business:	Level 6, 50 Carrington Street, Sydney NSW	Level 6, 50 Carrington Street, Sydney NSW

3.1 FORMER AND CURRENT DIRECTORS AND SECRETARIES

A search of the records of ASIC reveals that the directors of the Group during the last four years was as follows:

Name of Director	Company	Date Appointed	Date Ceased
Laurence Milne	Spitfire Corp	21 May 2015	Current
Brian Thomas	Spitfire Corp	8 June 2015	Current

Name of Director	Company	Date Appointed	Date Ceased
Jean Jacques Van Helten	Spitfire Corp	1 December 2018	12 May 2020
Graham Maloney	Spitfire Corp	14 March 2018	7 June 2019
Wayne Johnson	Spitfire Corp	21 March 2017	14 March 2018
Matthew Glasner	Spitfire Corp	31 August 2016	17 March 2017
Laurence Milne	Asset Management	15 May 2015	Current
Brian Thomas	Asset Management	22 Sept 2015	Current
Graham Maloney	Asset Management	14 March 2018	7 June 2019
Wayne Johnson	Asset Management	4 July 2017	14 March 2018
Laurence Milne	Machines	3 January 2018	Current
Brian Thomas	Machines	3 January 2018	Current
Laurence Milne	Operations	12 June 2018	Current
Brian Thomas	Operations	12 June 2018	Current
Michael Birch	Operations	17 July 2018	10 July 2019
Graham Maloney	Operations	17 July 2018	7 June 2019
Raymond Miles	Operations	24 April 2013	12 June 2018

Section 9 of the Act provides that a person may be deemed a shadow or de facto director if:

- they act in a position of a director; or
- the directors of the company are accustomed to act in accordance with the person's instructions or wishes.

In the event that it is determined that there may have been a person acting as a shadow or de facto director, then they would be liable for any potential breaches of director duties in the same manner that directors would.

Please refer to Section 7 below in respect to our investigations in respect to director duties.

A search of ASIC records revealed that the secretaries of the Companies during the last 4 years was as follows:

Name of Secretary	Company	Date Appointed	Date Ceased
Jessica Lucich	Spitfire Corp	6 Sept 2019	1 Nov 2019
Laurence Milne	Spitfire Corp	27 May 2015	6 Sept 2019
Laurence Milne	Asset Management	15 May 2015	Current
Laurence Milne	Machines	3 January 2018	Current
Taha Khan	Operations	16 July 2018	26 Sept 2018
Ian White	Operations	24 April 2013	12 June 2018

3.2 REGISTERED SECURITY INTERESTS

A search of the Personal Property Securities Register ("PPSR") which details all registered security interests against the Companies and/or its property pursuant to the *Personal Property Securities Act 2009* reveal no registered security interests in respect to Asset Management, Machines and Operations. The following registered security interests are in respect to Spitfire Corp:

Security Holder	Registration Number	Registration Start Date	PMSI	Collateral Type
Resilient	201803210031613	2 May 2019	N/A	Commercial property. All present and after acquired property of the grantor except any property which is not subject to, or has been released from, a security agreement in favour of the secured party.
Cannon Finance Australia Ltd	201905020063480	21 March 2018	N/A	Commercial property. Specific photocopier equipment.

As set out above, Resilient has a registered security interest over all property of Spitfire Corp (including shares in its subsidiaries). Please note that Resilient does not have a direct registered security interest over any of the assets of Spitfire Corp's subsidiaries. The security interest, however would, prima facie, extend to Corps shareholdings in each of the subsidiaries.

Resilient had until 26 August 2020 to appoint a Receiver. By agreement Resilient agreed that no further appointment by them was necessary.

On 14 August 2020, we issued a Notice of Intention Not to Exercise Property Rights to Cannon Finance Australia Ltd in relation to their PPSR registration. As a result, Cannon Finance Australia Ltd reclaimed their property (being a photocopier).

There are no registered security interests in respect to any of the Spitfire Group subsidiaries including Investar and Spitfire Q.

4. SUMMARY OF ADMINISTRATION TO DATE

4.1 FIRST MEETING OF CREDITORS

The first meeting of creditors for each of the Companies was held concurrently on 19 August 2020. At that meeting, creditors considered the appointment of a Committee of Inspection and the appointment of alternative Administrator(s). The creditors did not resolve to appoint alternative Administrators and resolved to form a Committee of Inspection consisting of the following parties:

- Barry Taylor (HLB Mann Judd (NSW) Pty Ltd, HLB Mann Judd Corp, HLB Mann Judd Partnership)
- Michael Milne (Vestrock Capital)
- Peter Crown (Resilient)
- Hugo Martinez (PwC Australia)
- Craig Hughes (Pharus Advisory Group Pty Ltd)

The Committee the Committee has met twice to provide assistance to the Administrators with respect to the extension of the convening period and to discuss the DOCA proposals. Mr Milne was excluded from the second meeting

as he is related to the principal of the Deed proponent to one of the DOCA proposals being considered.

4.2 ADMINISTRATORS OPERATIONAL AND STATUTORY TASKS

Broadly, we have undertaken the following tasks since our appointment:

- various meetings with the Spitfire Group and its directors to understand the history of the entities within the Spitfire Group and to preserve asset values;
- collect and secure the Spitfire Group's books and records;
- notify stakeholders of our appointment;
- Various applications to court to verify our appointment and extend statutory timeframes;
- review and analysis of the Spitfire Group's records and financial statements information;
- completed investigations to understand, identify and secure assets of the Spitfire Group including interests in subsidiaries;
- conduct preliminary investigations into potential voidable transactions and potential actions;
- undertake financial analysis on the historical performance of the Spitfire Group;
- convening the first concurrent meeting of creditors of the Spitfire Group;
- preparation of information sale memorandums and undertake an expressions of interest program for the Spitfire Group's assets;
- correspondence and ongoing meetings / information sessions with various interested parties in the sale campaign;
- assist and facilitate removal of clients from the Spitfire platforms, return of client funds and preserve the platform assets;
- engage with various stakeholders including employees, creditors, lessors;

- liaise with the Directors and other deed proponents in respect to DOCA proposals;
- liaise with the secured creditors;
- convene meetings of the COI in respect to the extension of the convening period extension application and DOCA proposals;
- correspond with creditors in respect to the intention and outcome of the convening period extension application;
- undertake an financial and risk analysis of the proposed DOCA's;
- attend to statutory requirements and reporting; and
- prepare a detailed report to creditors for the Spitfire Group outlining our investigations and convening the meeting for the second concurrent meeting of creditors.

For a detailed list of tasks attended to please refer to the Remuneration Report in Annexure 7.

5. SUMMARY OF ASSETS AND LIABILITIES AS AT THE DATE OF THE APPOINTMENT OF ADMINISTRATORS

Pursuant to Section 438B(2) of the Act, the Directors are required to submit a Report on Company Activities and Property ("ROCAP") for each company. This document provides information on the financial position of the Companies as at the date of our appointment. A summary of the assets and liabilities of the Companies as per the ROCAPs is set out below:

A further breakdown of the assets and liabilities of each entity is provided below along with the Administrators' estimated values.

	Spitfire Corp	Asset Management	Machines	Operations
	\$	\$	\$	\$
<i>Assets</i>				
Cash and Bank	228	13,432	0	0
Debtors	5,776,172	0	0	32,370
Plant and Equip.	78,438	0	0	0
Shares in Subsidiaries	Unknown	0	0	0
AFSL	0	0	0	Unknown
Total Assets	5,854,838	13,432	0	32,370
<i>Liabilities</i>				
Secured Creditors	500,926	0	0	0
Priority Creditors	187,663	576,614	145,832	2,082
Unsecured Creds. Unrelated	1,943,596	721,619	780,863	376,768
Unsecured Creds. ATO	30,440	306,702	68,489	0
Unsecured Creds. Related	914,705	32,100	0	0
Total Liabilities	3,577,330	1,637,035	995,184	378,850
Total Surplus / Deficiency	2,277,508	(1,623,603)	(995,184)	(346,480)

5.1 SUMMARY OF SPITFIRE CORP ROCAP

	Directors' Opinion Opinion (\$)	Administrators' Opinion Low (\$) High (\$)	
Assets			
Cash and Bank Assets	228	0	0
Debtors	5,776,172	0	3,772,381
Plant & Equipment	78,438	0	0
Shares in Subsidiaries	Unknown	Withheld	Withheld
Total Assets	5,854,838	0	3,772,381
Liabilities			
Secured Creditors	500,926	646,012	500,926
Priority Creditors	187,663	267,179	187,663
Unsecured Creditors Unrelated	1,943,596	2,362,663	1,943,596
Unsecured Creditor ATO	30,440	30,440	30,440
Unsecured Creditors Related	914,705	934,513	914,705
Total Liabilities	3,577,330	4,240,807	3,577,330
Total Surplus / Deficiency	2,277,508	(4,240,807)	195,051

5.1.1 Administrators' Comments - Spitfire Corp Assets

5.1.1.1 Cash at bank

On our appointment, we contacted all major banks and financial institutions and have not identified any bank accounts with material funds.

5.1.1.2 Debtors

On 26 September 2019 Victoria Harbour Holdings Limited entered into a subscription agreement with Spitfire Corp whereby VHH agreed to pay €1m to Spitfire Corp in exchange for a certain number of shares. The Directors have recorded the value of this transaction as AU\$1,650,335 in their ROCAP.

Also, on 12 February 2020 the company entered into a subscription agreement with Iglo Logistics (HK) Ltd for €2.5M. The Directors have recorded the value of this transaction as AU\$4,125,837 in their ROCAP.

Prior to our appointment and despite numerous communications between these subscribers and Spitfire Corp and undertakings from the subscribers to remit funds, no funds had been received as at the date of our appointment in respect to either of these subscriptions.

We have instructed our solicitor, Kirsten Farmer of Mills Oakley Lawyers who have issued demands in respect to these unpaid subscription amounts. We have not obtained a substantive response to date. Our estimated high range recovery of this asset class factors in potential recovery costs and litigation risks. Refer to Section 7.7.1 and 7.7.2 further in this regard.

5.1.1.3 Plant & equipment

Spitfire Corp recorded plant & equipment in its accounts at a book value of \$74,438. This amount comprises furniture, computer monitors and equipment and general office equipment. Our auctioneer agent has assessed the resale value to be nominal and determined that the costs to recover and sell the plant and equipment would likely exceed any realisable value. Accordingly, we have determined that there is no net realisable value in respect to these assets.

5.1.1.4 Interest in subsidiaries

Spitfire Corp did not record its investment in its subsidiaries in its financial statements. Based on the financial accounts as at 30 June 2019 the capitalised value of the Research and Development grants were \$7.53m. The extracted carrying book value as at 30 June 2020 is \$8.83m.

We understand the predominately significant assets of value in the group to comprise the interest in

- Spitfire Q which owns the Merlin platform and
- Investar Research which owns shareanalysis.com

On 17 August 2020 we commenced a closed tender sale process for the sale of the shares in each of the above subsidiaries. That sale process is ongoing and subject to usual confidentiality arrangements. We consider disclosing any further information around the prospective sale other than we have engaged with seven interested parties would be detrimental to the outcome of the sale process.

The successful sale of the software platforms is expected to take several weeks to three months to complete depending on what assets are acquired.

In the event the company is placed into liquidation then a formal open sales process will commence.

Given the remaining subsidiaries in the group are insolvent we do not consider that there is any value attributable to the equity interest in them.

5.1.2 Administrators' Comments - Spitfire Corp Liabilities

The creditor claims amounts reported in the Administrators' Low estimated Surplus / Deficiency column reflect the amounts reported in the Directors' ROCAP adjusted for Proofs of Debt received with higher amounts.

The creditor claims amounts reported in the Administrators' High estimated Surplus / Deficiency column reflects the unadjusted amounts reported in the Directors' ROCAP and management accounts.

5.1.2.1 Employee Claims

We have received priority employee claims totalling \$267,179. This is different to the amount in the Company records of \$187,663.

5.1.2.2 Unsecured Claims - Unrelated

The unrelated creditor claims amounts reported by the director's totals \$2,048,697. Since our appointment we have received additional claims by creditors of \$423,359. These claims will be subject to a formal adjudication process. This is different to the amount in the Company records of \$1,943,596.

5.1.2.4 Unsecured Claims - ATO

The Spitfire Group as well as Aspirio is part of a tax sharing agreement making these entities joint and severally liable for all tax liabilities. Total estimated tax liabilities for the Spitfire Group and Aspirio totals approximately \$2.5m (excluding any offsets). The ATO is yet to lodge a proof of debt in any of the entities.

Shortly after our appointment we lodged the 2019 tax return currently being processed by the ATO which included an R&D rebate of \$1.2m. We believe the ATO will offset the rebate against the tax liabilities leaving a balance of approximately \$1.3m owed by the Spitfire Group and Aspirio. We have received documents indicating a further R&D rebate of approximately \$900,000 will be claimed in the 2020 tax return which will result in a further

reduction of the Spitfire Group's tax liabilities leaving approximately \$400,000. We currently do not have funds to satisfy costs of completing the 2020 tax return. The returns will be completed by a liquidator or deed Administrator once funds become available.

Accordingly, in the event that both returns are lodged and the R&D claims are accepted and offset against existing debt, we believe that the balance owing by the group under the TSA will be \$306,702.

5.1.2.4 Unsecured Claims - Related

The Directors ROCAP discloses the below related creditors:

	(\$)
Mark O'Brien Legal	91,757
B D Thomas and Associates	105,102
Red Wheel Pty Ltd	1,968
Storm Capital Partners Pty Ltd	28,011
Storm Family Trust	112,219
Vestrock Capital Pty Ltd	498,648
Stratagm Pty Ltd	77,000
Total:	914,706

Related creditors are defined as either shareholders or former or current directors of the Spitfire Group.

5.2 SUMMARY OF ASSET MANAGEMENT ROCAP

	Directors' Opinion (\$)	Administrators' Opinion Low (\$)	High (\$)
<i>Assets</i>			
Cash and Bank Assets	13,432	2,252	2,252
Total Assets	13,432	2,252	2,252
<i>Liabilities</i>			
Secured Creditors	0	0	0
Priority Creditors	576,614	258,301	221,274
Unsecured Creditors Unrelated	721,619	1,172,002	721,619
Unsecured Creditor ATO	306,702	306,702	306,702
Unsecured Creditors Related	32,100	32,100	32,100
Unsecured Excl. Empl. Ent.	-	355,341	355,341
Total Liabilities	1,637,035	1,769,105	1,281,695
Total Surplus / Deficiency	(1,623,603)	(1,766,853)	(1,279,443)

5.2.1 Administrators' Comments - Asset Management Assets

5.2.1.1 Cash at bank

On appointment, we contacted all major banks and financial institutions and have identified \$2,252 held in an Asset Management bank account. We are currently arranging these funds to be transferred into a Spitfire Corp Administration account.

The directors have not disclosed nor have we identified any other assets of Asset Management.

5.2.2 Administrators' Comments - Asset Management Liabilities

The creditor claims amounts reported in the Administrators' Low estimated Surplus / Deficiency column reflect the amounts reported in the Directors' ROCAP adjusted for Proofs of Debt received with higher amounts.

The creditor claims amounts reported in the Administrators' High estimated Surplus / Deficiency column reflects the unadjusted amounts reported in the Directors' ROCAP and management accounts.

Pursuant to Section 556 of the Act related parties are only entitled a level of priority of that afforded to employees to the capped amount of \$2,000 for wages and superannuation and \$1,500 for holiday pay / annual leave (excluded employees). Accordingly, the employee entitlements claimed by the Director Laurence Milne are capped at these amounts. The excluded employee entitlements reported above includes expenses claimed by Laurence Milne that also does not attract a priority in respect to creditor claims.

5.3 SUMMARY OF MACHINES ROCAP

	Directors' Opinion (\$)	Administrators' Opinion Low (\$)	High (\$)
<i>Assets</i>			
Total Assets	0	0	0
<i>Liabilities</i>			
Secured Creditors	0	0	0
Priority Creditors	145,832	174,577	145,832
Unsecured Creditors Unrelated	780,863	802,205	780,863
Unsecured Creditor ATO	68,489	68,489	68,489
Unsecured Creditors Related	0	0	0
Total Liabilities	995,184	1,045,271	995,184
Total Surplus / Deficiency	(995,184)	(1,045,271)	(995,184)

5.3.1 Administrators' Comments - Machines Assets

The directors of Machines, a non operating entity, have not disclosed any assets in Machines.

5.3.2 Administrators' Comments - Machines Liabilities

The creditor claims amounts reported in the Administrators' Low estimated Surplus / Deficiency column reflect the amounts reported in the Directors' ROCAP adjusted for Proofs of Debt received with higher amounts.

The creditor claims amounts reported in the Administrators' High estimated Surplus / Deficiency column reflects the unadjusted amounts reported in the Directors' ROCAP and management accounts.

5.4 SUMMARY OF OPERATIONS ROCAP

	Directors' Opinion	Administrators' Opinion	
	(\$)	Low (\$)	High (\$)
Assets			
Debtors	32,370	0	0
AFSL	Unknown	0	100,000
Total Assets	32,370	0	100,000
Liabilities			
Secured Creditors	0	0	0
Priority Creditors	2,082	2,082	2,082
Unsecured Creditors Unrelated	376,768	431,768	376,768
Unsecured Creditor ATO	0	0	0
Unsecured Creditors Related	0	0	0
Total Liabilities	378,850	433,850	378,850
Total Surplus / Deficiency	(346,480)	(433,850)	(278,850)

5.4.1 Administrators' Comments - Operations Assets

5.4.1.1 Debtors

The debtors of \$32,370 reported in the ROCAP relates to GST refunds. The Spitfire Group has significant joint and several tax liabilities as part of a tax sharing agreement as outlined above. It is likely that the ATO will apply a right

of offset against the GST refunds Which means that the refund will not be a realisable asset. Applying the offset will have the benefit of reducing the total pool of creditors by \$32,370.

We have not duplicated the reporting of joint and several tax liabilities on each individual entity basis for the purpose of this summary however, outline the position further below.

5.4.1.2 AFSL

Spitfire Operations holds a registered Australian Financial Services Licence. We are currently receiving interest in respect to the sale of this licence and estimate its value in the range of \$0 and \$100,000. ASIC will likely issue a show cause notice as to why the license should not be cancelled. We have provided ASIC with an interim holding position pending the outcome of the creditors meeting.

5.4.2 Administrators' Comments - Operations Liabilities

5.4.2.1 Priority and unsecured creditor claims

The creditor claims amounts reported in the Administrators' Low estimated Surplus / Deficiency column reflect the amounts reported in the Directors' ROCAP adjusted for Proofs of Debt received with higher amounts.

The creditor claims amounts reported in the Administrators' High estimated Surplus / Deficiency column reflects the unadjusted amounts reported in the Directors' ROCAP and management accounts.

6. HISTORICAL ANALYSIS - FINANCIAL INFORMATION

We have been provided with the Spitfire Group's electronic management accounts. Provided below is a summary of key findings from our preliminary investigations into the financial accounts.

6.1 HISTORICAL ANALYSIS - PROFIT AND LOSS STATEMENT

The below table summarises the consolidated Spitfire Group's Net Profit and EBITDA for the financial years ending 2018 and 2019. Further tables on an individual entity bases are attached at Annexure 2 up to July 2020.

Spitfire Corporation Limited		
Consolidated Statement of Profit and Loss and other Comprehensive Income for the Year ended 30 June 2019		
	2019	2018
	(\$)	(\$)
Income		
Revenue	1,734,525	1,506,740
Other gains and (losses)	(19,198)	(19,229)
Finance income - interest income	-	-
Total Income	1,715,327	1,487,511
Expenses		
Employee benefits expenses	(3,953,818)	(1,121,216)
Administration costs	(1,702,556)	(832,550)
Depreciation, amortisation and impairment expense	(291,089)	(195,324)
Marketing and advertising expenses	(16,636)	(56,618)
Compliance costs	(138,964)	(100,032)
Consulting expenses	(2,171,253)	(334,689)
Legal fees	(23,333)	(223,238)
Occupancy expenses	(590,676)	(59,666)
Finance cost - interest expense	(112,116)	(70,608)
Other expenses	(228,205)	(237,282)
Total Expenses	(9,228,646)	(3,231,223)
Loss before Tax	(7,513,319)	(1,743,712)
Income Tax Expense	-	-
Loss for the Year	(7,513,319)	(1,743,712)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	(7,513,319)	(1,743,712)

6.2 HISTORICAL ANALYSIS - BALANCE SHEET AND WORKING CAPITAL RATIO

The table below summarises the balance sheet, working capital and net assets from January 2019 to July 2020 on a 6 monthly basis for the Spitfire Group excluding the not in Voluntary Administration. Further tables on an individual entity bases are attached at Annexure 3 up to July 2020. This table represents the Administration entities only and is not a representation of the consolidated group.

Net Asset and Working Capital Analysis				
	31 Jul 2020	31 Jan 2020	31 Jul 2019	31 Jan 2019
	(\$)	(\$)	(\$)	(\$)
CURRENT ASSETS				
Spitfire Corporation	6,148,620	2,018,954	389,378	380,417
Spitfire Asset Management	108,438	24,370	66,820	72,382
Spitfire Machines	312,258	111,430	283,823	98,234
Spitfire Operations	2,779	7,777	220	0
TOTAL CURRENT ASSETS	6,572,095	2,162,531	642,286	314,290
NON-CURRENT ASSETS				
Spitfire Corporation	597,408	19,934,783	19,858,912	11,373,815
Spitfire Asset Management	-205,771	-190,847	233,734	3,239,327
Spitfire Machines	-23,776	-23,776	333	203,094
Spitfire Operations	34,654	56,453	81,901	-1,936
TOTAL NON-CURRENT ASSETS	402,516	19,776,614	20,174,880	14,814,299
TOTAL ASSETS	6,974,611	21,939,145	20,817,166	15,128,589
CURRENT LIABILITIES				
Spitfire Corporation	3,939,705	6,436,453	5,308,885	1,049,030
Spitfire Asset Management	1,792,418	1,189,866	1,069,009	756,665
Spitfire Machines	1,124,436	530,067	483,970	229,745
Spitfire Operations	379,364	353,344	11,786	1,876
TOTAL CURRENT LIABILITIES	7,235,923	8,509,730	6,873,649	2,037,315
NON-CURRENT LIABILITIES				
Spitfire Corporation	54,072	659,230	74,227	100
Spitfire Asset Management	150,167	23,400	13,274	6,052,018
Spitfire Machines	692,779	467,027	67,094	808,325
Spitfire Operations	-33,717	-38,506	10,717	47,419
TOTAL NON-CURRENT LIABILITIES	863,301	1,111,152	165,312	6,907,863
TOTAL LIABILITIES	8,099,224	9,620,882	7,038,961	8,945,178
NET ASSETS	-1,124,613	12,318,263	13,876,161	6,420,153
WORKING CAPITAL RATIO	0.91	0.25	0.11	0.15

A further summary of the balance sheet for the wider Spitfire Group including all subsidiaries is provided below.

Spitfire Corporation Limited
Consolidated Statement of Financial Position as at 30
June 2019

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	436,720	487,058
Trade and other receivables	1,361,651	1,251,351
Other assets	286,780	234,548
Total Current Assets	2,085,151	1,972,957
Non-current Assets		
Property, plant and equipment	185,521	235,950
Goodwill	20,354,000	-
Other intangible assets	7,530,410	4,960,756
Other assets	1,324,446	38,120
Other financial assets	200	30,200
Total Non-current Assets	29,394,577	5,265,026
TOTAL ASSETS	31,479,728	7,237,983
LIABILITIES		
Current Liabilities		
Trade and other payables	3,261,525	1,444,213
Borrowings	3,481,265	195,204
Provisions	565,995	156,037
Total Current Liabilities	7,308,785	1,795,454
Non-current Liabilities		
Total Non-current Liabilities	-	-
TOTAL LIABILITIES	7,308,785	1,795,454
NET ASSETS	24,170,943	5,442,529
EQUITY		
Issued capital	35,331,825	7,654,502
Convertible securities	425,000	1,499,150
Reserves	22,453	22,453
Accumulated losses	- 11,608,335	- 3,733,576
TOTAL EQUITY	24,170,943	5,442,529

6.3 ADMINISTRATORS OBSERVATIONS

We make the following observations in relation to the historical financial information of the Group:

6.3.1 Net Profit and EBITDA:

- The main operating income of the Spitfire Group over the past two years (excluding the Wealthtrac business) has been generated by the Asset Management subsidiary from the use of the Merlin wealth management platform.
- Other income reported for Spitfire Corp in respect to the periods ended July 2019, January 2020 and July 2020 relate to fee income from the Wealthtrac business.
- A significant portion of the Spitfire Group's expenses relate to employment and service contract costs (68%).
- The Spitfire Group incurred trading losses for the previous two years.
- The significant loss reported for the period ended July 2019 is attributable to a debt forgiveness by Spitfire Corp for all subsidiary intercompany loan balances at 30 June 2019 totalling \$11.8m. Adjusted EBITDA for the period ended July 2019 excluding the forgiveness would be (\$3.1m).
- The significant loss reported for the period ended July 2020 is attributable to the loss recorded on the disposal of the Wealthtrac business (\$16.5m). Accordingly, excluding the Wealthtrac loss on disposal the EBITDA for the period ended July 2020 would be \$1.8m (refer to Annexure 2).
- Whilst the Spitfire Group consistently reported negative EBITDA, a large portion of the expenses that were recorded in the profit and loss statements were expenses that were attributable to the technology development and accordingly contributed to the increase in value of the Merlin and Shareanalysis.com platforms.
- Being a technology development group, the Spitfire Group has consistently claimed significant ATO Research and Development grants from the ATO. These grant receipts have been accounted for within Aspirio's accounts and accordingly are not reflected in the summarised accounts for the entities in Administration.

6.3.2 Net Assets and Working Capital Analysis:

- The Spitfire Group's current assets increased across the 2 years prior to the Administration which was largely attributable to share subscription receivables.
- The Spitfire Group's non current assets fluctuated over the 2 years prior to the Administration as a result of the Wealthtrac business being purchased and subsequently sold.
- After the end of each financial year the Spitfire Group capitalised the value of the Research and Development grant into intangible assets. As at 30 June 2019 the value of the capitalised Research and Development grant was \$7.53m. Adjusting for the Research and Development grant submitted for FY19 of \$1.2m and possible grant of \$0.9m for FY20, the capitalised value of intangible assets would be \$8.83m.
- The Spitfire Group reported a net asset position as at 31 January 2019, 31 July 2019, and 31 January 2020 with net assets of \$6m, \$13.8m and \$12.3m respectively.
- At 31 January 2019 the majority of the Spitfire Group's assets consisted of Intangible assets related to Spitfire Q. The majority of assets at 31 July 2019 and 31 January 2020 consisted of the Wealthtrac business.
- The Spitfire Group reported a reduced net asset position at 31 July 2020 which is primarily as a result of the significant loss incurred sale of the Wealthtrac business (\$16.5).
- The Spitfire Group reported negative working capital ratio at 31 January 2019 (0.15 times), 31 July 2019 (0.11 times) and 31 January 2020 (\$2.5 times) before improving at 31 July 2020 to be 0.91.
- A closer analysis of the improvement in working capital shows that the improvement occurred from February 2020 onwards and as a result of Spitfire Corp entering into the share subscription agreement with Iglo totalling \$4.1m. The amount due under the share subscription agreements were recorded in the Spitfire financial reports as a debtor. Further discussion regarding the outstanding share subscription agreements is contained at Section 5 above.

7. PRELIMINARY INVESTIGATIONS

We have undertaken preliminary investigations into the affairs of the Companies to identify:

- the preliminary date of insolvency of the Companies;
- potential breaches of duty and other offences under the Act by the directors of the Group; and
- potential actions by a Liquidator and the Companies.

An Administrator (or Deed Administrator) does not have the power to commence proceedings to recover voidable transactions or insolvent trading claims. These recoveries can only be actioned by a Liquidator.

The purpose of this section is to inform creditors of potential recoveries that would incorporate additional asset recoveries that may be available if creditors resolve that the Companies be wound up.

7.1 LIMITATIONS

The Act provides a statutory timeframe which Administrators must report to creditors on a company's affairs ahead of the Meeting of Creditors.

Despite the extensions granted by the court to convene the meetings, we have conducted preliminary investigations into the affairs of the Companies within the time constraints. Further investigation would be required if the Companies are wound up to ascertain if it would be viable both commercially and on a legal risk assessment basis to pursue any claims for the benefit of the creditors

7.2 BOOKS AND RECORDS

We have reviewed the schedule of records of the Companies for the purpose of our preliminary investigations.

Section 286 of the Act provides that:

"A company, registered scheme or disclosing entity 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.”*

Section 286(2) of the Act also provides that such records must be retained for seven (7) years after the transactions covered by the records and completed. Failure to comply with Section 286 of the Act creates a presumption of insolvency, and this presumption can be used by a Liquidator in pursuing certain recovery actions, should the Companies be placed into liquidation at the upcoming meeting of creditors or by the Court.

The books and records of the Spitfire Group were maintained by the Directors and the Spitfire Group’s accountants, Deloitte.

Following our appointment, we have requested access to the books and records of Spitfire Group from the Directors, to enable us to conduct our preliminary investigations in accordance with the requirements under the Act. The Groups accounting records were maintained on Xero and we have obtained full access to those records.

In our view the Spitfire Group’s books and records available to us are adequate for us to form our preliminary opinion on various causes of action available to the Spitfire Group for the purposes of this report. However, we have not had sufficient time to consider whether we have been given access to all of the books and records of the Companies and we are unable to verify whether there are certain books and records that are missing.

From the books and records of the Spitfire Group available to us, we are of the opinion that the Spitfire Group kept adequate books and records to meet the requirements of Section 286 of the Act.

7.3 LITIGATION RISK AND PROOF OF INSOLVENCY

As noted, if a company is wound up, Part 5.7B of the Act empowers a Liquidator to commence certain legal proceedings to recover money, property or other benefits for the benefit of the unsecured creditors of a company. These recoveries are only available to a Liquidator and importantly are not available to an Administrator and/or Deed Administrator nor a Trustee of a Creditors Trust

Creditors should note that while recovery actions have the potential to increase the pool of funds available to creditors, it can be an expensive and protracted process with unknown outcomes. Even if a recovery action is successful, it will depend on whether the defendant(s) have the financial

means to satisfy any judgment against them or whether there are any insurance policies that may respond to the judgment.

The prospects of success of any litigation claim may be dependent upon the following factors:

- the availability of further information and documentation to establish the various claims (in this respect it should be noted that a Liquidator has powers under the Act to compel production of a company’s books and records and/or commence public examinations to obtain further information and documents);
- the ability to secure funding to pay the necessary legal costs and disbursements;
- any defences raised by the defendant(s);
- the costs of the liquidator and their agents including solicitors and barristers;
- the uncertainty of the outcome in any Court case;
- the ability of any judgment to be enforced against the defendant;
- the financial capacity of the defendant(s) to satisfy any judgments against them; and
- the terms of any insurance policy that may respond to any judgments.

Funding of further investigations

In relation to pursuing voidable transactions and insolvent trading, funding for such actions would come from the assets of the Companies. If there were insufficient funds from the assets of the Companies, alternative options for a Liquidator are:

- funding from creditors of the Companies. If funding is provided by creditors, section 564 of the Act provides the Court with the power to make orders in favour of those creditors who have provided an indemnity for costs of litigation or costs of the Liquidator, where those creditors may be given an advantage over other creditors in consideration of the risk assumed;
- funding from a litigation funder. A litigation funder is a third party entity that provides funding to pursue the causes of action. The funding usually covers lawyers, barristers and disbursements and provides for an

indemnity against adverse costs orders. Litigation funders will usually charge a premium of 30-45% from the recovery in consideration of the risk assumed.

- ASIC Assetless Administration Fund. This fund is typically accessed to finance preliminary investigations and reports by Liquidators into the failure of companies with limited assets rather than funding the pursuit of litigation.
- Fair Entitlements Guarantee Recovery Program. This Program provides funding for litigation where there have been amounts advanced under FEG. Proof of Insolvency

Some of the recovery actions discussed in this section of the report will require the Liquidator to prove that the Companies were insolvent at the date of the transaction (or during a relevant period of time). Actions that require proof of insolvency include unfair preference claims, uncommercial transaction claims and insolvent trading claims.

Proving insolvency can be a complex, extensive and an expensive process.

7.3.1 Administrator’s Preliminary Insolvent Trading Findings

In order to establish the date of insolvency of a company, a Liquidator must consider a number of factors. The starting point is section 95A of the Act which defines solvency and insolvency as follows:

“(1) A person is solvent if, any only if, the person is able to pay all the person’s debts, as and when they become due and payable.

(2) A person who is not solvent is insolvent”

There is extensive judicial commentary on the subject to determining insolvency. One of the leading authorities is the matter of *ASIC v Plymin* which identified fourteen (14) indicators of insolvency as follows:

- i) continuing losses;
- ii) liquidity ratios below 1
- iii) overdue commonwealth and state taxes
- iv) poor relationship with present Bank, including liability to borrow further funds

- v) no access to alternative finance
- vi) inability to raise further equity capital
- vii) suppliers placing company on COD, or otherwise demanding special payments before resuming supply
- viii) creditors unpaid outside trading terms
- ix) issuing of post-dated cheques
- x) dishonoured cheques
- xi) special arrangements with selected creditors
- xii) solicitors’ letters, summons(es), judgments or warrants issued against the company
- xiii) payments to creditors of rounded sums which are not reconcilable to specific invoices
- xiv) inability to produce timely and accurate financial information to display the company’s trading performance and financial position and make reliable forecasts.

Our preliminary investigations into the Spitfire Group’s records and information provided by the Directors have identified the following points:

Indicator	Comment
Continuing Trading Losses	The Spitfire Group had significant losses for 6 month periods ended January 2019, July 2019, January 2020 and July 2020. This is consistent with technology start-ups.
Cash Flow Difficulties	Whilst the Spitfire Group had significant operating cashflow shortfalls during the two year period to July 2020, it would appear that the shortfalls were continually funded by way of equity injections. It is apparent that the material subscription agreements entered into in September 2019 and February 2020 totalling

	approximately \$6m would have significantly improved the cashflow position of the Spitfire Group had the subscription funds been paid. We have not determined whether or not it is reasonable for the Directors to have relied on the subscription agreements.
Liquidity Ratio Below 1	Based on our analysis of the Spitfire Group's consolidated financial statements the group had liquidity ratio below 1 for the previous 2 years. The Spitfire Group reported a improved liquidity ratio during the six month period to 31 July 2020 as a result of the share subscription agreements outlined above being recorded as current assets. In our view the likelihood of the subscription agreements being settled after February 2020 was marginal despite reassurances.
Creditors not being paid on agreed trading terms	At 31 July 2020 approximately 69% of creditors were over three months old. Creditors not being paid within terms is a strong indicator that a company may be insolvent.
Overdue Commonwealth and State Taxes	Please refer to Section 5.4.2.2 for an outline of the Spitfire Group's outstanding tax liabilities. As outlined in this section the Spitfire Group has significant tax liabilities which are significantly offset against a Research and Development Grant lodged in respect to the financial year ending June 2019 as well as a Research and Development grant available to be lodged in respect to the financial year ending June 2020.

Legal action is threatened or commenced against the company, or judgements entered against a company, in relation to outstanding debts	No evidence identified.
Strained relationship with major funder including inability to raise further/alternative finance	Absent the appointment of Administrators to Spitfire Corp, we understand that the secured debt owed to Resilient was not payable until Feb 2021.
Inability to produce timely and accurate financial information that shows the company's trading performance and financial position.	No evidence identified.
Company directors have resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.	No evidence identified. We note that another director Jean Jacques Van Helten resigned on 12 May 2020.
The company's financier has appointed an investigative accountant to advise the financier about its funding exposure to the company.	No evidence identified.
It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.	Spitfire Corp completed the sale of its Wealthtrac business in April 2020 due to its inability to continue the funding of operating costs. A further outline of this transaction is provided at 7.5.2.2 below.

Date of insolvency

Establishing the date of insolvency of the Spitfire Group companies is complex in this case as the Spitfire Group was still in a software development and growth phase and heavily reliant on external funding (debt and equity) rather than income derived from trading.

Accordingly, our preliminary analysis focused on the Spitfire Group's ability to continue raising external funding to further fund operations and software / technology development. From this analysis we have identified that the Spitfire Group experienced difficulties in continuing to raise capital from late February 2020 onwards.

Prior to February 2020 Spitfire Corp had plans to publicly list. According to the Directors, listing plans were delayed due to market conditions for financial services and fintech companies.

We also understand from management that efforts to obtain debt funding from February 2020 were hindered by ongoing trading losses incurred predominately in the ongoing development of the "Merlin" platform development the operations acquisition and subsequent loss incurred on the sale of the Wealthtrac business

As set out in the table above, the Spitfire Group demonstrated many of the normal indicia that demonstrated it was insolvent from February 2020.

Our views are only preliminary. Further investigations as to the Companies' solvency would be required by the Liquidator before considering pursuing any actions that require proof of insolvency. Please refer to our outline of the COVID-19 Insolvency Moratorium and our preliminary conclusions outlined at Sections 7.6.3 and 7.6.4 respectively below.

7.4 RELATION-BACK DAY

An important concept in a number of causes of action that a Liquidator has if the Companies are placed into liquidation is the concept of the relation-back day. The relation-back day is the reference point from which historical transactions that may be voidable are viewed.

As we were appointed Administrators of the Companies on 7 August 2020, if the Companies are placed into liquidation at the upcoming Second Meeting of Creditors, the relation-back day with respect to each of the Companies would be 7 August 2020.

7.5 VOIDABLE TRANSACTIONS

A Liquidator is empowered to pursue claims that are known as voidable transaction claims.

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions, creditor defeating dispositions and the creation of circulating security interests. Our investigations with respect to the various types of voidable transactions that may apply to the Companies are set out below.

These transactions usually relate to the period 6 months to 2 years prior to the relation-back day (7 August 2020), however in certain circumstances this period can be extended for transactions involving related entities (4 years) or if the purpose of the transaction was to defeat, delay or interfere with the rights of creditors (10 years). In the case of an unfair loan (section 588FD of the Act) there is no limitation on the period.

7.5.1 Unfair Preferences

An unfair preference is when a company and an unsecured creditor are parties to a transaction and the creditor receives more than it would receive if the transaction is set aside, and the creditor proved for the debt in the winding up.

Payments made by the Companies to unsecured creditors in the 6-month period prior to the relation-back day may be set aside as unfair preference. The relevant period in the case of the Companies is the period 8 February 2020 to 7 August 2020.

For a transaction to be recoverable as an unfair preference, it would be necessary to establish that:

- the creditor was an unsecured creditor;
- the company was insolvent at the time the payments were made; and
- the creditor had reasonable grounds to suspect that the company was insolvent at that time or would become insolvent as a result of the payment(s) or a reasonable person in the creditor's circumstances would have had reasonable grounds for so suspecting.

Generally, if a Liquidator is appointed, investigations into unfair preferences will continue and recovery action may be pursued if deemed to be commercially viable to do so. Recipients of any payments considered as preferential may have defences available to them pursuant to the Act. The creditor has a defence to an unfair preference claim by a Liquidator if it proves that it entered the transaction in good faith and, at the time, the benefit was received, the creditor had no reasonable grounds for suspecting the company was insolvent or would become insolvent, nor would a reasonable person in the creditor's position have suspected that the company was insolvent or would become insolvent.

Our investigations into the Companies' affairs have identified a number of payments totalling approximately \$50,000 to creditors of Spitfire Corp during the relation-back period. These payments may be recoverable as unfair preferences.

However, it is presently difficult to assess the prospects of success of the unfair preference claims as we have had limited opportunity to review the books and records of the Companies. We also refer creditors to the litigation risks, costs and the proof of insolvency aspects outlined in this section of the report.

7.5.2 Uncommercial Transactions (S588FB)

A transaction may be considered an uncommercial transaction within the meaning of section 588FB of the Act if it is entered into at a time when the company is insolvent (or the company becomes insolvent as a result of entering into the transaction), and it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to (amongst other things):

- the benefits (if any) and detriment to the company of entering into the transaction; and
- the respective benefits to other parties to the transaction.

Our preliminary investigations have revealed that the Companies may have two separate claims for uncommercial transactions as follows.

7.5.2.1 Potential claim against Modern Meuse Holdings Limited (a company incorporated in the British Virgin Islands)

Our preliminary investigations have revealed that in the event that a Liquidator is appointed to Spitfire Corp and/or Machines a claim may be exist against

Modern Meuse Holdings Limited (MMH). MMH is a company that was incorporated in the British Virgin Islands. The claim is likely to be for an uncommercial transaction under section 588FB of the Act.

Spitfire Corp and / or Machines entered into an agreement with MMH on or about 28 July 2020 whereby MMH was purportedly released from its obligations under a secured loan agreement dated 4 December 2019 to advance funds of \$7,000,000 to Spitfire Corp and /or Machines.

We have identified limited benefit to Spitfire Corp and Machines in enter the release.

MMH and its director, Wayne Johnson have not provided the assistance agreed in the settlement.

Creditors will appreciate as with any litigation the successful recovery of funds for the benefit of creditors will be contingent on the following considerations:

- the legal merits of a claim;
- the ability of a liquidator (or creditors) to fund any claim;
- ability of a target to satisfy any judgment debt;
- commercial merits of pursuing the claim weighed against the risks that the claim will not be successful.

7.5.2.2 Potential claim against Fiscal Design Pty Ltd

Our preliminary investigations have revealed that a Liquidator appointed to Spitfire Corp may have a claim against Fiscal Design Pty Ltd (Fiscal) for an uncommercial transaction under section 588FB of the Act. That view is based on the following facts:

- (a) on or about 29 April 2019, Spitfire Corp entered into a convertible note trust deed (CNTD) with Resilient. Pursuant to the deed, Resilient was issued with 3,000,000 convertible notes in exchange for \$3,000,000. The funds were intended to be used by Spitfire Corp to acquire Wealthtrac. The CNTD was subsequently amended on 29 July 2019;
- (b) on or about 31 May 2019, Spitfire Corp acquired all of the issued shares in Wealthtrac for the amount of \$19,000,000 which was paid by way of shares issued in Spitfire Corp;
- (c) Resilient issued several default notices to Spitfire Corp commencing in or about October 2019 alleging various defaults under the CNTD;

- (d) on or about 3 April 2020, Spitfire Corp entered into a share sale and purchase agreement (SSPA) with Fiscal whereby it agreed to sell all of its shares in Wealthtrac to Fiscal for a total purchase price of \$3,500,000;
- (e) on or about 3 April 2020, Spitfire Corp, Resilient and others entered into a deed of settlement and release (DSR) whereby Spitfire Corp agreed to direct the payments to be made by Fiscal under the SSPA to Resilient. Resilient and others were given a release under the DSR subject to the payment by Spitfire Corp of certain amounts due under the document;
- (f) on or about 24 April 2020, Spitfire Corp transferred all of its shares in Wealthtrac to Fiscal in accordance with the SSPA; and
- (g) an amount of approximately \$530,000 remains outstanding to Resilient under the DSR.

The entry by Spitfire Corp into the SSPA and the DSR may constitute an uncommercial transaction or a series of uncommercial transactions for which Fiscal may have received the benefit. However, it is presently difficult to assess the prospects of the claims against Fiscal and the likely recovery as we have had a limited opportunity to review the books and records of the Companies with respect to the claims.

It is also possible that these transactions give rise to a compensation claim payable to the Spitfire Corp companies.

We also refer creditors to the litigation risks, costs and the proof of insolvency aspects outlined in this section of the report.

7.5.3 *Unfair Loans (S588FD)*

A loan is unfair if it is made to a company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interests and charges are extortionate, regard must be had to the following:

- risk the lender is exposed to;
- value of the security;
- term;
- repayment schedule; and
- amount of loan.

Our preliminary review of the books and records available to us have not revealed any unfair loans. Further investigation may be required upon receipt of further books and records of the Companies (if any).

7.5.4 *Unreasonable Director Related Transactions (S588FDA)*

A transaction is an unreasonable director related transaction of one or more of the Companies if:

- the transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition, or issue by one or more of the Companies.
- the transaction is to a director or close associate of the director or for their benefit.
- a reasonable person in the one or more of the Companies' circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.

The relation back day for director related transactions is four (4) years, as such the applicable date is 8 August 2016.

It is important to note that unreasonable director related claims do not carry the onus of proving that the company was insolvent by the liquidator.

Our investigations into the Companies' affairs have not identified any unreasonable director-related transaction claims.

7.5.5 *Creditor-defeating dispositions (S588FDB)*

A disposition of property of a company is a creditor-defeating disposition if the consideration payable by the company was less than the market value of the property or the best price that was reasonably obtainable in the circumstances (whichever is lower) and the disposition has the effect of preventing that property from being available to creditors of the company (or hindering its availability to creditors).

The creditor-defeating dispositions of the Act apply to dispositions that occurred on or after the day that the provisions were given effect in the Act (18 February 2020).

Our preliminary investigations into the affairs of the companies reveal that the transactions referred to at part 7.5.2.2 above may be challenged by a Liquidator as creditor defeating transactions (in addition to being challenged as uncommercial transactions).

7.5.6 *Related party benefit of Insolvent Transactions (S588FH)*

A Liquidator may recover the benefit of an insolvent transaction from a related entity of the Companies if the transaction:

- (a) is an insolvent transaction (i.e. either an unfair preference or uncommercial transaction at a time when the company was insolvent);
- (b) is voidable under section 588FE (i.e. entered into within the prescribed period of 6 months or 2 years prior to the relation back day in the case of an unfair preference and an uncommercial transaction respectively); and
- (c) has the effect of discharging a liability (whether under a guarantee or otherwise) of a related entity of the company.

Our investigations into the Companies' affairs have not identified any benefits to related parties from insolvent transactions. Our investigations are ongoing.

7.6 *Insolvent Trading (S588G)*

Insolvent trading occurs when a company incurs a debt at a time when there are reasonable grounds to suspect that the company will be unable to pay the debt as and when it falls due.

Directors may be held personally liable for such debts incurred in the above circumstances. Recovery under insolvent trading actions is a remedy available to a Liquidator only.

Despite the recovery of insolvent trading transactions not being available to a Voluntary Administrator, we are required to give our opinion on any possible recoveries that may be available to a Liquidator in order that creditors are informed prior to deciding the company's future at the upcoming meeting.

7.6.1 *Overview of Insolvent Trading Claims*

When considering insolvent trading, it must be determined at what point the director knew or ought to have suspected insolvency, or when a reasonable person in the director's position would have been aware of or suspected

insolvency. It is ultimately the Court's role to determine the actual date of insolvency based on the evidence provided.

The onus is on the Liquidator to prove if, and when insolvent trading occurred. If a Liquidator is appointed, investigations in relation to insolvent trading must be considered in greater detail.

The commerciality of the potential recoveries from directors for insolvent trading must be considered. The Liquidator will be required to investigate several indicators for insolvency in more detail which necessitate incurring substantial legal fees.

When considering the costs associated with recovery of those transactions and in addition to the abovementioned associated cost. The personal assets of the directors must also be considered to determine if the directors have sufficient funds available to meet any judgment obtained against them.

The Act imposes an obligation on directors to prevent insolvent trading by the Company. Section 588G states that if:

- a) a person is a director of the company at the time when the Company incurs a debt;
- b) the company is insolvent at that time or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and
- c) at that time, there are reasonable grounds for suspecting that the Company is insolvent, or would so become insolvent, as the case may be.

A director may be held personally liable for a contravention under Section 588G(2) if:

- a) the director was aware at the time there were such grounds for suspecting that the company is insolvent, or would become insolvent by incurring that debt; or
- b) a reasonable person in a like position in a company in the company's circumstances would have been aware.

If it can be established that the Directors have contravened Section 588G then the Directors will be personally liable under the Act. Section 588M of the Act entitles a Liquidator to recover as a debt due to the company, an amount equal to the amount of the loss or damage incurred by the company.

7.6.2 Directors' Defences to an Insolvent Trading Claim

Pursuant to Section 588H of the Act, there are several defences available to a director for an insolvent trading claim which we list a few below:

- ❑ the director had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred;
- ❑ the director relied on another person to provide information about whether or not the company was solvent;
- ❑ the director did not take part in the management of the company at the time due to illness or other good reason and
- ❑ the director took reasonable steps to prevent the company from incurring the debt.

It should be noted that pursuing a director for alleged breach of duty to prevent a company from trading whilst insolvent is complex and:

- ❑ it invariably involves litigation that is expensive with an uncertain outcome. Funding from creditors and/or a litigation funder may be necessary to pursue a claim;
- ❑ any action for insolvent trading is likely to be defended by the director which necessarily involves the Liquidator incurring significant costs and potentially long delays;
- ❑ there is a risk that a Court may dismiss any claim with a costs order against the company, thus reducing the funds available to creditors;
- ❑ any return to ordinary unsecured creditors would be contingent upon not only a successful action but also there being assets of the director(s) against which to recover or an insurance policy that responds to the claim; and
- ❑ insolvent trading claims are expensive to run, legal costs are generally high and it may be necessary to obtain expert reports in pursuit of a claim. Typically, not all costs for running such an action would be recovered.

The question of potential defences to insolvent trading will ultimately turn upon the director's reasonable belief that the company was solvent, which

includes the ability to realise assets or fund debts due from other sources of funding and the ability to raise additional capital.

7.6.3 COVID-19 Insolvency Moratorium

In response to the current COVID-19 pandemic, the Australian Government has introduced a new "safe harbour" provision providing specific temporary relief in respect to insolvent trading. This safe harbour period commenced on 25 March 2020. The new provision, subsection 588GAAA(1) of the Act provides that:

A director does not have a duty to prevent insolvent trading provided a debt incurred by a company is incurred:

- ❑ in the ordinary course of the company's business; and
- ❑ during:
 - the 6-month period starting on the day this section commences (25 March 2020); or
 - any longer period that starts on the day this section commences and that is prescribed by the regulations; and
- ❑ before any appointment during that period of an administrator, or liquidator, of the company."

Accordingly, we have adjusted our analysis of any possible insolvent trading from 25 March 2020.

7.6.4 Conclusion

The Spitfire Group had some indicia of insolvency from at least February 2020 and may have traded whilst insolvent from February 2020 onwards. If a Liquidator was successful in proving that the Spitfire Group was insolvent at that time then Directors may be personally liable for insolvent trading under section 588G of the Act for certain debts incurred by the Companies. In our view, the COVID-19 insolvent trading moratorium is applicable in the Spitfire Group's circumstances. The period of insolvent trading is likely to be limited to 1 February 2020 to 25 March 2020 (**Relevant Period**). We have not identified any debts incurred otherwise than in the ordinary course of business between 25 March 2020 and the relation-back day (7 August 2020) that would displace the provisions of the moratorium.

Based on our investigations to date, it is our preliminary view that during the Relevant Period, debts were incurred and unpaid during the Relevant Period as follows:

- a) Spitfire Corp in the amount of \$6,253; and
- b) Machines in the amount of \$435,204.

The bulk of these claims relate to monies due to three creditors who provided financial or technical services through long term contracts entered into in 2017 and 2018. As such our view is that there is no insolvent trading claim to pursue. A Liquidator would need to conduct further investigations to form a final view.

A Liquidator, if appointed, would need to further investigate all aspects of the insolvent trading claims with a view to assessing the merits of a claim. Any litigation would carry significant risk as the onus of proof rests with the Liquidator.

When assessing any potential litigation for insolvent trading, the Liquidator must assess the Directors' financial position and their ability to meet any judgment or any policies of insurance that might respond.

7.7 OTHER POTENTIAL CLAIMS

Our preliminary investigations into the affairs of the Companies indicate that there may be other potential claims that one or more of the Companies may have against various parties (as opposed to claims that are available only to a Liquidator such as voidable transaction claims and insolvent trading claims).

It is likely that creditors will only receive the benefit of any amounts recovered following the pursuit of these claims if the Companies are placed into liquidation. That is because the terms of the proposed deed of company arrangement are such that the deed fund available to creditors will be comprised of funds which do not include any recoveries made with respect to the other potential claims.

However, a Liquidator's pursuit of these claims will be subject to conducting a full investigation into the issues, an assessment of the risks involved and obtaining appropriate funding to pursue them. We also refer creditors to clause 10.3 Litigation Risk part of this report which sets out the general risks associated with any litigation.

These claims are claims of the Spitfire Group companies and as such are not impacted by any decision of creditors to accept a Deed of Company

Arrangement. This is distinct from claims which could only be made by a Liquidator, if the company was placed into liquidation.

We set out those other potential claims as follows.

7.7.1 *Potential claim against Victoria Harbour Holdings Limited (a company incorporated in Hong Kong)*

Based on our investigations to date, a company incorporated in Hong Kong called Victoria Harbour Holdings Limited, CR no. 2835871 (VHH), entered into an agreement with Spitfire Corp on or about 26 September 2019 in which it subscribed for a certain number of shares for a subscription price of €1 million (A\$1.65m). No amounts appear to have been received from VHH in relation to the subscription agreement.

On 4 September 2020, the Administrators made a demand on VHH for payment of the amount due to Spitfire Corp. No response has been received from VHH. However, we received a response from Modern Meuse Holdings Limited, which is a company incorporated in the British Virgin Islands and claims to be the holding company of VHH. The effect of the correspondence was to suggest that the subscription fee was not payable because an agreement was reached between Spitfire Corp and VHH prior to the appointment of the Administrators and/or that a deed of release entered into between Spitfire Corp and Modern Meuse Holdings Limited (amongst other parties) had the effect of releasing VHH from the obligation to pay the subscription fee.

VHH was not a party to the MMH settlement agreement and therefore was not able to be released.

Our investigations into those matters are ongoing. However, we note that:

- (a) VHH is incorporated in Hong Kong which means that commencing legal proceedings and then seeking to enforce any judgment in Hong Kong is likely to be significantly more expensive and practically difficult when compared with a company incorporated in Australia;
- (b) We are not aware of what assets VHH holds or whether it is able to satisfy any judgment that may be entered against it. VHH does not appear to own any real property in NSW nor any shares in proprietary companies in Australia; and

- (c) We refer creditors to the litigation risks and costs involved in pursuing a claim as outlined in this section of the report.

7.7.2 Potential claim against Iglo Logistics (HK) Limited (a company incorporated in Hong Kong)

From our review of the books and records of the Companies, Spitfire Corp entered into a subscription agreement with a company incorporated in Hong Kong called Iglo Logistics (HK) Limited, CR no. 2642637 (Iglo) on or about 12 February 2020 whereby Iglo agreed to subscribe for 6,000,000 shares in Spitfire Corp for a subscription price of €2.5million (A\$4.125m). No amounts appear to have been received from Iglo under the subscription agreement.

On 4 September 2020, the Administrators made a demand on Iglo. No response has been received. The Administrators are not aware of any documents which would indicate that Iglo is not liable to pay the subscription fee.

We have not yet finalised our investigations into the claim and there are a number of potential difficulties in pursuing the claim which would need to be fully investigated and overcome as follows:

- (a) Iglo is incorporated in Hong Kong which means that commencing legal proceedings with respect to the subscription agreement and then seeking to enforce any judgment in Hong Kong is likely to be significantly more expensive and practically difficult when compared with a company incorporated in Australia;
- (b) based on their preliminary investigations, the Administrators believe that Iglo may be part of a corporate group that operates a substantial cold-storage business in Hong Kong, however, we do not have particulars about what assets Iglo (or the broader corporate group) may have available to satisfy any judgment that may be obtained; and
- (c) We refer creditors to the litigation risks and costs involved in pursuing a claim as outlined in this section of the report.

7.7.3 Potential claim against Akambo Pty Ltd

Our investigations have revealed that Asset Management has a claim against Akambo in relation to a heads of agreement entered into on or about 3 April 2018. Under the heads of agreement, Akambo agreed to exclusively recommend to its clients an investment platform operated by Asset Management, to use its best endeavours to migrate its clients' funds under

management to Asset Management, and to pay certain fees to Asset Management. The agreement with Akambo was varied on or about 26 March 2019.

Asset Management may have a cause of action against Akambo for breach of contract and/or misleading and deceptive conduct in relation to their obligations under the heads of agreement. However, we foresee the following difficulties in pursuing the claim against Akambo:

- (a) there is presently limited documentation available to the Administrators.
- (b) in order to obtain further documents, a Liquidator may be able to use his/her powers under the Act for compulsion of books and records and/or conduct public examinations.
- (c) We refer creditors to the litigation risks and costs involved in pursuing a claim as outlined in this section of the report.

The quantum of the claim against Akambo and its principals has not been determined but a preliminary value of \$6.5m has been attributed to this claim for the purposes of assessment.

7.8 OFFENCES

Pursuant to Sections 180 to 183 of the Act, directors and officers are required to:

- exercise their powers and discharge their duties with the degree of care and diligence of a reasonable person in their position;
- discharge their duties and exercise their powers in good faith and in the best interest of the Company and for a proper purpose; and
- not improperly use their position and information about the company to gain an advantage for themselves or others or cause detriment to the Company.

Pursuant to Section 438D of the Act, I am required to report to ASIC on:

- i) offences committed by past or present officers or members of the company; and
- ii) misapplication, retention, liabilities, accountability, negligence, default, breach of duty or breach of trust by persons who have taken

part in the formation, promotion, administration, management or the winding up of a company.

Based on our investigations to date, our preliminary view is that the Directors of the Companies has not contravened the requirements of Sections 180 to 183 of the Act.

Shadow Directors

During our investigations we have received information from shareholders and creditors suggesting that the directors of the Companies have acted on instructions of Michael Milne, a large shareholder of Spitfire Corp.

We have reviewed the consulting agreement between Vestrock and the Spitfire Group and consider that his conduct was not inconsistent with the agreement. This would be subject to further investigation by a Liquidator.

Due to the short period of the Voluntary Administrations we have not had the opportunity to form a conclusive opinion on whether Mr Milne would be deemed a shadow or de facto director. However, we have documented our investigations to assist further investigations by a liquidator, if appointed.

Any potential breaches of director duties would warrant actions against shadow or de facto directors in the same manner as those actions against appointed directors.

7.9 REPORTING TO ASIC

Pursuant to Section 438D of the Act, if it appears to us as Administrators that a part or present officer, employee or member may be guilty of an offence; or a person who has taken part in the formation, promotion, management or winding up of the Company may have misapplied or retained company property or been guilty of negligence, default, breach of duty or trust; I am required to lodge a report on the matter with ASIC.

Should the Companies go into liquidation, the Liquidator is required to complete an investigation into the Companies' affairs and, if offences are identified, or if the Companies are unable to pay its creditors more than 50 cents in the dollar, lodge a further report with ASIC pursuant to Section 533 of the Act.

If we become aware of any information from our future investigations into the affairs of the Companies that require us to lodge an updated report with ASIC, we will do so. If a report is lodged with ASIC, the contents are confidential.

7.10 REQUEST FOR INFORMATION AND FUNDING

To assist in our investigations into the affairs of the Companies, creditors are requested to provide details, in writing, of the following:

- 1) evidence of indicators of insolvency such as letters of demand, statutory demands, bounced cheques, and instalment payment agreements;
- 2) evidence of fraud or misconduct by any party associated with the Companies; and
- 3) details of all known assets.

Creditors are requested to advise in writing, if they may be willing to fund any recovery actions available to a liquidator, if appointed. Pursuant to Section 564 of the Act, the Court can effectively alter the priority of payment of funds recovered to give an indemnifying creditor an advantage over others in consideration of the risk assumed by the indemnifying creditor. Creditors should be aware that orders by the Court are discretionary.

The above assessment is only a preliminary assessment and is not an exhaustive list of the issues considered to determine if the Companies traded whilst insolvent. If the Spitfire Group companies are placed into liquidation, this will be investigated further.

8. DEED OF COMPANY ARRANGEMENT

8.1 WHAT IS A DOCA?

A DOCA is an agreement between the company and its creditors, which is binding on all creditors if the majority of creditors (in value and number) vote in favour that it be accepted at the Second Meeting of creditors of that company.

DOCAs are typically proposed by parties associated with the company, such as its management or its directors. A DOCA can take many forms, but it often requires that creditors receive less than payment in full of debts due to them, or that their debts be paid over an extended period of time.

If a DOCA is put forward and is capable of acceptance, a company's administrators must express their opinion to creditors on whether they support it. Creditors can then vote at the Second Meeting of creditors as to whether they support it or whether the company should be placed into Liquidation or returned to the control of the company's directors.

It is important to note that the aim of the administration process, and the DOCA process, is 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 in an immediate winding up of the company, or both.

8.2 DOCA PROPOSALS RECEIVED

We have received two competing DOCA proposals from the following parties:

1. Assurance Financial Group Pty Ltd; and
2. Storm Capital Partners Pty Ltd

Set out in this section below is our summary and analysis of each of the DOCA proposals. A copy of each proposal is enclosed at Annexure 4 (Assurance Proposal) and Annexure 5 (Storm Proposal) of this report.

8.3 ASSURANCE PROPOSAL

8.3.1 *Deed Proponent*

We have undertaken an ASIC search of Assurance Which discloses the following information:

Director: Liesa Marie Milne

Registered Address: Level 14, 60 Margaret Street, Sydney

Shareholder: LMMM Pty Ltd

8.3.2 *Key Terms of the Assurance Proposal*

A summary of the Assurance Proposal's key terms is as follows:

1. The Administrators are the proposed Deed Administrators
2. The Deed Administrators will be in control of the Spitfire Group during the DOCA
3. There are no preconditions on implementation of the DOCA

4. The DOCA contribution amount is \$3,350,000 which will be payable to a creditors trust;
5. The DOCA contribution amount will be made by way of a loan agreement from Assurance to Spitfire Corp. The loan will be secured by way of a general security agreement and guarantees. The facility will be available for draw down on 15 December 2020 or earlier as agreed by Assurance.
6. A pooling creditors trust will be established with the Administrators appointed Trustees of the Trust;
7. All creditors in the Spitfire Group will be transferred into a creditors trust;
8. The assets available under the creditors trust will be the DOCA cash contribution fund and the following choses in action:
 - a) Subscription claim against VHH (refer to Section 5.1.1.2 of this report);
 - b) Subscription claim against Iglo (refer to Section 5.1.1.2 of this report); and
 - c) Claim against Akambo (refer to Section 7.7.3 of this report)
9. All creditors claims will be released in return for entitlement to distribution from the creditors trust (excluding non participating creditors);
10. Upon completion of the DOCA, control of the Spitfire Group will return to the Directors;
11. The following creditors will not participate in a distribution from the creditors trust:
 - a) Vestrock Capital Pty Ltd (ROCAP \$498,648)
 - b) Laurence Milne (ROCAP \$355,341)
 - c) BD Thomas & Associates (ROCAP \$105,102)
 - d) Stratagm Pty Ltd (ROCAP \$77,000)
 - e) Red Wheel Pty Ltd (ROCAP \$1,968)

The total value of Non Participating creditors is \$1,038,059 as per the Directors ROCAP.

12. The distributions from the creditors trust to be as follows (in order as listed):

- a) First, remuneration of the Voluntary Administrators;
- b) Second, remuneration of the Deed Administrators capped at \$25,000;
- c) Third, payment of the secured creditor, Resilient;
- d) Fourth, remuneration of the creditors trust Trustees;
- e) Fifth, payment of all admissible participating unsecured creditors (excluding non-participating creditors);
- f) Sixth, any trust property remaining after the above will be returned to Spitfire Corp.

8.3.3 Creditors' trust material information

Item	Explanation
Reasons for Creditors' Trust	<p>The proponents of the Assurance Proposal have provided the following reasons for the Creditors Trust:</p> <ul style="list-style-type: none"> • Achieve a better return to all creditors of the Spitfire Group; and • Facilitate the early finalisation of the DOCA and return of the Spitfire Group to the Directors and shareholders. <p>From our review of the Creditors Trust Proposal and position of the Spitfire Group companies we have not identified anything contrary to the reasons outlined above.</p>
Key Events	<p>The key events in the DOCA and Pooling Creditors Trust are:</p> <ul style="list-style-type: none"> • First Event - At the second meeting, creditors in each Spitfire Group companies will determine whether to accept the DOCA proposed which incorporates a pooling creditors trust. • Second Event - The DOCA will be executed. • Third Event - The Pooling Creditors Trust is executed.

	<ul style="list-style-type: none"> • Fourth Event - The Deed Administrators enter into a secured loan in the amount of \$3.35m to secure the DOCA fund. • Fifth Event - The choses in action outlined at 8.3.1 above are assigned to the creditors trust. • Sixth Event - The DOCA will be effectuated. • Seventh Event - The DOCA contribution is paid to the creditors trust on or before 15 December 2020. • Eighth Event - The Trustees will complete an interim distribution of the trust fund in accordance with the creditors trust. • Ninth - The Trustees will pursue the choses of action outlined at 8.3.1 above. • Tenth Event - The Trustees will complete further distributions from the creditors trust as funds are available. • Tenth Event - The Creditors Trust will be terminated.
Estimated Return to Creditors	<p>The estimated return to all classes of creditors is as follows:</p> <ul style="list-style-type: none"> • Secured 100 c/\$ • Priority 100 c/\$ • Unsecured Between 29 and 100 cents in the dollar
Trustee Particulars	The Voluntary Administrators will be the Trustees of the Creditors Trust
Remuneration and Expenses	<p>The Creditors' Trusts will provide for payment of the following prior to any distribution to creditors of the Trust Fund:</p> <ul style="list-style-type: none"> • First, the Voluntary Administrator's costs, including remuneration if any remains outstanding; and • Secondly, the Deed Administrators costs if any remains outstanding, including remuneration; and

	<ul style="list-style-type: none"> • Thirdly, the Trustee's costs, including remuneration. <p>Our estimates of the Voluntary Administration and Deed Administration costs are outlined in this report and are supported by a remuneration report.</p> <p>In a DOCA, the approval of a Deed Administrators' remuneration is subject to the Act, which require that it be agreed by the Committee of Inspection, approved by resolution of the creditors or by the Court. Further, a creditor has a right to review the Deed Administrators' remuneration by making an application to the Supreme Court or Federal Court pursuant to item 60-11 of the IPS. If such an application is made, the Court must have regard to whether the remuneration sought is reasonable. In determining reasonableness, the Court will have regard to the specified criteria in the item 60-12 of the IPS. The Court may either affirm, vary or set aside any approval.</p> <p>In contrast, in a Creditors' Trust, there is no equivalent statutory procedure in the Trustee Act 1925 (NSW) for the purpose of approving the Trustee's remuneration. The Trustee's remuneration is currently estimated in the amount of up to \$80,000.</p> <p>A beneficiary may seek to review or challenge the Trustee's remuneration by making an application to the Supreme Court, including pursuant to Part 54 of the Uniform Civil Procedure Rules 2005.</p> <p>If the creditors do not pass either the Voluntary Administrators' or Deed Administrators' remuneration an application may be made to seek approval for the remuneration. If this is necessary, it may add additional costs to the administration of the DOCA and, or, the Creditors Trusts.</p>
Indemnities	The Trustees will be entitled to be indemnified from the Trust Fund.

Powers	The Trustees will have all the powers of a natural person or corporation in connection with the exercise of their rights and compliance with their obligations under the Creditors' Trust. The Trustees' may exercise their rights and comply with their obligations under the Creditors' Trust in any manner they think fit.
Claims	The claims which are the subject of the Pooling Creditors' Trust are all claims, with the exception of excluded claims.
The FEG Scheme	If the DOCA is accepted and the company is not placed into liquidation, the employees will not be able to access FEG.
Compliance Opinion	Based on our opinion, there is nothing to indicate that the obligations under the DOCA and Creditors Trust are unable to be complied. We have identified potential issues associated with the conditions precedents outlined below.
Solvency Statement	The terms of the proposed DOCA provide that, upon effectuation, all pre-appointment claims against the Companies will be extinguished in full with the exception of the Non Participating creditors.
Taxation (company and trust)	The creation of a Creditors' Trust creates the potential for some taxation issues to arise, as compared to an ordinary DOCA. These issues may mean that the funds available to creditors (if any) are reduced in order to account for any taxation liabilities associated with the administration of the distribution process under a trust structure. Notwithstanding this, we do not expect that there will be any material change to the funds available for distribution as a result of the Creditors' Trust structure.
Taxation (creditor/beneficiary)	Creditors/employees should be aware that there may be tax consequences as a result of receiving a distribution as a beneficiary of a trust rather than as a creditor of the company. You are encouraged to seek your own professional tax advice in this regard. The Administrators are unable to provide advice on this issue.

8.3.4 Excluded Creditors

The excluded / non participating creditors are outlined at 8.3.1 above.

8.3.5 Effect on Secured Creditors

The Assurance Proposal provides for the secured debt owing to Resilient being paid out in full in the creditors trust.

8.3.6 Effect on Employees

The Assurance Proposal provides for all employees claiming in the DOCA and creditors trust under the same priorities afforded by Section 556 of the Act and are estimated to be paid in full. This excludes Laurence Milne whose excluded employee claims are provided as a Non Participating creditor claim.

8.3.7 Administrators' assessment of the Assurance Proposal

We have conducted an assessment of the Assurance Proposal and creditors trust and its effect on all classes of creditors.

Advantages of the Assurance Proposal

The advantages to creditors of the Assurance Proposal in each of the Spitfire Group companies are as follows:

- The pooling of admitted claims across the Spitfire Group;
- The employee entitlements are estimated to be paid in full under the Assurance Proposal;
- The provision of interim funding to maintain the assets;
- The secured creditor claim is estimated to be paid in full under the Assurance Proposal;
- The earlier distribution to creditors than would otherwise come from a sale of assets or recovery from litigation claims;
- The costs associated with the DOCA (and Creditors Trust) are estimated to be less than the costs associated with winding up of each of the Spitfire Group companies;
- The DOCA (and Creditors Trust) receives the benefit of an assignment of choses in action outlined at 8.3.1 above; and

- The Assurance Proposal preserves the future value of the technology owned by Spitfire Corp through its subsidiary shareholdings, for the benefit of all current shareholders of Spitfire Corp.

Disadvantages of the Assurance Proposal

The disadvantages to creditors of the Assurance Proposal in each of the Spitfire Group companies are as follows:

- The Deed Administrators or Trustees of the creditors trust will not be able to pursue the potential Liquidator recoveries outlined at Section 7 of this report. This is the case for all DOCA / creditor trust proposals.
- Creditors will have an increased element of risk in the creditors trust as they will forgo rights under a creditors trust that would be normally afforded to creditors under an alternative external administration process and as set out in the Corporations Act;
- There is some risk that the cash contribution under the Assurance proposal will not be forthcoming.

8.4 STORM PROPOSAL

8.4.1 Deed Proponent

We have undertaken an ASIC search of Storm which discloses the following:

Director: David Ian Storm

Registered Address: 15 Park Road, Woonona East NSW

Shareholders: David Ian Storm

8.4.2 Key Terms of Storm Proposal

A summary of the Proposed Deed's key terms is as follows:

1. The Administrators are the proposed Deed Administrators
2. The Deed Administrators will be in control of the Spitfire Group during the DOCA
3. Implementation of the DOCA will be subject to satisfaction of the following pre-conditions:

- a) All shares in Spitfire Corp are transferred to Storm pursuant to an application under Section 444GA of the Act by the Deed Administrators;
 - b) Resilient debt paid in full and releases all security. The Deed proponent will release funds to pay the secured debt on successful completion of the application under Section 444GA of the Act;
 - c) Storm completing a review of the Spitfire Group digital assets; and
 - d) Storm being satisfied that the Spitfire Group digital assets have not materially changed since the Administration commenced.
4. Interim funding in the amount of \$100,000 will be provided to undertake the Court application under Sections 444GA of the Act in respect to the change of shareholding required under the pre-condition outlined at 3 above. This interim funding will be deducted from the DOCA fund;
 5. The DOCA contribution amount is \$3,750,000 payable to a creditors trust less the secured debt and interim funding;
 6. A pooling creditors trust will be established upon the conditions at 3 above being met (the creditors trust is further outlined below);
 7. The creditors trust assets will consist of the DOCA contribution;
 8. All creditors claims will be released in return for entitlement to distribution from the creditors trust;
 9. The following claims available to the Spitfire Group companies are extinguished and released in full:
 - a) Tony Ong;
 - b) Wayne Johnson;
 - c) Iglo Logistics (HK) Ltd; and
 - d) Victoria Harbour Holdings (HK) Ltd.
 8. New directors will be nominated to be directors of the Spitfire Group (currently unknown);
 9. Current Directors of the Spitfire Group will be removed;

10. No shareholder of the Spitfire Group may without consent of the Deed Administrators transfer shares or exercise shareholder rights in a manner contrary to the DOCA.

8.4.3 ASIC Guidelines for Creditors Trusts

ASIC has issued Regulatory Guide 82 in respect to Creditors' Trusts, entitled 'External Administrations: Deeds of company arrangement involving a creditors' trust' (the ASIC Guide'). A copy of the Guide can be downloaded from the ASIC website at <http://www.asic.gov.au/> or is available upon request.

In accordance with the ASIC Guide, we set out below the information required to be made available to creditors where a DOCA provides for the use of a creditors' trust.

8.3.2.1 Creditors' trust material information

Item	Explanation
Reasons for Creditors' Trust	<p>The proponents of the Storm Proposal have provided the following reasons for the Creditors Trust:</p> <ul style="list-style-type: none"> • Enable certain tasks ordinarily undertaken by the Deed Administrator (including, but not limited to, the calling and adjudication of admitted claims) to be performed by the Trustees of the creditors trust; and • Facilitate the early finalisation of the DOCA <p>From our review of the Creditors Trust Proposal and position of the Spitfire Group companies we have not identified anything contrary to the reasons outlined above.</p>
Key Events	<p>The key events in the DOCA and Pooling Creditors Trust are:</p> <ul style="list-style-type: none"> • First Event - At the second meeting, creditors in each Spitfire Group companies will determine whether to accept the DOCA proposed which incorporates a pooling creditors trust. • Second Event - The Administrators will ask the Court to make orders to extend of time to execute the

	<p>DOCA under Section 4447A of the Act until after the pre conditions are met.</p> <ul style="list-style-type: none"> • Third Event - The Storm Proposal proponent satisfies themselves that all digital assets of the Spitfire Group have not materially changed commencement of the Administration. • Fourth Event - The Deed Administrators will make a court application under Section 444GA of the Act for all shares of the Spitfire Group to be transferred to the Storm Proposal proponent. • Fifth Event - The Resilient secured debt is paid in full and releases all security. • Sixth Event - The DOCA will be executed. • Seventh Event - The Pooling Creditors Trust is executed. • Eighth Event - The Spitfire Group releases all claims referred to at Section 8.4.2 above. • Ninth Event - The Deed Fund as outlined at 8.4.2 above is transferred to the Trust Fund. • Tenth Event - The DOCA will be effectuated. • Eleventh Event - The Trustees will call for proofs of debt from the trust creditors. • Twelfth Event - The Trustees will distribute the trust fund in accordance with the creditors trust. • Thirteenth Event - The Creditors Trust will be terminated.
Estimated Return to Creditors	<p>The estimated return to all classes of creditors is as follows:</p> <ul style="list-style-type: none"> • Secured 100 c/\$ • Priority 100 c/\$ • Unsecured Between 27 and 38 cents in the dollar

Trustee Particulars	The Voluntary Administrators will be the Trustees of the Creditors Trust
Remuneration and Expenses	<p>The Creditors' Trusts will provide for payment of the following prior to any distribution to creditors of the Trust Fund:</p> <ul style="list-style-type: none"> • First, the Voluntary Administrator's costs, including remuneration if any remains outstanding; and • Secondly, the Deed Administrators costs if any remains outstanding, including remuneration; and • Thirdly, the Trustee's costs, including remuneration. <p>Our estimates of the Voluntary Administration and Deed Administration costs are outlined in this report and are supported by a remuneration report.</p> <p>In a DOCA, the approval of a Deed Administrators' remuneration is subject to the Act, which require that it be agreed by the Committee of Inspection, approved by resolution of the creditors or by the Court. Further, a creditor has a right to review the Deed Administrators' remuneration by making an application to the Supreme Court or Federal Court pursuant to item 60-11 of the IPS. If such an application is made, the Court must have regard to whether the remuneration sought is reasonable. In determining reasonableness, the Court will have regard to the specified criteria in the item 60-12 of the IPS. The Court may either affirm, vary or set aside any approval.</p> <p>In contrast, in a Creditors' Trust, there is no equivalent statutory procedure in the Trustee Act 1925 (NSW) for the purpose of approving the Trustee's remuneration. The Trustee's remuneration is currently estimated in the amount of up to \$80,000.</p> <p>A beneficiary may seek to review or challenge the Trustee's remuneration by making an application to the</p>

	Supreme Court, including pursuant to Part 54 of the Uniform Civil Procedure Rules 2005. If the creditors do not pass either the Voluntary Administrators' or Deed Administrators' remuneration an application may be made to seek approval for the remuneration. If this is necessary, it may add additional costs to the administration of the DOCA and, or, the Creditors Trusts.
Indemnities	The Trustees will be entitled to be indemnified from the Trust Fund.
Powers	The Trustees will have all the powers of a natural person or corporation in connection with the exercise of their rights and compliance with their obligations under the Creditors' Trust. The Trustees' may exercise their rights and comply with their obligations under the Creditors' Trust in any manner they think fit.
Claims	The claims which are the subject of the Pooling Creditors' Trust are all claims, with the exception of excluded claims.
The FEG Scheme	If the DOCA is accepted and the company is not placed into liquidation, the employees will not be able to access FEG.
Compliance Opinion	Based on our opinion, there is nothing to indicate that the obligations under the DOCA and Creditors Trust are unable to be complied. We have identified potential issues associated with the conditions precedents to
Solvency Statement	The terms of the proposed DOCA provide that, upon effectuation, all pre-appointment claims against the Companies will be extinguished in full.
Taxation (company and trust)	The creation of a Creditors' Trust creates the potential for some taxation issues to arise, as compared to an ordinary DOCA. These issues may mean that the funds available to creditors (if any) are reduced in order to account for any taxation liabilities associated with the administration of the distribution process under a trust structure. Notwithstanding this, we do not expect that there will be

	any material change to the funds available for distribution as a result of the Creditors' Trust structure.
Taxation (creditor/beneficiary)	Creditors/employees should be aware that there may be tax consequences as a result of receiving a distribution as a beneficiary of a trust rather than as a creditor of the company. You are encouraged to seek your own professional tax advice in this regard. The Administrators are unable to provide advice on this issue.

8.4.4 Excluded Creditors

The Storm Proposal excludes all intercompany loans (those between the Spitfire Group companies) from the DOCA and creditors trust. No other creditors are excluded.

8.4.5 Effect on Secured Creditors

The Storm Proposal provides for the secured debt owing to Resilient being paid out in full as a precondition of the DOCA. The Deed proponent will pay directly to the secured creditor once the Section 444GA order has been obtained.

8.4.6 Effect on Employees

The Storm Proposal provides for all employees claiming in the DOCA and creditors trust under the same priorities afforded by Section 556 of the Act.

The Storm Proposal does however, provide for the accrued entitlements of continuing employees be excluded and the continuing employee being Duncan Comrie. Mr Comrie was an employee of Aspirio Pty Ltd (In Liquidation) and accordingly would not in any case be entitled to claim in the Spitfire Group DOCA and creditors trust.

8.4.7 Administrators' assessment of the Storm Proposal

We have undertaken an assessment of the Storm Proposal DOCA and creditors trust and its effect on all classes of creditors.

Advantages of the Storm Proposal

The advantages to creditors of the Storm Proposal in each of the Spitfire Group companies are as follows:

- ❖ The pooling of admitted claims across the Spitfire Group.
- ❖ The employee entitlements are estimated to be paid in full under the Storm Proposal.
- ❖ The earlier distribution to creditors than would otherwise come from a sale of assets or recovery from litigation claims.
- ❖ The secured creditor claim will be paid in full.
- ❖ The costs associated with the DOCA (and Creditors Trust) are estimated to be less than the costs associated with winding up of each of the Spitfire Group companies.

Disadvantages of the Storm Proposal

The disadvantages to creditors of the Storm Proposal in each of the Spitfire Group companies are as follows:

- ❖ The Deed Administrators or Trustees of the creditors trust will not be able to pursue the potential Liquidator recoveries outlined at Section 7 of this report. This is the case for all DOCA / creditor trust proposals.
- ❖ The following pre-conditions conditions create uncertainty and may not be able to be achieved, in which case the DOCA would fail:
 - a) All shares in Spitfire Corp are to be transferred to Storm pursuant to subsequent to an application under Section 444GA of the Act by the Deed Administrators – It is likely that interested parties, in this case shareholders, may contest any application to vary their proprietary rights. If the application is contested, it will firstly add to the cost of the application and secondly add a significant amount of risk to both creditors and the Deed Administrators in circumstances where the Deed Administrators have limited funds available. It is also possible that a contested application process will be lengthy. Also, the time to obtain a final court order may exceed the period in which the DOCA is required to be executed under the Act. Accordingly, a separate application may be required in respect to the extension of this timing. The Storm proposal does not provide for costs of this second application.
 - b) Storm being satisfied that the Spitfire Group digital assets have not materially changed since the Administration commenced – Although the Administrators have control of the shares in the Spitfire Group

subsidiaries which own the digital assets, the Administrators do not have direct control of the individual digital assets. Accordingly, the Administrators cannot ensure this pre-condition is / has been satisfied.

- ❖ The Storm Proposal provides the release of claims as set out at Section 8.4.2 above. Our investigations to date indicate that the recoverable value of these claims may significantly exceed the Storm Proposal DOCA fund;
- ❖ We understand that one or more of the claimant targets are the ultimate funders of the Storm deed proposal and the basis of the claims are they did not pay subscription amounts agreed. Some weight must be given to the risks associated as to the ability of the deed proponent to fund the proposal.
- ❖ The Storm Proposal does not provide for any funding or processes to preserve the digital assets of the subsidiaries from the date of the second meeting of creditors to the satisfaction of all the DOCA pre-conditions;
- ❖ The Storm Proposal seeks to restrict the rights of shareholders to sell their shares or exercise any rights under their shareholders agreements; and
- ❖ The Storm Proposal does not preserve any value of the Spitfire Corp subsidiary technology for the benefit of current shareholders of Spitfire Corp.

8.5 DOCA PROPOSALS ANALYSIS CONCLUSION

We have carefully considered each of the alternative proposals. In particular the following:

- ❖ The Assurance Proposal provides a greater likely return to all shareholders than the Storm Proposal;
- ❖ The Assurance Proposal provides for the recoveries from the choses in action outlined at 8.3.1 above being available to creditors participating in the creditors trust;
- ❖ The Assurance Proposal has no pre-conditions restricting implementation of the DOCA;
- ❖ The Assurance Proposal does not require a S444GA application that may be contested;
- ❖ The Storm Proposal has a significant number of pre-conditions which have significant risks of being unable to be met as set out at Section 8.4.7 above;

- The Storm Proposal provides for a lesser estimated return to unsecured creditors; and
- There is a material risk that the costs associated with the Section 444GA application required under the Storm Proposal will exceed the interim funding proposed. Given the Administrators will be personally liable for these costs, this is a material factor considered in our recommendation.

For these reasons and the reasons set out in Sections 8.3.7 and 8.4.7 we recommend creditors accept the Assurance Proposal subject to the Administrators being satisfied that funding of the DOCA fund is available.

As at the date of this report we have not received evidence of funding in respect to both the Assurance Proposal and the Storm Proposal. We will continue to seek this evidence prior to the second meeting of creditors.

9. ESTIMATED RETURN TO CREDITORS

Annexure 6 to this report contains a summary comparative of the potential dividend distributions to creditors under a Liquidation scenario and a DOCA scenario for each of the Companies based on the two DOCA proposals received.

Any return to creditors will be dependent upon the final creditor claims admitted for dividend purposes.

The estimated dividends are based on assumptions of asset realisations and the ultimate quantum of creditor claims that might be admitted for the purpose of paying a dividend.

A summary of the estimated returns to creditors is as follows:

Estimated Return under Recommended DOCA	Range c/\$
Priority Creditors	100
Secured Creditor	100
Unsecured Creditors	29 - 100

Estimated Return in Liquidation	Range c/\$
Priority Creditors	Subject to FEG
Secured Creditor	100
Unsecured Creditors	Unknown

10. OPTIONS AVAILABLE TO CREDITORS AND ADMINISTRATOR'S RECOMMENDATION

Pursuant to IPR 75-225 of the Act, we are required to convene a meeting of creditors within five (5) business days before or after the period of twenty (20) business days beginning on the day after our appointment or by order of the Court (as applicable here). At this meeting, creditors may resolve one of the following options:

- 1) that the administration should end;
- 2) that the Companies execute a Deed of Company Arrangement;
- 3) that the Companies be wound up; or

Pursuant to IPR 75-225(3)(b) of the Act we are required to make a statement and give the reasons for our opinions in relation to the following matters:

- 1) whether it would be in the creditors' interests for the Companies to execute a Deed of Company Arrangement; or
- 2) whether it would be in the creditors' interests for the administration to end; or
- 3) whether it would be in the creditors' interests for the Companies to be wound up.

10.1 OPTIONS AVAILABLE TO CREDITORS

It should be noted that regardless of the recommendations of the Administrators, the future of the Companies will be decided by the creditors of the Companies by resolution at the meeting to be held on 11 September 2020 (or any adjourned meeting thereof); or by the Court.

10.1.1 *The Companies execute a Deed of Company Arrangement*

It is our recommendation that creditors resolve to accept the Proposed Deed from Assurance Financial Group for the reasons as set out at Sections 8.5 and 9 above.

10.1.2 *The Administration should end*

Creditors may resolve that the administration of the Companies should end and that control of the Companies should be handed back to their common directors. In our opinion, the Companies would not be in a position to trade and its liabilities would continue to increase. Accordingly, we do not recommend this option.

10.1.3 *The Company be wound up*

The appointment of a Liquidator to the Companies will allow further investigations to be conducted and voidable transactions to be pursued if it is commercially viable to do so.

Given the Assurance DOCA Proposal provides for a greater likely return to creditors than on a winding up of each of the Companies we are of the opinion that this is not a commercially viable option for creditors.

10.2 ADMINISTRATOR'S RECOMMENDATION

It is our opinion that it would be in the best interests of creditors of the Companies to execute a DOCA on the terms of the Assurance Proposal.

11. OTHER MATERIAL INFORMATION

We are not aware of any other information that is materially relevant to creditors being able to make an informed decision on the Companies' future.

12. SECOND MEETING OF CREDITORS

A Second Meeting of creditors for the Companies has been convened for Friday, 9 October 2020 at 11.00am AEST.

The purpose of this meeting is to:

- discuss this report and the position of the administration;
- determine the future of the Companies;
- consider the appointment of a Committee of Inspection and where desired to appoint member to that Committee;
- consider and pass resolutions in respect of our remuneration; and

- consider and pass a resolution for the early destruction of the Companies' books and records.

A Notice of Meeting of Creditors in accordance with Corporations Regulation 5.6.12(2), Form 535 - Formal Proof of Debt, Form 532 - Appointment of Proxy forms are enclosed for each of the Companies (Annexure 1).

In accordance with IPR 75-85, only those creditors who have lodged a formal Proof of Debt or Claim are entitled to vote at the meeting of creditors.

Creditors who have not lodged a Proof of Debt form to date are requested to complete this form and lodge it with my office or alternatively with the Chairperson at the meeting of creditors. Where the creditor is a company, the attendee is required to hold an Appointment of Proxy form in the name of the company.

I request that all documentation is received by me no later than Wednesday 7 October 2020, 4.00pm to facilitate checking and recording.

This meeting will be held using virtual facilities only, consistent with government policies in place due to the COVID-19 and in accordance with IPR 75-35. Check in for the meeting will commence at 10.15am and we encourage all creditors to commence check in from this time to ensure the meeting can commence at 11.00 am.

Creditors wishing to attend the second meeting of creditors must register by emailing rui.wang@olveraadvisors.com by no later than Wednesday 7 October 2020 at 4.00pm AEST. Once you have registered, an email with a link will be provided to join the virtual meeting.

12.1 CASTING VOTE

Creditors should note that at the second meeting of creditors of the Companies, all motions will be resolved a poll pursuant to Corporations Regulations 5.6.19 and 5.6.20.

A poll could be demanded before or on the declaration of a result on the voices by:

- a) *the Chairperson; or*
- b) *at least two persons present in person, by proxy or by attorney and entitled to vote at the meeting; or*

c) a person present in person, by proxy or by attorney and representing not less than 10% of the total voting rights of all creditors entitled to vote at the meeting.

A resolution on a poll is carried if:

- a) a majority of the creditors voting (whether in person or by attorney or by proxy) vote in favour of; and
- b) the value of the debts owned by the corporation to those voting in favour is more than half the debts owed to all creditors voting.

The Chairperson may exercise a "casting vote" if no result was reached for or against a resolution on a poll (Corporations Regulations 5.6.21(4)).

13. REMUNERATION OF THE ADMINISTRATOR / LIQUIDATOR / DEED ADMINISTRATOR

Section 449E(1) of the Act states as follows:

"The Administrator of a company under administration, or of a deed of company arrangement, is entitled to:

- a) *such remuneration as is fixed by a resolution of the company's creditors passed at a meeting convened under IPR 75-225, or under Section 439A of 445F, as the case maybe; or*
- b) *if no remuneration is fixed - such remuneration as the Court fixes on the application of the Administrator"*

A computer printout of our and our staff's time costs will be tabled at the meeting of creditors.

We will be seeking approval of the following resolutions at the upcoming meeting of creditors.

Period of Remuneration Claimed	Amount (\$) (GST Exclusive)
Spitfire Corp	
<i>Voluntary Administration</i>	
Resolution 2: 7 August 2020 to 23 Sept 2020	\$167,877.10
Resolution 3*: 24 Sept 2020 to End of VA	\$50,000.00
<i>Liquidation</i>	
Resolution 4*: 9 October 2020 to finalisation	\$180,000.00
<i>Or Deed of Company Arrangement</i>	
Resolution 4*: Date of Execution of DOCA to Effectuation	\$5,000.00
Asset Management	
<i>Voluntary Administration</i>	
Resolution 2: 7 August 2020 to 23 Sept 2020	\$32,033.00
Resolution 3*: 24 Sept 2020 to End of VA	\$10,000.00
<i>Liquidation</i>	
Resolution 4*: 9 October 2020 to finalisation	\$40,000.00
<i>Or Deed of Company Arrangement</i>	
Resolution 4*: Date of Execution of DOCA to Effectuation	\$5,000.00
Machines	
<i>Voluntary Administration</i>	
Resolution 2: 7 August 2020 to 23 Sept 2020	\$23,832.00
Resolution 3*: 24 Sept 2020 to End of VA	\$10,000.00
<i>Liquidation</i>	
Resolution 4*: 9 October 2020 to finalisation	\$40,000.00
<i>Or Deed of Company Arrangement</i>	

Resolution 4*: Date of Execution of DOCA to Effectuation	\$5,000.00
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Operations

Voluntary Administration

Resolution 2: 7 August 2020 to 23 Sept 2020	\$20,837.25
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Resolution 3*: 24 Sept 2020 to End of VA	\$15,000.00
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Liquidation

Resolution 4*: 9 October 2020 to finalisation	\$50,000.00
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Or Deed of Company Arrangement

Resolution 4*: Date of Execution of DOCA to Effectuation	\$5,000.00
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* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought to creditors. Similarly, if the estimate is not exhausted / incurred it will not be drawn.

Creditors should note that the extent of remuneration will be limited to the funds available and may be less than the remuneration approval being sought.

Attached as Annexure 7 is the Remuneration Report for creditors perusal.

There have been no receipts or payments during the administration period as at the date of this report.

14. EARLY DESTRUCTION OF BOOKS AND RECORDS (IF COMPANY IS IN LIQUIDATION)

Where a company has been wound up, the Liquidator is required to retain all books and records of the company and of the Liquidator that are relevant to the affairs of the company at or subsequent to the commencement of the winding up for a period of five (5) years from the date of deregistration of the Companies.

This requirement may however be modified by permission and is subject to the provisions of the *Income Tax Assessment Act*.

Furthermore, the directors of the company immediately before deregistration must keep the Companies' books and records (other than those referred to in

the previous paragraph) for three (3) years after deregistration of the Companies.

The Income Tax Assessment Act requires every person carrying on a business to keep sufficient records and retain such records for a period of at least five (5) years after the completion of transactions, acts or operations to which those records relate. Such records do not need to be preserved if they are records of a company which has gone into liquidation and which has been finally dissolved.

Consequently, once dissolution has occurred, the provisions of the *Income Tax Assessment Act* do not require a liquidator or directors to preserve the books and records.

Pursuant to Section 542 of the Act, a Liquidator in a creditors' voluntary winding up may reduce the five (5) year retention period required after deregistration by seeking approval from creditors and ASIC of such a proposed action.

At the forthcoming meeting of creditors, we will be asking creditors to consider the following resolution should the Companies be placed into liquidation:

"to authorise the liquidators to apply to the Australian Securities & Investments Commission, at their discretion, for the destruction of the books and records of the company within a period of less than five (5) years after the deregistration of the Companies".

15. CREDITOR INFORMATION SHEETS

The Australian Restructuring Insolvency and Turnaround Association has the following Information Sheets which can assist creditors with reading this report:

- Offences, Recoverable Transactions and Insolvent Trading; and
- Approving Remuneration of an External Administrator.

These information Sheets are available for download at www.arita.com.au. If you are unable to download any of these information sheets please contact this office for assistance.

16. FINALISATION OF THE ADMINISTRATION

We will correspond with creditors further upon conclusion of the voluntary administration and the outcome of the Second Meeting of Creditors.

If you have any queries with respect to the administration, please do not hesitate to my office via email on spitfire@olveraadvisors.com.

Dated this 30 September 2020

A handwritten signature in black ink, appearing to read 'D. Hodgkinson', written in a cursive style.

DAMIEN M HODGKINSON
JOINT AND SEVERAL ADMINISTRATOR

ANNEXURE 1

Notice and Proxy form for
Second Meeting of Creditors



ANNEXURE 1

NOTICE OF SECOND MEETING OF
CREDITORS OF COMPANIES UNDER ADMINISTRATION

CORPORATIONS ACT 2001
Section 439A
Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-225

SPITFIRE CORPORATION LTD ACN 602 654 964;
SPITFIRE ASSET MANAGEMENT PTY LTD ACN 605 492 635;
SPITFIRE MACHINES PTY LTD ACN 623 642 437;
SPITFIRE OPERATIONS PTY LTD ACN 163 452 300;
(ALL ADMINISTRATORS APPOINTED)
(Collectively referred to as “Companies”)

Notice is now given that a concurrent meeting of the creditors of the Companies will be held via video conference on **Friday, 9 October 2020 at 11:00AM AEST**.

Due to the threat of COVID-19, and consistent with government policy on gatherings, a virtual meeting will be held to minimise the risk of exposure to COVID-19 and to help limit the spread. The meeting of creditors will be held by video conference in accordance with IPR 75-35.

Check in for the meeting will commence at **10.15am** and we encourage all creditors to commence check in from this time to ensure the meeting can commence at 11.00 am.

AGENDA

The purpose of the meeting(s) is:

1. To receive the report by the Administrators about the business, property, affairs and financial circumstances of the Companies circulated on 30 September 2020.
2. For creditors of the Companies to resolve:
 - a. that the Companies execute a Deed of Company Arrangement; or
 - b. that the administrations should end; or
 - c. that the Companies be wound up.
3. To determine the remuneration of the Administrators.
4. To determine the future remuneration of the Administrators.
5. If the Companies are wound up, to determine the Liquidators' future remuneration.
6. If the Companies execute a Deed of Company Arrangement, to determine the Deed Administrators' future remuneration if appointed.
7. If the companies are wound up, to consider the early destruction of books and records.
8. Any other business.

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms must be given to me as Administrator or the person named as convening the meeting. An attorney

of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Video conference details:

- We ask that you register to attend the virtual meeting by advising Rui Wang of my office on rui.wang@olveraadvisors.com no later than Wednesday 7 October 2020 at 4.00pm AEST. The video conference link will be provided upon registration.
- Please note under Insolvency Practice Rules (Corporations) (IPR) Section 75-35 if you wish to participate in the meeting using such facilities, you must give to the convener:
 - (a) A written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any);
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

DATED this 30th day of September 2020.



Damien Hodgkinson

Joint and Several Administrator

Notes:

***Voting at a Meeting, the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

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

APPOINTMENT OF PROXY
CREDITORS MEETING

All (Administrators Appointed)	
SPITFIRE CORPORATION LTD ACN 602 654 964	<input type="checkbox"/>
SPITFIRE ASSET MANAGEMENT PTY LTD ACN 605 492 635	<input type="checkbox"/>
SPITFIRE MACHINES PTY LTD ACN 623 642 437	<input type="checkbox"/>
SPITFIRE OPERATIONS PTY LTD ACN 163 452 300	<input type="checkbox"/>

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾	
or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held at 11:00 AM AEST on 9 October 2020, or at any adjournment of that meeting.	

Please mark any boxes with an

Proxy Type: General Special⁽³⁾

* A proxy type can only either be General not marking the below resolutions or Special marking each resolution listed

	For	Against	Abstain
Resolution 1 - Future of the Company			
a) <i>"That the Company execute a Deed of Company Arrangement in the form of the proposal from Assurance Financial Group Pty Ltd" OR</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>"That the Company execute a Deed of Company Arrangement in the form of the proposal from Storm Capital Partners Pty Ltd" OR</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>"That the Administration end." OR</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) <i>"That the Company be wound up and Damien Hodgkinson and Katherine Elizabeth Barnet be appointed Joint and Several Liquidators of the Company."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Resolution 2 – Current Administrators’ Remuneration</p> <p><i>“That the remuneration of the Administrators of the INSERT 1, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors Pty Limited and be approved for the period 7 August 2020 to 23 September 2020 inclusive in the amount of INSERT 1 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion.”</i></p> <ol style="list-style-type: none"> 1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd 2. \$167,877.10 \$32,033.00 \$23,832.00 \$20,837.25 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3 – Future Administrators’ Remuneration</p> <p><i>“That the remuneration of the Administrators of INSERT 1, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors Pty Limited and be approved for the period 24 September 2020 to the end of the Administration inclusive in the interim amount of INSERT 2 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion. If this limit is exhausted, the Administrators will seek further fee approval from creditors, or the court.”</i></p> <ol style="list-style-type: none"> 1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd 2. \$50,000.00 \$10,000.00 \$10,000.00 \$15,000.00 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 4 – Future Liquidators’ Remuneration (if applicable)</p> <p><i>“That the remuneration of the Liquidators of INSERT 1, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors Pty Limited and be approved for the period 9 October 2020 onwards in the interim amount of INSERT 2 excl. GST and disbursements and that the Liquidators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Liquidators will seek further fee approval from a committee of inspection, if any, creditors, or the court.”</i></p> <ol style="list-style-type: none"> 1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>2. \$180,000.00 \$40,000.00 \$40,000.00 \$50,000.00</p>			
<p>Resolution 4 - Future Deed Administrators' Remuneration (if applicable)</p> <p><i>“That the remuneration of the Deed Administrators of INSERT 1, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors Pty Limited and be approved for the period from execution of the DOCA to wholly effectuation of the DOCA in the amount of INSERT 2 excl. GST and disbursements and that the Deed Administrators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Deed Administrators will seek further fee approval from creditors, or the court.”</i></p> <p>1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd</p> <p>2. \$5,000.00 \$5,000.00 \$5,000.00 \$5,000.00</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5 - Prospective internal disbursements (VA)</p> <p><i>“That the future internal disbursements (excluding the disbursements recovered at cost) of the Administrators of INSERT 1 as set out in the Remuneration Approval Request, for the voluntary administration period be in the amount of \$500.00, plus any applicable GST, and may be paid.”</i></p> <p>1. Spitfire Corporation Ltd; or Spitfire Asset Management Pty Ltd; or Spitfire Machines Pty Ltd; or Spitfire Operations Pty Ltd.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6 - Prospective internal disbursements (CVL) (if applicable)</p> <p><i>“That the future internal disbursements (excluding the disbursements recovered at cost) of the Liquidators of INSERT 1 as set out in the Remuneration Approval Request, for the period from commencement of the Liquidation to completion of the Liquidation be approved in the interim amount of \$500.00, plus any applicable GST, and may be paid.”</i></p> <p>1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Resolution 7 - Prospective internal disbursements (DOCA) (if applicable)</p> <p><i>“That the future internal disbursements (excluding the disbursements recovered at cost) of the Deed Administrators of INSERT 1 as set out in the Remuneration Approval Request, for the period from the execution of the DOCA to completion of the DOCA be approved in the interim amount of \$500.00, plus any applicable GST, and may be paid.”</i></p> <p><i>1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8 - Destruction of Books and Records (if liquidation)</p> <p><i>“That subject to obtaining the approval from the Australian Securities and Investments Commission pursuant to section 542(4) of the Corporations Act 2001 the books and records of INSERT 1 and of the joint and several Liquidators be disposed of by the joint and several Liquidators six months after the dissolution of the Company.”</i></p> <p><i>1. Spitfire Corporation Ltd Spitfire Asset Management Pty Ltd Spitfire Machines Pty Ltd Spitfire Operations Pty Ltd</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2020

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

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 or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) A specific proxy is entitled to vote only in accordance with your specific instructions. Indicate your specific voting instructions by ticking one option only for each resolution for which you wish to give such instructions.

ANNEXURE 2

Profit and Loss Summaries



ANNEXURE 2

	Profit & Loss Summary Spitfire Corporation Limited			
	Feb 20 to Jul 20	Aug 19 to Jan 20	Feb 19 to Jul 19	Aug 18 to Jan 19
	(\$)	(\$)	(\$)	(\$)
Income				
Bank Interest	-302	61	709	324
Other income	0	0	0	502
Total Income	-302	61	709	324
Gross Profit	-302	61	709	324
Plus Other Income				
Corporate recharges	504,592	1,009,184	408,169	0
Dividends - Unfranked	26,819	0	0	0
Profit on Sale of Asset	0	0	1,318	0
Total Other Income	531,411	1,009,184	409,488	0
Less Operating Expenses				
Amortisation Expenses	57,260	57,260	57,260	57,260
Annual Leave Expenses	-58,327	24,008	9,945	17,604
Audit Fees	-5,000	40,967	41,017	22,900
Bank Fees	574	805	4,697	1,716
Consultant - Corporate Advisory Services	212,500	34,762	10	0
Consultant - Legal	313,782	150,000	277,853	73,243
Consulting - Accounting	152,400	98,903	82,850	179,940
Consulting Expenses	-2,386	107,955	269,321	410,543
Depreciation	3,163	9,018	21,799	29,504
Due diligence and acquisition costs	-100,000	6,453	1,066,262	0
Dues and Subscriptions	47,644	3,435	96,954	43,392
Entertainment	0	119,036	10,198	27,010
Foreign Currency Gains and Losses	-20,259	17,470	6,110	3,152
General Expenses	0	4,088	16,524	25,220
Insurance	134,518	27,050	0	0
Interest Expense	-454,844	61,451	122,913	25,881
Legal expenses	39,752	9,802	40,440	0
Licence Fee	-8,522	14,311	10,750	25,500
Loss - Purchase of Convertible Notes	1,000,000	45,175	0	0
Loss on disposal of investment	15,500,000	310,443	0	0
Marketing, PR and Advertising	-11,559	76,771	1,952	1,355
Office Maintenance	880	30,694	620	3,638
Other Office Expenses	1,851	2,615	47,562	5,420
Postage, Freight and Courier	426	395	188	46
Printing and Stationery	1,603	3,588	4,706	6,524
Regulatory Fees	113	443,065	0	1,956
Relocation Expenses	4,235	485,282	4,920	0
Rent	2,178	99,565	542,295	123,750
Salaries and Wages	137,812	78,501	324,433	347,354
Software subscriptions	15,955	-23,137	716	0
Staff Amenities	112	529	1,598	13,383
Staff Recruitment	0	64,232	46,365	45,062
Superannuation	15,626	7,685	27,915	26,073
Telephone and Internet	763	136	398	360
Travel - National	2,905	1,665	10,733	14,298
Website Hosting	159,758	197,552	177,629	84,755
Compliance Service Fees	0	0	0	480
Computer Consumables	0	0	4,045	13,139
Computer/IT Expenses	0	0	21,612	22,269
Consultant - IT	0	0	10,800	0
Consultant - Management	0	0	137,500	150,000
Customer Onboarding Charges	0	0	0	792
Donations	0	0	150	0
Entertainment - NTD	0	0	15,852	23,333
Establishment Fee	0	0	0	18,000
Filing Fee	0	0	4,690	0
Fines and Penalties	0	0	10	5,757
Less: Capitalised R & D costs	0	0	-221,633	-226,478
Other Expenses	0	895	895	0
Other Expenses - IC	0	0	15,489,607	54
Parking	0	0	542	0
Staff Training	0	0	195	11,326
Taxi	0	0	2,199	7,267
Travel - International	0	0	1,824	952
Web Development	0	0	0	3,011
Total Operating Expenses	17,144,912	2,611,533	18,795,221	1,646,740
Net Profit	-16,613,803	-1,602,356	-18,385,733	-1,646,740
Add back				
Interest Exp	-454,844	61,451	122,913	25,881
Amortisation Expense	57,260	57,260	57,260	57,260
Depreciation Expense	3,163	9,018	21,799	29,504
EBITDA	-17,008,225	-1,474,626	-18,183,760	-1,534,095

Profit & Loss Summary
Spitfire Asset Management Pty Ltd
Feb 20 to Jul 20 Aug 19 to Jan 20 Feb 19 to Jul 19 Aug 18 to Jan 19
(\$) (\$) (\$) (\$)

Income				
Adviser Directed - Annual Fee	0	0	14,089	0
Adviser Directed Management Fee	0	0	0	12,383
Bank Interest	4	14	44	82
Brokerage Rebates	18,086	4,198	-1,240	-659
MDA Annual Fees	0	1,800	20,127	4,404
MDA Service Fees	156,798	135,954	157,735	142,423
Omniwealth Direct Annual Fee	0	0	0	800
Omniwealth Direct Management Fee	0	0	0	2,875
Total Income	174,887	141,966	190,756	162,307
Less Cost of Sales				
Cost of Services Rendered	88,912	87,447	64,023	156,005
Customer Onboarding Charges	0	0	-348	-802
Total Cost of Sales	88,912	87,447	63,676	155,203
Plus Other Income				
Other (Loss) Income	0	0	0	0
Other Income - IC	0	0	7,195,500	0
Total Other Income	0	0	7,195,500	0
Gross Profit	85,975	54,519	7,322,581	7,104
Less Operating Expenses				
Amortisation Expenses	21,716	2,457	14,378	14,623
Annual Leave Expenses	13,852	3,924	-9,559	23,599
Bank Fees	278	320	637	582
Brokerage Charges	9,044	2,273	0	0
CAR Fees	20,833	20,833	9,075	53,591
Computer/IT Expenses	16,516	27,351	35,036	44,663
Consultant - Legal	1,054	1,950	93,398	25,095
Consulting Expenses	13,000	44,878	6,000	33,333
Depreciation	20,851	28,629	30,680	35,706
Dues and Subscriptions	14,252	19,264	28,057	2,405
Entertainment	101	958	-194	1,066
Entertainment - NTD	449	520	213	0
Foreign Currency Gains and Losses	14	31	465	43
Impairment	-9,749	12,126	0	0
Interest Expense	-1	2,229	4,649	33
Legal expenses	0	895	0	0
Payroll Tax Expense	245,959	0	368,462	123,706
Postage, Freight and Courier	-	345	1,539	658
Rent	1,275	41,708	0	0
Insurance	0	2,228	0	0
Marketing, PR and Advertising	0	67	250	9,394
Printing and Stationery	0	256	183	1,229
Taxi	0	30	0	128
Telephone and Internet	0	8,052	9,196	9,272
Salaries and Wages	321,033	395,173	458,782	589,739
Software Subscriptions	1,969	160	0	0
Staff Amenities	0	470	751	6,661
Staff Recruitment	16,858	0	104,244	-25,404
Superannuation	30,166	37,541	40,049	51,957
Travel - National	328	20	0	0
Website Hosting	5,350	0	0	0
Computer Consumables	0	0	987	1,179
Consultant - IT	0	0	0	1,300
Consulting - Accounting	0	0	40,750	60,500
Filing Fee	0	0	2,733	0
Fines and Penalties	0	0	49	9,491
General Expenses	0	0	0	1,789
Less: Capitalised R & D costs	0	0	-154,115	-157,483
Light, Power and Heating	0	0	347	458
Other Expenses - IC	0	0	3,506,166	0
Other Office Expenses	0	0	35	1,396
Regulatory Fees	0	0	0	354
Spitfire Super - Trustee Expenses	0	0	0	23,333
Total Operating Expenses	745,150	654,688	4,593,245	944,393
Net Profit	-659,175	-600,169	2,729,336	-937,290
Add back				
Interest Expense	-1	2,229	4,649	33
Amortisation Expense	21,716	2,457	14,378	14,623
Depreciation Expense	20,851	28,629	30,680	35,706
EBITDA	-616,609	-566,853	2,779,044	-886,927

Profit & Loss Summary Spitfire Machines Pty Ltd				
	Feb 20 to Jul 20 (\$)	Aug 19 to Jan 20 (\$)	Feb 19 to Jul 19 (\$)	Aug 18 to Jan 19 (\$)
Income				
Bank Interest	0	0	2	0
MDA Service Fees	0	0	66,018	46,823
Other (Loss) Income	0	0	566	0
Service Fees - Advisor & Account	45,824	34,266	9,883	0
Service Fees - Transaction	6,451	8,624	627	0
Total Income	52,275	42,891	77,096	46,823
Less Cost of Sales				
Administration Fee Rebate	1,833	5,236	5,940	1,205
Adviser Fees	13,127	0	0	0
Total Cost of Sales	14,960	5,236	5,940	1,205
Gross Profit	37,315	37,655	71,156	45,618
Plus Other Income				
Other Income - IC	0	0	1,324,553	0
Total Other Income	0	0	1,324,553	0
Less Operating Expenses				
Annual Leave Expenses	-5,870	5,237	9,653	8,491
Bank Fees	125	222	288	221
Bloomberg	119,367	149,515	183,809	134,038
CAR Fees	38,000	48,000	35,909	23,091
Custody Services Fee	33,512	41,155	67,093	39,986
Customer Onboarding Charges	1,856	531	1,957	3,001
Dues and Subscriptions	172,343	76,648	35,855	3,687
Foreign Currency Gains and Losses	-53,172	14,838	13,786	3,783
Market data feeds	909	15,633	11,657	5,000
Regulatory Fees	0	8,891	0	342
Rounding	-	0	0	0
Salaries and Wages	134,552	150,000	150,000	138,910
Software Subscriptions	197,157	146,494	29,299	0
Superannuation	12,048	14,250	14,250	13,196
Telephone and Internet	5,781	8,775	7,558	9,617
Compliance Service Fees	0	0	1,000	2,000
Computer Consumables	0	0	156,990	147,739
Computer/IT Expenses	0	0	0	13,900
Consultant - IT	0	0	0	40,188
Consultant - Legal	0	0	0	3,841
Consulting Expenses	0	0	1,384	13,068
Depreciation	0	0	1,357	1,665
Filing Fee	0	0	141	0
Fines and Penalties	0	0	0	840
Fund Data Fees	0	0	0	16,500
Interest Expense	0	0	150	0
Less: Capitalised R & D costs	0	0	-40,706	-41,596
Other Expenses - IC	0	0	244,445	0
Total Operating Expenses	656,608	680,187	925,875	581,508
Net Profit	-619,293	-642,532	469,835	-535,890
Add back				
Interest Expense	0	0	0	0
Amortisation Expense	0	0	0	0
Depreciation Expense	0	0	0	0
EBITDA	-619,293	-642,532	469,835	-535,890

Profit & Loss Summary Spitfire Operations Pty Ltd				
	Feb 20 to Jul 20	Aug 19 to Jan 20	Feb 19 to Jul 19	Aug 18 to Jan 19
	(\$)	(\$)	(\$)	(\$)
Income				
Bank Interest	603	1,925	0	0
Service Fees - Advisor & Account	38,236	10,108	0	0
Service Fees - Transaction	14,190	10,450	0	0
Other Income - IC	0	0	143,511	0
Total Income	53,029	22,482	143,511	0
Less Cost of Sales				
Adviser Fees	19,556	6,962	0	318
Total Cost of Sales	19,556	6,962	0	318
	0	0	0	0
Gross Profit	33,473	15,520	143,511	-318
Less Operating Expenses				
Accounting and Audit Fees	10,850	0	10,000	0
Bank Fees	305	304	1,830	21
Custody Services Fee	50,461	94,386	35,000	0
Dues and Subscriptions	216	270	227	0
Legal expenses	0	138,018	0	0
Insurance	0	8,088	55,597	34,867
Salaries and Wages	0	5,479	10,959	10,959
Superannuation	0	521	1,041	1,041
Regulatory Fees	80	7,848	0	995
Responsible Entity Fees	29,167	70,833	0	0
Communication Surveillance	0	0	0	514
Computer/IT Expenses	0	0	0	2,118
Customer Onboarding Charges	0	0	-2,292	56
Filing Fee	0	0	263	0
Fines and Penalties	0	0	37	24
Interest Expense	0	0	0	0
Staff Training	0	0	0	318
Total Operating Expenses	91,078	325,747	112,662	50,913
Net Profit	-57,605	-310,227	30,849	-51,231
Add back				
Interest Expense	0	0	0	0
Amortisation Expense	0	0	0	0
Depreciation Expense	0	0	0	0
EBITDA	-57,605	-310,227	30,849	-51,231

ANNEXURE 3

Balance Sheet Summaries



ANNEXURE 3

Balance Sheet Summary Spitfire Corporation Limited

	31 Jul 2020 (\$)	31 Jan 2020 (\$)	31 Jul 2019 (\$)	31 Jan 2019 (\$)
Assets				
Bank				
ANZ Business Extra	0	0	-22	600
Capital Account	21	21	81,928	613
DiviPay Expenses Account	-5,042	0	0	0
High Interest Saver	0	1	0	0
RCM Online Saver	-105	-16	74	164
Transaction Account	-12,544	-2,114	11,631	230,443
Transactional Account	73	8	0	0
Total Bank	-17,598	-2,101	93,633	231,219
Other Current Assets				
GST	292,601	212,895	229,767	80,762
Macquarie Bank Guarantee	159,000	0	66,000	66,000
Prepayments	56,617	198,160	0	1,835
Receivable for Capital Stock Sold	5,658,000	1,610,000	0	0
Total Other Current Assets	6,166,218	2,021,055	295,767	148,597
Total Current Assets	6,148,620	2,018,954	389,400	379,817
Total Non-Current Assets	597,408	19,934,783	19,858,912	11,373,815
Total Assets	6,746,028	21,953,738	20,248,311	11,753,632
Liabilities				
Current Liabilities				
Accounts Payable	2,395,962	1,858,614	1,399,697	455,335
Accruals	10,000	40,000	40,000	0
AMEX Business Credit Card	-368	79,200	106,888	78,075
Annual Leave Provision	0	58,327	34,319	24,374
Interest Payable on Convertible Note June 2017	19,471	19,471	19,471	19,471
Loan - Laurence Milne	131,583	14,694	50,000	0
Loan - Resilient Investment Group (Convertible Note)	500,926	3,472,823	17,488	9,113
Loan - Storm Family Trust	112,219	102,192	3,117,823	0
Loan - Vestrock	84,638	136,138	0	0
Loan - W.Johnson	119,794	62,231	102,192	0
PAYG Withholdings Payable	268,095	187,530	217,138	280,310
Premium funding	86,997	200,261	77,758	73,919
Provision for FBT	86,948	86,948	86,948	86,948
Rounding	0	-12	-6	0
Superannuation Payable	71,840	85,426	39,169	21,486
Wages Payable - Payroll	51,599	32,610	0	0
Total Current Liabilities	3,939,705	6,436,453	5,308,885	1,049,030
Total Non-current Liabilities	54,072	659,230	74,227	100
Total Liabilities	3,993,777	7,095,683	5,383,112	1,049,130
Net Assets	2,752,251	14,858,055	14,865,200	10,704,501
Working Capital Ratio	1.56	0.31	0.07	0.36

Balance Sheet Summary
Spitfire Asset Management Pty Ltd

	31 Jul 2020 (\$)	31 Jan 2020 (\$)	31 Jul 2019 (\$)	31 Jan 2019 (\$)
Assets				
Bank				
ANZ Business Extra	153	285	0	1,792
Macquarie Bank Account	25,667	2	1	130
Macquarie Business A/C (new)	-13	-14	129	719
Transaction Accounts	77,041	10,910	3,219	0
Total Bank	102,847	11,183	3,349	2,641
Other Current Assets				
Accounts Receivable	5,091	6,924	38,925	37,160
Accrued Fee Revenue	0	0	0	1,240
Deposits	500	500	500	500
Prepayments	0	5,764	24,046	30,841
Total Other Current Assets	5,591	13,187	63,471	69,741
Total Current Assets	108,438	24,370	66,820	172,382
Total Non-current Assets	-205,771	-190,847	233,734	3,239,327
Total Assets	-97,333	-166,476	300,554	3,311,708
Liabilities				
Current Liabilities				
Accounts Payable	485,814	433,749	413,285	356,808
Accruals	0	0	0	83,093
Annual Leave Provision	119,449	105,596	101,672	111,231
Bonus Payable	90,000	90,000	90,000	90,000
GST	43,150	41,758	77,774	-7,485
Loan from Vestrock Pty Limited	0	0	0	-21,817
PAYG Withholdings Payable	290,003	178,178	91,430	113,032
Provision - Payroll Tax	500,103	254,143	254,143	0
Rounding	0	0	0	0
Superannuation Payable	108,412	78,246	40,704	31,802
Suspense	0	0	0	0
Wages Payable - Payroll	155,488	8,196	0	0
Total Current Liabilities	1,792,418	1,189,866	1,069,009	756,665
Total Non-current Liabilities	150,167	23,400	13,274	6,052,018
Total Liabilities	1,942,585	1,213,266	1,082,282	6,808,683
Net Assets	-2,039,918	-1,379,743	-781,728	-3,496,974
Working Capital Ratio	0.06	0.02	0.06	0.10

Balance Sheet Summary Spitfire Machines Pty Ltd				
	31 Jul 2020	31 Jan 2020	31 Jul 2019	31 Jan 2019
	(\$)	(\$)	(\$)	(\$)
Assets				
Bank				
Business Account	1,153	800	775	2,282
Total Bank	1,153	800	775	2,282
Other Current Assets				
Accounts Receivable	0	192	6,709	10,367
GST	62,958	47,914	27,065	21,938
Prepayments	248,147	62,524	249,274	63,646
Total Other Current Assets	311,105	110,630	283,049	95,952
Total Current Assets	312,258	111,430	283,823	98,234
Total Non-current Assets	-23,776	-23,776	333	203,094
Total Assets	288,482	87,654	284,156	301,328
Liabilities				
Current Liabilities				
Accounts Payable	861,517	391,878	418,914	185,198
Accruals	0	0	0	0
Annual Leave Provision	18,039	23,908	18,672	9,019
Other Provisions	0	0	0	0
PAYG Withholdings Payable	137,566	90,531	36,884	26,661
Superannuation Payable	35,798	23,750	9,500	8,867
Wages Payable - Payroll	71,517	0	0	0
Total Current Liabilities	1,124,436	530,067	483,970	229,745
Total Non-current Liabilities	692,779	467,027	67,094	808,325
Total Liabilities	1,817,215	997,094	551,064	1,038,070
Net Assets	-1,528,733	-909,440	-266,908	-736,742
Working Capital Ratio	0.28	0.21	0.59	0.43

Balance Sheet Summary				
Spitfire Operations Pty Ltd				
	31 Jul 2020	31 Jan 2020	31 Jul 2019	31 Jan 2019
	(\$)	(\$)	(\$)	(\$)
Bank				
Transaction Account	2,777	7,775	220	0
Transactions Account	2	2	0	0
Total Bank	2,779	7,777	220	0
Other Current Assets				
Accrued Fee Revenue	0	0	0	0
Total Other Current Assets	0	0	0	0
Total Current Assets	2,779	7,777	220	0
Total Non-current Assets	34,654	56,453	81,901	-1,936
Total Assets	37,433	64,230	82,121	-1,936
Current Liabilities				
Accounts Payable	377,058	341,038	0	0
Accruals	0	10,000	10,000	0
PAYG Withholdings Payable	224	224	224	1,355
Superannuation Payable	2,082	2,082	1,562	521
Wages Payable - Payroll	0	0	0	0
Total Current Liabilities	379,364	353,344	11,786	1,876
Total Non-current Liabilities	-33,717	-38,506	10,717	47,419
Total Liabilities	345,647	314,838	22,503	49,295
Net Assets	-308,214	-250,609	59,618	-51,231
Working Capital Ratio	0.01	0.02	0.02	-

ANNEXURE 4

Proposed Deed from
Assurance Financial Group Pty Ltd



ANNEXURE 4

DOCA Proposal

Damien Hodgkinson
Administrator
Olvera Advisors Pty. Limited
Level 6, 9 Barrack Street,
Sydney New South Wales 2000

28 September 2020

By E-mail

Dear Administrators

Thank you for the opportunity to provide you with a Term Sheet for a proposed deed of company arrangement for the Spitfire Group.

This Term Sheet is tendered on the basis that nothing in this Term Sheet is intended to create any binding legal obligations and this document remains subject to change.

1 Term Sheet for DOCA of the Spitfire Group

- 1.1 This Term Sheet sets out the summary terms of a deed of company arrangement (**DOCA**) proposal in relation to the following entities:
- (a) Spitfire Corporation Limited, ACN 602 654 964 (**Spitfire Corporation**);
 - (b) Spitfire Asset Management Pty Ltd, ACN 605 492 635 (**Spitfire Asset Management**);
 - (c) Spitfire Machines Pty Ltd, 623 642 437;
 - (d) Spitfire Operations Pty Ltd, ACN 163 452 300;
- (together, the **Spitfire Group**)
- 1.2 The DOCA is subject to a condition precedent that each company comprising the Spitfire Group execute the DOCA.
- 1.3 The DOCA commences once executed by all parties.

2 Purpose

- 2.1 This proposal seeks to achieve a better return to the creditors of the Spitfire Group than would exist in a winding up and to maximise the chances of the Spitfire Group, or as much as possible of their business, continuing in existence by proposing that a single DOCA be

entered into on behalf of all Spitfire Group companies and by;

- (a) Creating a \$3.35m deed fund by way of an advance under a secured loan to be provided by the Proponent to Spitfire Corporation (**Deed Fund**);
- (b) Establishing a Creditors Trust to satisfy the claims of participating creditors (**Creditors Trust**),
- (c) Securing a release of all claims of participating creditors against the Spitfire Group;
- (d) Return of the Spitfire Group to the control of the directors.

3 Deed Administrators

- 3.1 Damien Hodgkinson and Kate Barnet of Olvera Advisors Pty Limited will be appointed as deed administrators of the DOCA (**Deed Administrators**).
- 3.2 The Deed Administrators will be entitled to exercise:
 - (a) all of the powers set out in paragraph 2 of Schedule 8A of the Regulations;
 - (b) the usual powers conferred by a deed of company arrangement (to be specified in the DOCA).
- 3.3 Until the Implementation Date, the Deed Administrators will control the property and affairs of the Spitfire Group to the exclusion of the directors and offices of the group.
- 3.4 The Deed Administrators will be remunerated at the usual rates charged by Olvera Advisors from time to time as approved by the creditors or committee of creditors.

4 Proponent of the DOCA

- 4.1 Assurance Financial Group (**Deed Proponent**)

5 DOCA funding

- 5.1 As soon as practical after execution of the DOCA by all parties, the Deed Proponent will enter into a loan agreement with Spitfire Corporation for a loan amount of \$3.35m on terms satisfactory to the Deed Proponent.
- 5.2 The loan is to be secured by:
 - (a) A general security agreement (Allpap) to be given by Spitfire Corporation;
 - (b) Supporting guarantees and general security agreements (Allpap) to be given by the other companies in the Spitfire Group;
 - (c) Supporting guarantees and general security agreements (Allpap) to be given by Spitfire Q Pty Ltd and Investar Research Pty Ltd.
- 5.3 The purpose of the loan is to provide the deed fund for the DOCA, and upon drawdown to be paid by the Deed Administrators to the trustees of the Creditors Trust to comprise part of the

trust property.

5.4 The conditions for drawdown are:

- (a) The drawdown request is made no earlier than 15 December 2020, or such earlier time permitted by the Deed Proponent;
- (b) Execution of the guarantees and securities referred to 5.2 above;
- (c) Establishment of the Creditors Trust;
- (d) There being no action taken by any government authority and there being no material change in the circumstances, licence agreements, contractual framework, or workforce of any deed company, which in the opinion of the Proponents, is adverse to the business or affairs of any deed company.

5.5 Upon receipt of the loan funds by the trustees of the Creditors Trust (**Implementation Date**):

- (a) by the terms of the DOCA the following choses in action (**Choses in Action**) are assigned unconditionally and absolutely from Spitfire Corporation and Spitfire Asset Management (as the case may be) to the trustees of the Creditors Trust to form part of the trust property:
 - (i) Subscription Claim against Victoria Harbour Holdings Ltd;
 - (ii) Subscription Claim against Iglo Logistics (HK) Ltd;
 - (iii) Failure to Complete Agreement Claim against Akambo.

6 Release of debts and claims against the Spitfire Group

6.1 On the Implementation Date:

- (a) the Spitfire Group will forever release and discharge all claims (including any right of subrogation or contribution) against the current or former directors and officers of the Spitfire Group;
- (b) all debts and claims against the Spitfire Group of creditors bound by the DOCA (excluding Non-participating Creditors) are released in return for their right to claim as a beneficiary under the Creditors Trust.

6.2 Non-Participating Creditors are the following persons related to the Spitfire Group:

- (a) Vestock Capital Pty Ltd;
- (b) Laurence Milne;
- (c) BD Thomas & Associates;
- (d) Stratagm Pty Ltd;
- (e) Red Wheel Pty Ltd.

6.3 The claims of Non-Participating Creditors will not be released or compromised by the DOCA

and Non-Participating Creditors will not participate in the Creditors' Trust.

7 Creditors Trust

7.1 The Deed Administrators will be appointed trustees of the Creditors Trust.

7.2 The trust property of the Creditors Trust will comprise the following property (**Trust Property**):

- (a) \$3.35m to be provided by the Deed Proponent as set out above; and
- (b) The Choses in Action and all proceeds recovered by the trustees in respect of them.

7.3 The Trust property is to be distributed in the following order of priority:

(a) First

To pay the remuneration and outlays of the Administrators in respect of the voluntary administration period as approved by the creditors of the Spitfire Group or committee of creditors.

(b) Second

To pay the remuneration and outlays of the Deed Administrators to be approved by the creditors of the Spitfire Group or committee of creditors capped at \$25,000.

(c) Third

\$1,100,000 of the Trust Property:

- to pay in full the secured creditor of Spitfire Corporation, Resilient Investment Group Pty Ltd, in return for the release of the general security agreement granted by Spitfire Corporation to the secured creditor; and
- the balance to pay the admissible debts and claims of creditors entitled to priority pursuant to section 556(1) of the Corporations Act.

(d) Fourth

To pay the remuneration and outlays of the trustees to be approved by the beneficiaries of the Creditors Trust or committee of creditors for the trust.

(e) Fifth

\$2,250,000 of the Trust Property to pay admissible debts and claims of all other creditors except for the Non-Participating Creditors.

(f) Sixth

Any Trust Property remaining after the distributions listed above have been completed is to be returned to Spitfire Corporation or as instructed by the Deed Proponent.

7.4 The trustees of the Creditors Trust will be remunerated at the usual rates charged by Olvera

Advisors from time to time.

8 Effectuation of the DOCA

- 8.1 Control of the Spitfire Group will revert to the directors of the relevant DOCA companies on the Implementation Date, at which time the DOCA will end.

9 Other provisions

- 9.1 The DOCA is to include such other terms required to comply with Part 5.4A of the Corporations Act.

ANNEXURE 5

Proposed Deed from
Storm Capital Partners Pty Ltd



PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT – DOCA TERM SHEET

Spitfire Corporation Limited (Administrators Appointed) ACN 602 654 964

Spitfire Asset Management Pty Ltd (Administrators Appointed) ACN 605 492 635

Spitfire Machines Pty Ltd (Administrators Appointed) ACN 623 642 437

Spitfire Operations Pty Ltd (Administrators Appointed) ACN 163 452 300

Unless otherwise defined in this document, capitalised terms have the meaning given to them in Schedule 1.

No.	Matter	Term
1.	Proponent	Storm Capital Partners Pty Ltd ACN 605 108 576.
2.	Transaction Parties	Each DOCA Company, the Administrators and the Proponent.
3.	Purpose	<p>(a) The purpose of this Term Sheet (without limitation) is to record the key terms that will be set out in the DOCA proposed by the Proponent for the DOCA Companies.</p> <p>(b) The DOCA will have the effect of:</p> <p>(i) maximising the chances of the DOCA Companies continuing in existence;</p> <p>(ii) enabling Admitted Creditors of the DOCA Companies to receive a greater return than they would in a winding-up;</p> <p>(iii) pooling the Admitted Claims of Admitted Creditors of the DOCA Companies to enable them to prove against a single fund;</p> <p>(iv) restructuring the liabilities of the DOCA Companies so as to ensure each DOCA Company emerges from deed administration with an improved balance sheet, so as to maximise the chances of each DOCA Company continuing in existence;</p> <p>(v) facilitating the transfer of the shares in the Company to the Proponent pursuant to the terms of this Term Sheet; and</p> <p>(vi) satisfying in full the Secured Debt of the DOCA Companies.</p>
4.	Deed Administrators/Trustees of Creditors Trust	<p>(a) The Administrators will be the deed administrators of the DOCA (Deed Administrators).</p> <p>(b) The Deed Administrators will be the trustees of the Creditors' Trust (Trustees).</p>

5.	Powers of the Deed Administrator	From the DOCA Effective Date to the DOCA Termination Date, the Deed Administrators will have all the powers that the directors of the DOCA Companies had in respect of the DOCA Companies prior to the Appointment Date as well as other powers customary for deed administrators to be described in the DOCA.
6.	Relevant Date	The Appointment Date.
7.	DOCA Effective Date	The DOCA will be binding and effective on the DOCA Effective Date.
8.	Conditions Precedent to Implementation	<p>(a) Implementation of the DOCA will be subject to satisfaction of the following conditions:</p> <ul style="list-style-type: none"> (i) all shares in the Company are transferred to the Proponent pursuant to an application under section 444GA of the Act by the Deed Administrators; (ii) immediately following satisfaction of Condition Precedent 8(a)(i), the Secured Debt is paid in full by the Proponent to the Secured Creditor (as the case may be) (Debt Payment); (iii) upon receipt of the Debt Payment, the Secured Creditor releases in full any Security Interests and Claims it has in respect of a DOCA Company; (iv) the Proponent has had an opportunity to inspect the Spitfire Digital Assets to its satisfaction; and (v) the Proponent is satisfied that the Spitfire Digital Assets have not materially changed since the Appointment Date (acting reasonably), <p>(each a Condition Precedent).</p> <p>(b) Each Condition Precedent in clauses 8(a)(i), 8(a)(iii), 8(a)(iv) and 8(a)(v) of this Term Sheet is for the benefit of the Proponent and may only be waived by the Proponent in writing to the Deed Administrators.</p> <p>(c) The Condition Precedent in clause 8(a)(ii) of this Term Sheet is for the benefit of the Secured Creditor and may only be waived by the Secured Creditor (as the case may be) in writing to the Deed Administrators.</p>
9.	DOCA Contribution	The DOCA contribution is A\$3,750,000 (DOCA Contribution).
10.	Interim Funding	(a) Upon the Creditors resolving to accept the terms of this Term Sheet and proceed with a DOCA, the Proponent will advance an amount of up to A\$100,000 (Advanced Amount) to the Deed Administrators to cover any legal and expert valuation Costs that may be incurred in connection

		<p>with the Deed Administrators' court application to transfer the shares in the Company to the Proponent pursuant to section 444GA of the Act (444GA Application).</p> <p>(b) The Advanced Amount is to be treated as a non-recourse loan to the Deed Administrators and, if required, the Proponent agrees to support an application by the Deed Administrators for relief from personal liability in respect of the Advanced Amount.</p> <p>(c) If Condition Precedent 8(a)(i) is satisfied, the Advanced Amount will be treated as a part payment of the DOCA Contribution.</p> <p>(d) The Proponent must consent to the Deed Administrators choice of legal firm to undertake the 444GA Application.</p>
11.	Implementation Date	<p>On the Implementation Date, the following steps shall occur as soon as practicable in the following order:</p> <p>(a) a creditors' trust will be established for the purposes of the DOCA, named 'Spitfire Creditors' Trust' (Creditors' Trust);</p> <p>(b) the Proponent shall pay the DOCA Contribution to the Trustees and the Trustees must make such payment to the Creditors' Trust;</p> <p>(c) the Claims of all Creditors will be extinguished and released to the fullest extent possible in return for their entitlement, if any, to receive a distribution from the Trust Fund;</p> <p>(d) any Claims a DOCA Company has against each of the following parties shall be extinguished and released to the fullest extent possible:</p> <ul style="list-style-type: none"> (i) Chin Yet Ong; (ii) Wayne Johnson; (iii) Iglo Logistics (HK) Ltd; and (iv) Victoria Harbour Holdings (HK) Limited; <p>(e) the Nominated Directors shall be appointed directors to each DOCA Company;</p> <p>(f) the Outgoing Directors will retire, or be removed by the Deed Administrators, as directors of each DOCA Company; and</p> <p>(g) the DOCA will effectuate and terminate pursuant to fulfilment of its purpose and the Deed Administrator will file a notice of effectuation of the DOCA in the required form with ASIC.</p>

12.	Purpose of Creditors' Trust	<p>The purpose of the Creditors' Trust will be to:</p> <p>(a) enable certain tasks ordinarily undertaken by the Deed Administrator (including, but not limited to, the calling and adjudication of the Admitted Claims of Admitted Creditors) to be performed by the Trustees of the Creditors' Trust; and</p> <p>(b) facilitate the early finalisation of the DOCA on the Implementation Date.</p>
13.	Trust Fund Contribution	<p>(a) The Trust Fund will be held on trust for the payment of the Admitted Claims of Admitted Creditors as set out in the Trust Deed.</p> <p>(b) All Claims of the Admitted Creditors will be adjudicated by the Trustee in accordance with clause 14 of this Term Sheet.</p>
14.	Facilitating the admission to proof of Claims under the Creditors' Trust	<p>(a) To facilitate the admission to proof and the determination of Admitted Claims, the relevant parts of Part 5.6 of the Act and the Rules will apply as though each DOCA Company was in liquidation with a commencement date of the Relevant Date.</p> <p>(b) For the avoidance of doubt, persons will have the right to appeal a rejection of all or part of a proof of debt (being a Claim) in accordance with wording to be incorporated into the DOCA that is consistent with regulation 5.6.54(2) of the Regulations.</p>
15.	Participating Creditors	All Creditors will have a right to prove their Claim in the DOCA except for Excluded Creditors.
16.	Application of Trust Fund	<p>(a) Admitted Creditors will have their Admitted Claims pooled and paid from the Trust Fund in the following order of priority, with each class of Admitted Creditor to be paid in full before any subsequent class is paid, or <i>pari passu</i> to the extent that there are insufficient funds to pay that class in full (Dividend Payments):</p> <p>(i) first, the Administrators' Costs;</p> <p>(ii) second, the Deed Administrators' Costs;</p> <p>(iii) third, the Trustees' Costs;</p> <p>(iv) fourth, payment of Employee Entitlements; and</p> <p>(v) fifth, payment of Admitted Claims of Admitted Creditors on a pro rata basis.</p> <p>(b) The Dividend Payments effect a pooled entitlement for the Admitted Creditors of each DOCA Company.</p> <p>(c) For the avoidance of doubt, no distribution will be made to the Excluded Creditors.</p>

17.	Distribution of Trust Fund	<p>(a) The Trust Fund will be distributed from time to time by the Trustees as soon as reasonably practicable after the receipt of funds.</p> <p>(b) The terms of sections 556, 560 and 561 of the Act shall apply as if the references to 'liquidator' were references to the 'Trustee' and with such other modifications as are necessary to give effect to the terms of this Term Sheet.</p> <p>(c) Sections 444DA and 444DB of the Act will apply to the Creditors' Trust.</p>
18.	Directors	<p>The Deed Administrators will have the power to appoint directors and remove directors of each DOCA Company, but subject to the consent of the Proponent.</p>
19.	Other provisions of the DOCA	<p>(a) The Deed Administrators will be obliged to:</p> <ul style="list-style-type: none"> (i) give effect to the terms of the DOCA; (ii) use their best endeavours to ensure that the provisions in clause 18 of this Term Sheet are satisfied; and (iii) do all acts, matters and things, and sign all necessary documents as may be reasonably necessary for the purposes of the DOCA and the satisfaction of the provisions in clause 14 of this Term Sheet. <p>(b) From the DOCA Effective Date, any officer or member of a DOCA Company or any Creditor bound by the provisions of the DOCA must not make any application to wind up the Company, continue such application or commence or continue any enforcement process in relation to the property of a DOCA Company.</p> <p>(c) The following statutory provisions will be incorporated in the DOCA:</p> <ul style="list-style-type: none"> (i) the provisions prescribed by section 444A(5) of the Act and as contained in Schedule 8A of the Regulations; (ii) sections 444DA and 444DB of the Act; and (iii) Division 75 of the Insolvency Practice Schedule (Corporations) and Division 75 of the Insolvency Practice Rules (Corporations) 2016 apply to the DOCA, with such modifications as are necessary, to meetings of Creditors held pursuant to the DOCA. <p>(d) The DOCA will contain other provisions which are customary in a DOCA of this nature.</p>

20.	Termination of DOCA	<p>The DOCA automatically terminates on the earliest of the following events:</p> <ul style="list-style-type: none"> (a) the execution of the notice of termination in clause 11(g) of this Term Sheet in respect of each DOCA Company; (b) the Court makes an order terminating the DOCA under section 445D of the Act; or (c) the Creditors of each DOCA Company pass a resolution terminating the DOCA in accordance with section 445C(b) and 445CA of the Act.
21.	Remuneration and Costs	<p>The Administrators, Deed Administrators and Trustees will be entitled to be indemnified out of and will have a lien over the Trust Fund for their Costs incurred in the Administration Period, Deed Period and Trust Period (as applicable).</p>
22.	Moratorium	<p>Until the DOCA terminates in respect of each DOCA Company, during the relevant Deed Period:</p> <ul style="list-style-type: none"> (a) a moratorium upon actions against each DOCA Company as outlined in section 444E of the Act will apply, and includes a moratorium on any unsecured Creditor taking enforcement steps against a DOCA Company in respect of any Claim; (b) no shareholder of a DOCA Company may, without the prior written consent of the Deed Administrators: <ul style="list-style-type: none"> (i) transfer or deal with any of its shares; or (ii) exercise shareholder rights over any relevant shares in a manner that is contrary to the objects of the DOCA; (c) except as required by law, a person is not entitled as against the Deed Administrators: <ul style="list-style-type: none"> (i) to obtain possession of the books of a DOCA Company; or (ii) to claim or enforce a lien on such books, but such a lien is not otherwise prejudiced.
23.	Bar to Claims	<p>The DOCA may be pleaded and tendered by any DOCA Company and the recipient of any release or covenant as a total bar and defence to any legal proceeding brought at any time.</p>
24.	Persons bound by DOCA	<p>The DOCA will bind:</p> <ul style="list-style-type: none"> (a) the Transaction Parties; and (b) in respect of each DOCA Company, all other persons which, pursuant to the Act, are bound by the terms of the DOCA.

25.	Governing Law	The laws of New South Wales, Australia apply and the Transaction Parties submit to the exclusive jurisdiction of the courts of that State.
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SCHEDULE 1

Defined Terms

Term	Definition
Act	means the <i>Corporations Act 2001</i> (Cth).
Administration Period	means the period beginning on the Appointment Date and ending on the day the Administrator ceases to be administrator of each DOCA Company.
Administrator	means each of Katherine Elizabeth Barnet and Damien Mark Hodgkinson of Olvera Advisors Pty Ltd, in their capacity as joint and several administrators of each DOCA Company.
Admitted Claim	means a Claim against a DOCA Company that is admitted to proof by the Administrator, Deed Administrator or Trustee (as applicable).
Admitted Creditor	means a Creditor with an Admitted Claim.
Advanced Amount	has the meaning given to that term in clause 10 of this Term Sheet.
Appointment Date	means 7 August 2020.
ASIC	means the Australian Securities and Investments Commission.
Claim	<p>means a debt payable by, and all claims against, a DOCA Company (whether present or future, certain or contingent, ascertained or sounding only in damages, expenses, environmental liability, tax, duty, liability, loss, obligation, suit, action, demand, cause of action, prayer for relief, proceeding, judgment, whether direct or indirect, consequential, incidental or economic, known or unknown as at the Appointment Date, liquidated or unliquidated), being debts or claims any of the circumstances giving rise to which occurred on or before the Appointment Date including without limitation:</p> <ul style="list-style-type: none"> (a) a debt or claim arising pursuant to any guarantee or indemnity (including contingent claims); (b) a debt or claim arising pursuant to any option contract or any current or future right to shares, notes or other instruments in a DOCA Company; (c) subject to section 444D(3) of the Act, a debt or claim of an owner or lessor of property; (d) subject to section 444D(2) of the Act, a debt or claim of a Secured Creditor; and (e) all debts or claims provable in a winding up of each DOCA Company pursuant to section 553 of the Act.
Company	Spitfire Corporation Limited (Administrators Appointed) ACN 602 654 964.
Condition Precedent	has the meaning given to that term in clause 8 of this Term Sheet.
Continuing Employees	means Duncan Comrie.
Costs	means costs, charges, fees, government charges, taxes and expenses, including those incurred in connection with advisers and incurred in connection with the performance of the Administrators' or the Deed Administrators' or the Trustees' duties, obligations and responsibilities under the Act, the DOCA and the Creditors' Trust during the Administration Period, Deed Period and Trust Period (as applicable).
Creditor	means a person who, or entity that, has a Claim against any DOCA Company, the circumstances giving rise to which occurred before the Relevant Date.

Creditors' Trust	has the meaning given to that term in clause 11 of this Term Sheet.
Debt Payment	has the meaning given to that term in clause 8 of this Term Sheet.
Deed Administrators	has the meaning given to that term in clause 4 of this Term Sheet.
Deed Period	means the period beginning on the DOCA Effective Date and ending on the DOCA Termination Date.
DOCA	means a deed of company arrangement executed by the Proponent, each DOCA Company and the Deed Administrators in accordance with Part 5.3A of the Act.
DOCA Company	means each of: <ul style="list-style-type: none"> (a) the Company; (b) Spitfire Asset Management Pty Ltd (Administrators Appointed) ACN 605 492 635; (c) Spitfire Machines Pty Ltd (Administrators Appointed) ACN 623 642 437; and (d) Spitfire Operations Pty Ltd (Administrators Appointed) ACN 163 452 300.
DOCA Contribution	has the meaning given to that term in clause 9 of this Term Sheet.
DOCA Effective Date	means the date that the DOCA is executed by the Deed Administrator, the Proponent and each DOCA Company.
DOCA Termination Date	means the date on which the DOCA is terminated upon its completion in accordance with clause 20 of this Term Sheet.
Employee	has the same meaning as "eligible employee creditor" has in section 9 of the Act as though the reference to "company" was to each DOCA Company.
Employee Entitlement	means: <ul style="list-style-type: none"> (a) the Admitted Claim of any Employee for, in respect of, or arising in connection with any amount that would rank in priority under section 556(1) of the Act if the winding-up of a DOCA Company had commenced on the Relevant Date; (b) includes the Claims of all Employees (including the Continuing Employees) for outstanding or unpaid superannuation contributions as at the Relevant Date; and (c) subject to paragraph (b) above, does not include the accrued entitlements of Continuing Employees.
Excluded Creditors	means Creditors with Claims arising from, under or in connection with an Intercompany Loan.
Implementation Date	means the latest of the following dates: <ul style="list-style-type: none"> (a) the date on which each Condition Precedent has been satisfied or waived; and (b) such later date as agreed in writing by the Transaction Parties (each acting reasonably).
Intercompany Loan	means a loan between a DOCA Company and any subsidiary of the Company.
Nominated Directors	means individuals to be nominated by the Proponent on or before the Implementation Date.
Outgoing Directors	means each of: <ul style="list-style-type: none"> (a) Brian David Thomas; and

	(b) Laurence Michael Milne (in his capacity as director and as company secretary of a DOCA Company (as applicable)).
PPSA	means the <i>Personal Property Securities Act 2009</i> (Cth).
Proponent	has the meaning given to that term in clause 1 of this Term Sheet.
Regulations	means the <i>Corporations Regulations 2001</i> (Cth) made under the Act.
Relevant Date	has the meaning given to that term in clause 6 of this Term Sheet.
Rules	means the <i>Insolvency Practice Rules (Corporations) 2016</i> (Cth).
Secured Creditor	means any Creditor with a Security Interest as at the Appointment Date and, for the avoidance of doubt, includes any such Creditor with a Claim by way of subrogation.
Secured Debt	means a debt owed by a DOCA Company to a Secured Creditor that is secured by a Security Interest.
Security Interest	means any mortgage, chattel mortgage, pledge, lien, charge, agreement, set-off or assignment which secures the payment of any liability including any security interest for the purposes of the PPSA.
Source Code	means the code of the Merlin and ShareAnalysis platforms.
Spitfire Digital Assets	means each of the following for a DOCA Company (without limitation): <ul style="list-style-type: none"> (a) the Source Code; (b) IT infrastructure (including physical and virtual servers); (c) operational systems; (d) domain names; (e) cryptographic information and credentials; (f) development environments; (g) documentation for: <ul style="list-style-type: none"> (i) repositories relating to Atlassian, Google Drive and Drop Box (if applicable); and (ii) the IT systems (including manuals, technical designs and operational guides); (h) design assets and design system (including logos, fonts, brand style guides and UI/UX guides and standards); (i) corporate IT systems (including email systems, HR systems and file shares); (j) asset and data custody agreements (including IP assets of the organisation); and (k) agreements with Employees, contractors, consultants and other third parties.
Transaction Parties	has the meaning given to that term in clause 2 of this Term Sheet.
Trustees	has the meaning given to that term in clause 4 of this Term Sheet.
Trust Deed	means the deed to be entered into governing the terms of the Creditors' Trust.
Trust Fund	means the funds and property available for distribution from the Creditors' Trust.

Trust Period	means the period from the date the Creditors' Trust is created to the date all the funds in the Trust Fund have been distributed by the Trustees in accordance with clause 16 of this Term Sheet.
444GA Application	has the meaning given to that term in clause 10 of this Term Sheet.

ANNEXURE 6

Comparative Estimated Return to
Unsecured Creditors under
Liquidation and alternative DOCAs



ANNEXURE 6

Spitfire Group (All Administrators Appointed)
Estimated Potential Returns to Creditors

	Note	Spitfire Corp		Asset Management		Machines		Operations		Assurance DOCA		Storm DOCA	
		Liq Low Return \$	Liq High Return \$	Low Return \$	High Return \$	Low Return \$	High Return \$						
Assets													
Cash at Bank	1	-	-	2,252	2,252	-	-	2	2	-	-	-	-
Tax R&D Rebates	2	-	-	-	-	-	-	-	-	-	-	-	-
Deed Contribution	3	-	-	-	-	-	-	-	-	3,350,000	3,350,000	3,750,000	3,750,000
Total Circulating Assets		\$0	\$0	\$2,252	\$2,252	\$0	\$0	\$2	\$2	\$3,350,000	\$3,350,000	\$3,750,000	\$3,750,000
Non Circulating													
Investment in Subsidiary	4	Withheld	Withheld	-	-	-	-	-	-	-	-	-	-
Litigation	5	-	3,772,381	-	-	-	-	-	-	-	3,772,381	-	-
Other Intangibles	6	-	-	-	-	-	-	100,000	-	-	-	-	-
Plant and Equipment	7	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Circulating Assets		\$0	\$3,772,381	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$3,772,381	\$0	\$0
Add: Voidable Transaction Realisations													
Preferences, Uncommercial & Director Related	8	-	50,000	-	-	-	-	-	-	-	-	-	-
Insolvent Trading	9	-	6,523	-	435,204	-	-	-	-	-	-	-	-
Total Realisations Voidable Transactions		\$0	\$56,523	\$0	\$435,204	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assets Available		\$0	\$3,828,904	\$2,252	\$437,456	\$0	\$0	\$2	\$100,002	\$3,350,000	\$7,122,381	\$3,750,000	\$3,750,000
Less: Costs of External Administration													
Administrator Remuneration	10	217,877	217,877	42,033	42,033	33,832	33,832	35,837	35,837	329,579	329,579	329,579	329,579
Administrator Costs 444GA and 447A	11	-	-	-	-	-	-	-	-	-	-	100,000	50,000
Estimated Liquidators Remuneration	10	180,000	150,000	40,000	20,000	40,000	20,000	50,000	30,000	-	-	-	-
Estimated DOCA Admin. Remuneration	10	-	-	-	-	-	-	-	-	20,000	10,000	20,000	10,000
Estimated Trustee Remuneration	10	-	-	-	-	-	-	-	-	80,000	50,000	80,000	50,000
Estimated Liq or DOCA Disbursements	10	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-
Estimated Legal and Expert Costs	12	70,000	60,000	14,000	10,000	14,000	10,000	14,000	10,000	112,000	90,000	247,000	160,000
Total Costs of Recovery		\$472,877	\$427,877	\$101,033	\$72,033	\$92,832	\$63,832	\$104,837	\$75,837	\$546,579	\$479,579	\$781,579	\$599,579
Assets Available to Employees		(\$472,877)	\$3,401,027	(\$98,781)	\$365,423	(\$92,832)	(\$63,832)	(\$104,835)	\$24,165	\$2,803,421	\$10,415,184	\$2,968,421	\$3,150,421
Less: Employee Entitlements													
Superannuation	13	101,052	101,052	62,515	62,515	36,510	35,798	2,082	2,082	201,447	201,447	201,447	201,447
Priority Creditor Claims - Wages		135,730	56,214	161,651	124,623	106,665	71,517	-	-	252,354	252,354	252,354	252,354
Priority Creditor Claims - Leave / Other		30,397	30,397	34,135	34,135	31,402	18,039	-	-	82,571	82,571	82,571	82,571
Total Employee Entitlements		\$267,179	\$187,663	\$258,301	\$221,273	\$174,577	\$125,353	\$2,082	\$2,082	\$536,372	\$536,372	\$536,372	\$536,372
Assets Available to Secured Creditors		(\$740,056)	\$3,213,364	(\$357,082)	\$144,150	(\$267,409)	(\$189,185)	(\$106,918)	\$22,082	\$2,267,049	\$9,878,812	\$2,432,049	\$2,614,049
Less: Secured Creditor													
Secured Debt	14	646,012	500,926	-	-	-	-	-	-	646,012	500,926	646,012	500,926
Total Secured Claims		\$646,012	\$500,926	\$0	\$0	\$0	\$0	\$0	\$0	\$646,012	\$500,926	\$646,012	\$500,926
Assets Available to Creditors		(\$1,386,068)	\$2,712,438	(\$357,082)	\$144,150	(\$267,409)	(\$189,185)	(\$106,918)	\$22,082	\$1,621,037	\$9,377,886	\$1,786,037	\$2,113,123
Less: Unsecured Creditor claims													
Unrelated Unsecured Creditors	15	2,362,663	1,943,596	1,172,002	721,619	802,205	780,863	431,768	377,058	4,768,638	3,823,136	4,768,638	3,823,136
Related Unsecured Creditors	15 & 16	934,513	914,705	32,100	32,100	-	-	-	-	347,742	264,087	966,613	946,805
Excluded Employee Entitlements	15	-	-	367,839	367,839	-	-	-	-	-	-	367,839	367,839
Unsecured Tax Liabilities		30,439	30,439	306,702	306,702	68,489	68,489	-	-	405,630	405,630	405,630	405,630
Total Unsecured Creditor Claims		\$3,327,615	\$2,888,740	\$1,878,643	\$1,428,260	\$870,694	\$849,352	\$431,768	\$377,058	\$5,522,010	\$4,492,853	\$6,508,720	\$5,543,410
Estimated Surplus / Deficiency		(\$4,713,683)	(\$176,302)	(\$2,235,725)	(\$1,284,110)	(\$1,138,103)	(\$1,038,537)	(\$538,686)	(\$354,975)	(\$3,900,973)	\$4,885,033	(\$4,722,683)	(\$3,430,286)
Estimated Return to Creditors (c/\$)													
Priority Creditors		-	18.12	-	100.00	-	-	-	-	100	100	100	100
Secured Creditor		-	-	N/A	N/A	N/A	N/A	N/A	N/A	100	100	100	100
Unsecured Creditors		-	-	-	10.09	-	-	-	-	29	100	27	38

Notes to Estimated Return to Creditors:

- 1 Please refer to Section 5.1 of this report
- 2 Please refer to Section 5.1.2.4 of this report
- 3 Please refer to Section 8 of this report
- 4 Please refer to Section 5.1.1.4 of this report
- 5 Please refer to Section 5.1.1.2 of this report. The high return estimate consists of the face value of the claims less litigation risk and potential recovery costs
- 6 Please refer to Section 5.4.1.2 of this report
- 7 Please refer to Section 5.1.1.3 of this report
- 8 Please refer to Section 7.5.1 of this report
- 9 Please refer to Section 7.6.1 of this report
- 10 Please refer to Section 13 of this report and accompanying Remuneration Report
- 11 Estimated Administrators' costs associated with the an application under Sections 444GA and potentially 475A of the Corporations Act as foreshadowed under the Storm proposal
- 12 These costs include legal costs incurred to date and estimated future costs obtained from Mills Oakley Lawyers and based on possible tasks requiring completion
- 13 Please refer to Section 5.1 of this report
- 14 Please refer to Sections 3.2 and 5.1 of this report
- 15 Please refer to Section 5.1 of this report
- 16 Please refer to Section 8 of this report in respect to non participating creditors in a DOCA / Creditors Trust

ANNEXURE 7

Remuneration Report
of Administrators



ANNEXURE 7

remuneration approval report

Dated 30 September 2020

SPITFIRE CORPORATION LTD ACN 602 654 964; SPITFIRE ASSET MANAGEMENT PTY LTD ACN 605 492 635; SPITFIRE MACHINES PTY LTD ACN 623 642 437; SPITFIRE OPERATIONS PTY LTD ACN 163 452 300; (ALL ADMINISTRATORS APPOINTED) (Collectively referred to as “the Spitfire Group”)

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the Administrations of the Spitfire Group.

This report has the following information included:

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What do you need to do next?

You should read this report and the other documentation that we have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meetings. The meetings will also give you an opportunity to ask any questions that you may have. Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

If you have any questions, or need any assistance with understanding the materials we have sent to you, please contact Rui Wang on (02) 8880 4070 or via email to rui.wang@olveraadvisors.com.

part 1: declaration

We, Katherine Elizabeth Barnet and Damien Mark Hodgkinson, have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of the Spitfire Group (All Administrators Appointed) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administrations.

part 2: executive summary

This remuneration report details approval sought for the following resolutions:

Period	Report Reference	Amount (excl. GST)
<u>Spitfire Corporation Limited</u>		
<u>Voluntary Administration ("VA")</u>		
Resolution 2: 7 August 2020 to 23 September 2020	3.1; 3.2.1; Schedule A	\$167,877.10
Resolution 3*: 24 September 2020 to the end of the Administration	3.1; 3.2.1; Schedule B	\$50,000.00
<u>Creditors Voluntary Liquidation ("CVL") (if applicable)</u>		
Resolution 4*: 9 October 2020 to Completion of the Liquidation	3.1; 3.2.1; Schedule C	\$180,000.00
<u>Deed of Company Arrangement ("DOCA") (if applicable)</u>		
Resolution 4*: Date of Execution of DOCA to Completion of the DOCA	3.1; 3.2.1; Schedule D	\$5,000.00

Period	Report Reference	Amount (excl. GST)
<u>Spitfire Asset Management Pty Limited</u>		
<u>VA</u>		
Resolution 2: 7 August 2020 to 23 September 2020	3.1; 3.2.2; Schedule E	\$32,033.00
Resolution 3*: 24 September 2020 to the end of the Administration	3.1; 3.2.2; Schedule F	\$10,000.00
<u>CVL</u> (if applicable)		
Resolution 4*: 9 October 2020 to Completion of the Liquidation	3.1; 3.2.2; Schedule G	\$40,000.00
<u>DOCA</u> (if applicable)		
Resolution 4*: Date of Execution of DOCA to Completion of the DOCA	3.1; 3.2.2; Schedule H	\$5,000.00

Period	Report Reference	Amount (excl. GST)
<u>Spitfire Machines Pty Ltd</u>		
<u>VA</u>		
Resolution 2: 7 August 2020 to 23 September 2020	3.1; 3.2.3; Schedule K	\$23,832.00
Resolution 3*: 24 September 2020 to the end of the Administration	3.1; 3.2.3; Schedule L	\$10,000.00
<u>CVL</u> (if applicable)		
Resolution 4*: 9 October 2020 to Completion of the Liquidation	3.1; 3.2.3; Schedule M	\$40,000.00
<u>DOCA</u> (if applicable)		
Resolution 4*: Date of Execution of DOCA to Completion of the DOCA	3.1; 3.2.5; Schedule N	\$5,000.00

Period	Report Reference	Amount (excl. GST)
<u>Spitfire Operations Pty Ltd</u>		
<u>VA</u>		
Resolution 2: 7 August 2020 to 23 September 2020	3.1; 3.2.4; Schedule O	\$20,837.25

Period	Report Reference	Amount (excl. GST)
Resolution 3*: 29 August 2020 to the end of the Administration	3.1; 3.2.4; Schedule P	\$15,000.00
Creditors Voluntary Liquidation (“CVL”) (if applicable) Resolution 4*: 9 October 2020 to Completion of the Liquidation	3.1; 3.2.4; Schedule Q	\$50,000.00
Deed of Company Arrangement (“DOCA”) (if applicable) Resolution 4*: Date of Execution of DOCA to Completion of the DOCA	3.1; 3.2.4; Schedule R	\$5,000.00

* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors. If the estimate is not exhausted / incurred, it will not be drawn.

part 3: remuneration

3.1 Details of remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedules A to C.

Resolution 2: 7 August 2020 to 23 September 2020

The below tables sets out time charged to each major task area by staff members working on the administrations for the period 7 August 2020 to 23 September 2020 which is the basis of the Resolution 2 claim for the each of the Spitfire companies. More detailed descriptions of the tasks performed within each task area for each Company, matching the amounts below, are contained in Schedules A, F, K, O and S.

Spitfire Corporation Limited (Administrators Appointed)

Employee	Position	\$/hour (excl. GST)	Total actual hours	Total (\$)	Task Area									
					Creditors		Administration		Assets		Investigation		Employees	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
DH	Appointee	\$630.00	77:00	48,510.00	15:00	9,450.00	16:42	10,521.00	45:18	28,539.00				
KB	Appointee	\$630.00	46:04	29,022.00	21:25	13,492.50	20:09	12,694.50	4:12	2,646.00	0:18	189.00		
HA	Principal	\$630.00	0:10	105.00	0:10	105.00								
AD	Manager	\$495.00	101:55	50,448.75	67:05	33,206.25	2:20	1,155.00	11:35	5,733.75	18:00	8,910.00	2:55	1,443.75
NG	Senior Analyst	\$380.00	30:40	11,653.33	0:25	158.33	22:55	8,708.34	7:20	2,786.66				
RW	Senior Analyst	\$380.00	30:12	11,476.01	14:15	5,415.01	13:21	5,073.00					2:36	988.00
DB	Analyst	\$250.00	18:15	4,562.50	4:15	1,062.50					14:00	3,500.00		
RM	Undergrad	\$250.00	35:55	8,978.91	26:55	6,728.90	5:15	1,312.50	0:10	41.67	2:55	729.17	0:40	166.67
LB	Undergrad	\$140.00	10:38	1,487.28	2:05	290.08	7:12	1,008.52	0:29	67.35	0:52	121.33		
CK	EA	\$140.00	9:00	1,259.99			9:00	1,259.99						
TA	Undergrad	\$140.00	2:40	373.33	2:20	326.66	0:20	46.67						
Total			362:29	167,877.10	151:35	70,235.23	97:14	41,779.52	69:04	39,814.43	36:05	13,449.50	6:11	2,598.42
GST				16,787.71		7,023.52		4,177.95		3,981.44		1,344.95		259.84
Total (Incl GST)				184,664.81		77,258.75		45,957.47		43,795.87		14,794.45		2,858.26

Spitfire Asset Management Pty Ltd (Administrators Appointed)

Employee	Position	\$/hour (excl. GST)	Total actual hours	Total (\$)	Task Area									
					Creditors		Administration		Investigation		Assets		Employees	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
KB	Appointee	\$630.00	8:00	5,040.00	6:30	4,095.00	0:30	315.00			1:00	630.00		
AD	Manager	\$495.00	32:50	16,252.50	25:25	12,581.25	1:05	536.25	3:55	1,938.75	2:25	1,196.25		
RW	Senior Analyst	\$380.00	20:32	7,802.67	6:54	2,622.00	11:06	4,218.00					2:32	962.67
DB	Analyst	\$250.00	8:03	2,012.50	1:45	437.50			6:18	1,575.00				
RM	Analyst	\$250.00	1:13	303.04									1:13	303.04
LB	Undergrad	\$140.00	2:32	353.95	0:05	11.67	2:22	331.34					0:05	10.94
CK	EA	\$140.00	1:45	245.01			1:45	245.01						
TA	Undergrad	\$140.00	0:10	23.33			0:10	23.33						
Total			75:05	32,033.00	40:39	19,747.42	16:58	5,668.93	10:13	3,513.75	3:25	1,826.25	3:50	1,276.65
GST				3,203.30		1,974.74		566.89		351.38		182.63		127.67
Total (Incl GST)				35,236.30		21,722.16		6,235.82		3,865.13		2,008.88		1,404.32

Spitfire Machines Pty Ltd (Administrators Appointed)

Employee	Position	\$/hour (excl. GST)	Total actual hours	Total (\$)	Task Area									
					Creditors		Administration		Investigation		Assets		Employees	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
AD	Manager	\$495.00	30:50	15,262.50	23:40	11,715.00	1:05	536.25	4:30	2227.5	1:35	783.75		
RW	Senior Analyst	\$380.00	15:24	5,852.00	6:19	2,400.33	7:47	2957.67					1:18	494
DB	Analyst	\$250.00	8:48	2,200.00	3:48	950.00			5:00	1250				
RM	Analyst	\$250.00	0:15	62.50	0:15	62.50								
LB	Undergrad	\$140.00	1:40	233.33	0:10	23.33	1:30	210						
CK	EA	\$140.00	1:35	221.67			1:35	221.67						
Total			58:32	23,832.00	34:12	15,151.16	11:57	3,925.59	9:30	3,477.50	1:35	783.75	1:18	494.00
GST				2,383.20		1,515.12		392.56		347.75		78.38		49.40
Total (Incl GST)				26,215.20		16,666.28		4,318.15		3,825.25		862.13		543.40

Spitfire Operations Pty Ltd (Administrators Appointed)

Employee	Position	\$/hour (excl. GST)	Total actual hours	Total (\$)	Task Area									
					Creditors		Administration		Investigation		Assets		Employees	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
KB	Appointee	\$630.00	0:18	189			0:18	189						
AD	Manager	\$495.00	30:55	15303.75	23:40	11,715	1:05	536.25	4:30	2227.5	1:40	825		
RW	Senior Analyst	\$380.00	9:44	3698.66	3:40	1393.33	5:10	1963.33					0:54	342
DB	Analyst	\$250.00	4:57	1237.5	1:42	425			3:15	812.5				
CK	EA	\$140.00	1:25	198.34			1:25	198.34						
LB	Undergrad	\$140.00	1:20	186.67			1:20	186.67						
TA	Undergrad	\$140.00	0:10	23.33			0:10	23.33						
Total			48:49	20,837.25	29:02	13,533.33	9:28	3,096.92	7:45	3,040.00	1:40	825.00	0:54	342.00
GST				2,083.73		1,353.33		309.69		304.00		82.50		34.20
Total (Incl GST)				22,920.98		14,886.66		3,406.61		3,344.00		907.50		376.20

Resolution 3: 24 September 2020 to the end of the Administration

The below table sets out the total expected costs for the major tasks likely to be performed by the administrators and their staff for the period 24 September 2020 to the end of the Administration, which is the basis of the Resolution 3 claim for each of the Spitfire companies. More detailed descriptions of the tasks likely to be performed within each task area for each Company, matching the amounts below, are contained in Schedules B, G, L, P and T.

Entity	Task Area				Total (\$)
	Assets	Creditors	Administration	Employees	
Spitfire Corporation	\$15,000	\$15,000	\$15,000	\$5,000	\$50,000
Spitfire Asset Management	\$3,000	\$5,000	\$1,500	\$500	\$10,000
Spitfire Machines	\$2,000	\$6,000	\$1,500	\$500	\$10,000
Spitfire Operations	\$7,000	\$6,000	\$1,500	\$500	\$15,000
Total (\$)	\$27,000	\$32,000	\$19,500	\$6,500	\$85,000

Please note that the above assets task area includes time costs involved in preparing the DOCA and pooling creditors trust with the assistance of our lawyers as well as attending to the applications contemplated under section 444GA and 447A of the Act.

3.1.1 Liquidation

Resolution 4: Liquidation - 9 October 2020 to Finalisation (if applicable)

The below table sets out the expected costs for the major tasks likely to be performed by the future liquidators and their staff for the period 9 October 2020 to completion of the liquidation which is the basis of the Resolution 4 claim for the Spitfire entities. More detailed descriptions of the tasks likely to be performed within each task area for each Company, matching the amounts below, are contained in Schedule C, H, M, Q and U.

Entity	Task Area				Total (\$)
	Assets	Creditors	Investigations	Administration	
Spitfire Corporation	\$50,000	\$30,000	\$75,000	\$25,000	\$180,000
Spitfire Asset Management	\$5,000	\$20,000	\$10,000	\$5,000	\$40,000
Spitfire Machines	\$5,000	\$20,000	\$10,000	\$5,000	\$40,000
Spitfire Operations	\$15,000	\$20,000	\$10,000	\$5,000	\$50,000
Total (\$)	\$75,000	\$90,000	\$105,000	\$40,000	\$310,000

3.1.2 Deed of Company Arrangement

Resolution 4: Deed of Company Arrangement (if Applicable)

The below table sets out the total expected costs for the major tasks likely to be performed by the administrators and their staff for the period from the execution of the DOCA to the completion of the DOCA (if applicable), which is the basis of the Resolution 5 claim for the Spitfire Entities. More detailed descriptions of the tasks likely to be performed within each task area for each Company, matching the amounts below, are contained in Schedules D, I, N, R and V.

Entity	Task Area			Total (\$)
	Assets	Creditors	Administration	
Spitfire Corporation	\$1,000	\$2,000	\$2,000	\$5,000
Spitfire Asset Management	\$1,000	\$2,000	\$2,000	\$5,000
Spitfire Machines	\$1,000	\$2,000	\$2,000	\$5,000
Spitfire Operations	\$1,000	\$2,000	\$2,000	\$5,000
Total (\$)	\$4,000	\$8,000	\$8,000	\$20,000

3.2 Remuneration claim resolutions

We intend to seek creditors' approval of the following fee resolutions at the meetings of creditors. Details to support these resolutions are included in section 3.1 and in the attached Schedules.

3.2.1 Spitfire Corporation Pty Ltd (Administrators Appointed)

Resolution 2 – Current Administrators' Remuneration

“That the remuneration of the Administrators of Spitfire Corporation Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 7 August 2020 to 23 September 2020 inclusive in the amount of \$167,877.10 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion.”

Resolution 3 – Future Administrators' Remuneration

“That the remuneration of the Administrators of Spitfire Corporation Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 24 September 2020 to the end of the Administration in the interim amount of \$50,000.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion. If this limit is exhausted, the Administrators will seek further fee approval from creditors, or the court.”

Resolution 4 – Future Liquidators' Remuneration (if applicable)

“That the remuneration of the Liquidators of Spitfire Corporation Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 9 October 2020 onwards in the interim amount of \$180,000.00 excl. GST and disbursements and that the Liquidators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Liquidators will seek further fee approval from a committee of inspection, if any, creditors, or the court.”

OR Resolution 4 – Future Deed Administrators' Remuneration (if applicable)

“That the remuneration of the Deed Administrators of Spitfire Corporation Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period from execution of the DOCA to wholly effectuation of the DOCA in the amount of \$5,000.00 excl. GST and disbursements and that the Deed Administrators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Deed Administrators will seek further fee approval from creditors, or the court.”

3.2.2 Spitfire Asset Management Pty Ltd (Administrators Appointed)

Resolution 2 – Current Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Asset Management Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 7 August 2020 to 23 September 2020 inclusive in the amount of \$32,033.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion.”

Resolution 3 – Future Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Asset Management Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 24 September 2020 to the end of the Administration in the interim amount of \$10,000.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion. If this limit is exhausted, the Administrators will seek further fee approval from creditors, or the court.”

Resolution 4 – Future Liquidators’ Remuneration (if applicable)

“That the remuneration of the Liquidators of Spitfire Asset Management Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 9 October 2020 onwards in the interim amount of \$40,000.00 excl. GST and disbursements and that the Liquidators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Liquidators will seek further fee approval from a committee of inspection, if any, creditors, or the court.”

OR Resolution 4 – Future Deed Administrators’ Remuneration (if applicable)

“That the remuneration of the Deed Administrators of Spitfire Asset Management Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period from execution of the DOCA to wholly effectuation of the DOCA in the amount of \$5,000.00 excl. GST and disbursements and that the Deed Administrators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Deed Administrators will seek further fee approval from creditors, or the court.”

3.2.3 Spitfire Machines Pty Ltd (Administrators Appointed)

Resolution 2 – Current Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Machines Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 7 August 2020 to 23 September 2020 inclusive in the amount

of \$23,832.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion.”

Resolution 3 – Future Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Machines Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 24 September 2020 to the end of the Administration in the interim amount of \$10,000.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion. If this limit is exhausted, the Administrators will seek further fee approval from creditors, or the court.”

Resolution 4 – Future Liquidators’ Remuneration (if applicable)

“That the remuneration of the Liquidators of Spitfire Machines Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 9 October 2020 onwards in the interim amount of \$40,000.00 excl. GST and disbursements and that the Liquidators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Liquidators will seek further fee approval from a committee of inspection, if any, creditors, or the court.”

OR Resolution 4 – Future Deed Administrators’ Remuneration (if applicable)

“That the remuneration of the Deed Administrators of Spitfire Machines Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period from execution of the DOCA to wholly effectuation of the DOCA in the amount of \$5,000.00 excl. GST and disbursements and that the Deed Administrators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Deed Administrators will seek further fee approval from creditors, or the court.”

3.2.4 Spitfire Operations Pty Ltd (Administrators Appointed)

Resolution 2 – Current Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Operations Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 7 August 2020 to 23 September 2020 inclusive in the amount of \$20,837.25 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion.”

Resolution 3 – Future Administrators’ Remuneration

“That the remuneration of the Administrators of Spitfire Operations Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 24 September 2020 to the end of the Administration in the interim amount of \$15,000.00 excl. GST plus disbursements and that the Administrators be authorised to draw fees up to this amount at their discretion. If this limit is exhausted, the Administrators will seek further fee approval from creditors, or the court.”

Resolution 4 – Future Liquidators’ Remuneration (if applicable)

“That the remuneration of the Liquidators of Spitfire Operations Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period 9 October 2020 onwards in the interim amount of \$50,000.00 excl. GST and disbursements and that the Liquidators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Liquidators will seek further fee approval from a committee of inspection, if any, creditors, or the court.”

OR Resolution 4 – Future Deed Administrators’ Remuneration (if applicable)

“That the remuneration of the Deed Administrators of Spitfire Operations Pty Ltd, their partners and staff be calculated on a time basis at the hourly rates charged by Olvera Advisors and be approved for the period from execution of the DOCA to wholly effectuation of the DOCA in the amount of \$5,000.00 excl. GST and disbursements and that the Deed Administrators be authorised to draw such fees from time to time as they are accrued up to this amount. If this limit is exhausted, the Deed Administrators will seek further fee approval from creditors, or the court.”

part 4: disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs are discussed below.

We have undertaken a proper assessment of disbursements claimed for the each of the Spitfire companies, in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper. A summary of the disbursements accrued to the date of this report are detailed in Schedule E.

4.1 Basis of internal disbursements

Internal disbursements	Rate (Excl. GST)
Mailing supplies	
- Labels	At cost
- Envelopes	At cost
Postage	At cost

4.2 ASIC funding levy

We are now required to pay an industry funding levy to the Australian Securities Investment & Schemes (“ASIC”) to perform statutory duties as an external administrator. The levy allows ASIC to recoup its regulatory costs from industries through a combination of levies and fees-for-service.

We propose creditors approve internal disbursements for the estimated cost of this levy.

Some administrations may attract a higher levy due to the complexity and length of time of the appointment. I will report to you if we require further approval for internal disbursements.

If creditors would like more information on the ASIC levy and how it is calculated, please contact our office.

Resolution 5 – Prospective internal disbursements - VA (separate resolution will be proposed for each entity)

“That the future internal disbursements (excluding the disbursements recovered at cost) of the Administrators of Spitfire Corporation Limited, Spitfire Asset Management Pty Ltd, Spitfire Machines Pty Ltd, and Spitfire Operations Pty Ltd, as set out in the Remuneration Approval Request, for the voluntary administration period be in the amount of \$500.00 (for each entity), plus any applicable GST, and may be paid.”

Resolution 6 – Prospective internal disbursements - CVL (if applicable) (separate resolution will be proposed for each entity)

“That the future internal disbursements (excluding the disbursements recovered at cost) of the Liquidators of Spitfire Corporation Limited, Spitfire Asset Management Pty Ltd, Spitfire Machines Pty Ltd, and Spitfire Operations Pty Ltd, as set out in the Remuneration Approval Request, for the period from commencement of the Liquidation to completion of the Liquidation be approved in the interim amount of \$500.00 (for each entity), plus any applicable GST, and may be paid.”

Resolution 7 – Prospective internal disbursements - DOCA (if applicable) (separate resolution will be proposed for each entity)

“That the future internal disbursements (excluding the disbursements recovered at cost) of the Deed Administrators of Spitfire Corporation Limited, Spitfire Asset Management Pty Ltd, Spitfire Machines Pty Ltd, and Spitfire Operations Pty Ltd, as set out in the Remuneration Approval Request, for the period from the execution of the DOCA to completion of the DOCA be approved in the interim amount of \$500.00 (for each entity), plus any applicable GST, and may be paid.”

part 5: queries

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

Contact name: Rui Wang
Contact number: 02 8880 4070
Email: admin@olvera.com

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for “insolvency information sheets”).

Spitfire Corporation Limited – Time Costs

Schedule A – Spitfire Corporation Limited Resolution 2: Administrators’ time costs for work completed

Voluntary Administration: Description of the work undertaken in each major task area for the period 7 August 2020 to 23 September 2020.

Task Area	General Description	Includes
Assets 69:4 Hours \$39,814.43 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Compiled and reviewed records regarding assets • Liaised with Directors and former staff • Preserve secured and unsecured assets • Internal discussions and meetings regarding the Administrators’ informal tender process
	Software Platforms	<ul style="list-style-type: none"> • Identify interested parties that may be interested in the assets and be able to complete a purchase • Discuss with solicitors and mark-up the confidentiality agreement in relation to the sale process • Liaise with interested parties • Prepare and distribute sale information memorandum • Maintain interested party register • Communicating with lawyers regarding potential sale and implications • Liaise and discuss the sale with potential purchasers • Conduct subsidiary technology demos with Directors and interested parties
	Subscription Agreements	<ul style="list-style-type: none"> • Reviewed various records and liaised with Directors regarding subscription debts • Sought legal advice on subscription debts • Issued demands on subscription debts
	Wealth Management	<ul style="list-style-type: none"> • Liaised with wealth management clients and removal of funds under management within subsidiaries • Undertook various procedures in respect to the removal of wealth management clients within subsidiaries
Creditors 151:35 Hours \$70,235.23 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Receiving and responding to creditor enquiries • Maintaining creditor request log • Review and prepare initial correspondence to creditors and their representatives • Documenting and filing proofs of debt • Considering reasonableness of creditor requests • Compiling information requested by creditors • Liaising with landlord of the former office premises • Communicating with ATO regarding appointment and seeking information • Meetings with individual creditors regarding queries • Issuing updates to creditors regarding extension of convening period • Issuing updates to shareholders • Receiving and responding to shareholder queries
	Secured creditor correspondence	<ul style="list-style-type: none"> • Notifying PPSR registered creditors of appointment • Reviewing security documents

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Assessed secured creditor position • Liaising with lawyers regarding security documents • Responding to secured creditor's queries held discussions with same
	First Meeting of Creditors	<ul style="list-style-type: none"> • Drafting and circulating the circular to creditors dated 11 August 2020 including the DIRRI • Preparing and uploading advertisement of meeting of creditors on 18 August 2020 • Reviewing and inputting proofs of debt and proxies into accounting software • Preparing meeting folder including run sheet, attendance register, the proofs of debt and the proxies for the meeting of creditors on 19 August 2020 • Attending the first meeting of creditors on 19 August 2020 • Drafting and lodging the minutes of the first meeting of creditors
	Second Meeting of Creditors	<ul style="list-style-type: none"> • Preparing various documents for Court application for extension of second meeting convening period • Liaised with directors regarding extension of convening period • Liaised with lawyers regarding convening period application • Liaised and met with COI regarding extension of convening period • Corresponded with all creditors regarding firstly intention to extend convening period and secondly the extension granted
Investigation 36:05 Hours \$13,449.50 (excl. GST)	Investigation	<ul style="list-style-type: none"> • Reviewing company records and identifying allegations • Sourcing and reviewing statutory searches of the Company • Liaising with banks for access to the Company's bank records • Issuing correspondence to the Directors of the Company • Reviewing the completed Directors' statement about the Company's business, property, affairs and financial information • Reviewing the completed Directors' questionnaire • Meeting/telephone conference's with Directors regarding Company operations and subsidiaries • Liaising with employees and the Company's accountant to gain access to the Company's digital records • Conducting and summarising statutory searches • Preparation of comparative financial statements • Preparation of deficiency statement • Reviewed various records regarding specific transactions and potential claims • Liaised with lawyers regarding specific transactions and claims

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Review of specific transactions and liaising with Directors regarding certain transactions
Administration 97:14 hours \$41,779.52 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Processing receipts and payments Requesting bank statements Conducting bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BAS Completing group certificates
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Insurance	<ul style="list-style-type: none"> Providing the insurance broker with the details of the Company's operations Reviewing insurance policies
Employees 6:11 hours \$2,598.42 (excl. GST)	Employees	<ul style="list-style-type: none"> Review of employment contracts Receiving and following up employee enquiries Reviewing and preparing correspondence to employees Liaising with staff regarding their ongoing employment Updating staff regarding sale of business progress and negotiations Processing and paying wages, superannuation and PAYG
Total hours 362:29 hours Total \$167,877.10 (excl. GST)		

Schedule B – Spitfire Corporation Limited Resolution 3: Administrators' time costs to the end of the Administration

Voluntary Administration: Description of the work to be undertaken in each major task area for the period 24 September 2020 to the end of the Administration.

Task Area	General Description	Includes
Assets Est. 35.0 hours Est. \$15,000.00 (excl. GST)	Assets	<ul style="list-style-type: none"> Liaise with interested parties regarding offers Liaise with DOCA proponents regarding assets

Task Area	General Description	Includes
Creditors Est. 35.0 hours Est. \$15,000.00 (excl. GST)	Creditor reports	<ul style="list-style-type: none"> • Finalise various sections of the 439A Report to Creditors including, investigations, return analysis, DOCA proposal and remuneration report to creditors as well as statutory annexures
	Creditor Enquiries	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Administration • Maintain creditor request log
	Second Meeting of Creditors	<ul style="list-style-type: none"> • Attend second meeting of creditors • Draft minutes of the second meeting of creditors
Administration Est. 35.0 hours Est. \$15,000.00 (excl. GST)	DOCA	<ul style="list-style-type: none"> • Field queries from DOCA proponents • Liaise with DOCA proponents regarding DOCAs • Attend to court applications under Section 444GA and 447A of the Act as required • Resolve any residual issues with DOCA proposals
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • File documents • Update checklists • Prepare correspondence by mail and email • Update the creditor details in the accounting system
Employees Est. 15 hours Est. \$5,500.00 (excl. GST)	Employees	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Liaising with employees regarding second meeting of creditors
Total hours 120 hours Total \$50,000.00 (excl. GST)		

Schedule C – Spitfire Corporation Limited Resolution 4: Future Liquidators’ time costs (if applicable)

Creditors Voluntary Liquidation: Description of the work to be undertaken in each major task area for the future liquidation of Spitfire Corporation (if applicable).

Task Area	General Description	Includes
Assets Est. 75.0 hours Est. \$30,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Re market the remaining assets of the Company • Liaise with interested parties • Finalise negotiations with potential purchasers • Liaise with lawyers regarding sale contract • Complete sale with the ultimate purchaser • Attend to various matters regarding assets transfers • Further investigate other assets and claims • Undertake recovery actions regarding other assets and claims
Creditors Est. 150.0 hours Est. \$60,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors’ claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Draft and lodge the minutes of the second meeting of creditors with ASIC • Prepare statutory report to creditors • Liaise with creditors regarding matters in statutory report • Prepare advertisement of meeting of creditors • Review and input proofs of debt and proxies into accounting software • Liaise with the creditors regarding attendance at any meeting of the creditors • Provide further update reports to creditors (if required)
	Dividend procedures	<ul style="list-style-type: none"> • Prepare correspondence to potential creditors advising of intention to declare a dividend • Prepare correspondence inviting final lodgement of POD, if applicable • Prepare the dividend file including a time line schedule • Review claims and supporting documentation • Prepare dividend file • Advertise announcement of dividend • Prepare payment vouchers to pay dividend • Prepare correspondence to creditors enclosing the payment of dividends • Prepare subsequent dividends as required in relation to receipts of related party debtors from related party dividend distributions
	Committee of inspection (if any)	<ul style="list-style-type: none"> • Correspondence to all creditors regarding the formation of a Committee of Inspection • Holding meetings of the Committee of Inspection

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Initial correspondence with Committee members regarding their appointment on the Committee of Inspection
Investigation Est. 135.0 hours Est. \$54,000.00 (excl. GST)	Report to ASIC	<ul style="list-style-type: none"> Prepare a file note summarising the results of the investigations Prepare the statutory investigation reports Liaise with ASIC with regards to any queries raised Prepare the Liquidators' report pursuant to section 533 of the Act
	Conduct investigations	<ul style="list-style-type: none"> Further review of the Company's records Investigate financials and prepare file note(s) regarding potential claims Finalise the position on potential recovery actions Preparing statutory investigation reports Liaising with ASIC Pursuing litigation claims
Administration Est. 90.0 hours Est. \$36,000.00 (excl. GST)	Correspondence	<ul style="list-style-type: none"> Prepare general correspondence to letters, telephone calls and emails
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews, including six-monthly reviews Updating checklists
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence closing accounts Process receipts and payments Request bank statements and details of specific transfers Correspondence with bank regarding specific transfers
	ASIC Form 5602 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment and resignation as liquidators Preparing BAS
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> Notify the ATO of finalisation Cancel ABN / GST / PAYG registrations Complete checklists Finalise the WIP
<p>Total estimated hours 450.0 hours Total estimated cost \$180,000.00 (excl. GST)</p>		

Schedule D – Spitfire Corporation Limited Resolution 4: From execution of DOCA to finalisation (effectuation) of the DOCA (if applicable)

Deed of Company Arrangement: Description of the work to be undertaken in each major task area for the future DOCA of Spitfire Corporation.

Task Area	General Description	Includes
Assets Est. 2.5 hours Est. \$1,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Preserving assets for inclusion in DOCA • Attending to the sale of any excluded assets (if required) • Liaising with lawyers regarding the treatment of assets under the DOCA • Attending to the DOCA requirements in addressing company assets • Administer DOCA
Creditors Est. 5.0 hours Est. \$2,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors' claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Circular to creditors regarding the execution of DOCA • Circular to creditors regarding the effectuation of the DOCA and creation of the Creditors' Trust
Administration Est. 5.0 hours Est. \$2,000.00 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
Total estimated hours 12.5 hours Total estimated cost \$5,000.00 (excl. GST)		

Schedule E - Spitfire Corporation Limited Disbursements & Expenses to date

There have been no disbursements incurred to date.

Spitfire Asset Management Pty Ltd - Time Costs

Schedule F - Spitfire Asset Management Pty Ltd Resolution 2: Administrators' time costs for work completed

Voluntary Administration: Description of the work undertaken in each major task area for the period 7 August 2020 to 23 September 2020.

Task Area	General Description	Includes
Assets 3:25 Hours \$1,826.25 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> Investigate property and assets
Creditors 40:39 Hours \$19,747.42 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting and filing proofs of debt Considering reasonableness of creditor requests Compiling information requested by creditors Liaising with landlord of the office premises Corresponding with landlord's agent and lawyers of the property Communicating with ATO regarding appointment and seeking information Meetings with individual creditors regarding queries
	First Meeting of Creditors	<ul style="list-style-type: none"> Drafting and circulating the circular to creditors dated 11 August 2020 including the DIRRI Preparing and uploading advertisement of meeting of creditors on 19 August 2020 Reviewing and inputting proofs of debt and proxies into accounting software Preparing meeting folder including run sheet, attendance register, the proofs of debt and the proxies for the meeting of creditors on 19 August 2020 Attending the first meeting of creditors on 19 August 2020 Drafting and lodging the minutes of the first meeting of creditors
	Second Meeting of Creditors	<ul style="list-style-type: none"> Preparing various documents for Federal Court application for extension of second meeting convening period Liaised with directors & directors' advisors regarding extension of convening period

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Liaised with lawyers regarding convening period application • Corresponded with all creditors regarding firstly intention to extend convening period and secondly the extension granted
Investigation 10:13 Hours \$3,513.75 (excl. GST)	Investigation	<ul style="list-style-type: none"> • Reviewing various Company records • Sourcing and reviewing statutory searches of the Company • Liaising with banks for access to the Company's bank records • Issuing correspondence to the Director of the Company • Reviewing the completed Director's statement about the Company's business, property, affairs, and financial information • Reviewing the completed Director's questionnaire • Meeting/telephone conferences with director regarding Company operations and subsidiaries • Liaising with employees and the Company's accountant to gain access to the Company's digital records • Conducting and summarising statutory searches • Preparation of comparative financial statements • Preparation of deficiency statement • Review of specific transactions and liaising with directors regarding certain transactions
Administration 16:58 hours \$5,668.93 excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence opening and closing accounts • Processing receipts and payments • Requesting bank statements • Conducting bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment • Preparing BAS • Completing group certificates
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Insurance	<ul style="list-style-type: none"> • Providing the insurance broker with the details of the Company's operations • Reviewing insurance policies

Task Area	General Description	Includes
Employees 3:50 hours \$1,276.65 (excl. GST)	Employees	<ul style="list-style-type: none"> • Calculation of entitlements • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees • Liaising with staff regarding employment during the VA
Total hours 75:05 hours Total \$32,033.00 (excl. GST)		

Schedule G – Spitfire Asset Management Pty Ltd Resolution 3: Administrators’ time costs to the end of the Administration

Voluntary Administration: Description of the work to be undertaken in each major task area for the period 28 September 2020 to the end of the Administration.

Task Area	General Description	Includes
Assets Est. 8.0 hours Est. \$3,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Preserve assets as required
	Deed of Company Arrangement	<ul style="list-style-type: none"> • Liaise with DOCA proponent and lawyers • Internal meetings regarding the DOCA and creditors’ trust • Finalising terms of the DOCA and executing the same
Creditors Est. 15.0 hours Est. \$5,000.00 (excl. GST)	Creditor reports	<ul style="list-style-type: none"> • Finalise various sections of the 439A Report to Creditors including, investigations, return analysis, DOCA proposal and remuneration report to creditors as well as statutory annexures
	Creditor Enquiries	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Administration • Maintain creditor request log
	Second Meeting of Creditors	<ul style="list-style-type: none"> • Attend second meeting of creditors • Draft minutes of the second meeting of creditors
Administration Est. 6.0 hours Est. \$1,500.00 (excl. GST)	Bank account administration	<ul style="list-style-type: none"> • Bank account reconciliations • Prepare accounts payable and accounts receivable documents
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • File documents • Update checklists • Prepare correspondence by mail and email • Update the creditor details in the accounting system
Employees Est. 1.5 hours Est. \$500.00 (excl. GST)	Employees	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees
Total hours 30.5 hours Total \$10,000.00 (excl. GST)		

Schedule H – Spitfire Asset Management Pty Ltd Resolution 4: Future Liquidators’ time costs (if applicable)

Creditors Voluntary Liquidation: Description of the work to be undertaken in each major task area for the future liquidation of Spitfire Asset Management (if applicable).

Task Area	General Description	Includes
Assets Est. 12.5 hours Est. \$5,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> Finalise investigations regarding assets or potential claims
Creditors Est. 50.0 hours Est. \$20,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Liaise with the creditors via telephone and email regarding the Liquidation Investigate and confirm creditor claims Review materials provided by creditors in relation to their claim in the estate Liaise with lawyers regarding creditors’ claims
	Correspondence to creditors	<ul style="list-style-type: none"> Draft and lodge the minutes of the second meeting of creditors with ASIC Prepare statutory report to creditors Liaise with creditors regarding matters in statutory report Prepare advertisement of meeting of creditors Review and input proofs of debt and proxies into accounting software Liaise with the creditors regarding attendance at any meeting of the creditors Provide further update reports to creditors (if required)
	Dividend procedures (as required)	<ul style="list-style-type: none"> Prepare correspondence to potential creditors advising of intention to declare a dividend Prepare correspondence inviting final lodgement of POD, if applicable Prepare the dividend file including a time line schedule Review claims and supporting documentation Prepare dividend file Advertise announcement of dividend Prepare payment vouchers to pay dividend Prepare correspondence to creditors enclosing the payment of dividends Prepare subsequent dividends as required in relation to receipts of related party debtors from related party dividend distributions
	Committee of inspection (if any)	<ul style="list-style-type: none"> Correspondence to all creditors regarding the formation of a Committee of Inspection Holding meetings of the Committee of Inspection Initial correspondence with Committee members regarding their appointment on the Committee of Inspection
Investigation Est. 25.0 hours	Report to ASIC	<ul style="list-style-type: none"> Prepare a file note summarising the results of the investigations Prepare the statutory investigation reports

Task Area	General Description	Includes
Est. \$10,000.00 (excl. GST)		<ul style="list-style-type: none"> • Liaise with ASIC with regards to any queries raised • Prepare the Liquidators' report pursuant to section 533 of the Act
	Conduct investigations	<ul style="list-style-type: none"> • Further review of the Company's records • Investigate financials and prepare file note(s) regarding potential claims • Finalise the position on potential recovery actions • Preparing statutory investigation reports • Liaising with ASIC
Administration Est. 12.5.0 hours Est. \$5,000.00 (excl. GST)	Correspondence	<ul style="list-style-type: none"> • Prepare general correspondence to letters, telephone calls and emails
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ASIC Form 5602 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
<p>Total estimated hours 100.0 hours Total estimated cost \$40,000.00 (excl. GST)</p>		

Schedule I – Spitfire Asset Management Pty Ltd Resolution 4: From execution of DOCA to finalisation (effectuation) of the DOCA (if applicable)

Deed of Company Arrangement: Description of the work to be undertaken in each major task area for the future DOCA of Spitfire Asset Management (if applicable).

Task Area	General Description	Includes
Assets Est. 2.5 hours Est. \$1,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Preserving assets for inclusion in DOCA • Attending to the sale of any excluded assets (if required) • Liaising with lawyers regarding the treatment of assets under the DOCA • Attending to the DOCA requirements in addressing company assets • Administer DOCA
Creditors Est. 5 hours Est. \$2,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors' claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Circular to creditors regarding the execution of DOCA • Circular to creditors regarding the effectuation of the DOCA and creation of the Creditors' Trust
Administration Est. 5 hours Est. \$2,000.00 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
Total estimated hours 12.5 hours Total estimated cost \$5,000.00 (excl. GST)		

Schedule J – Spitfire Asset Management Pty Ltd Disbursements & Expenses to date

No disbursements have been incurred to date.

Spitfire Machines Pty Ltd – Time Costs

Schedule K – Spitfire Machines Pty Ltd Resolution 2: Administrators' time costs for work completed

Voluntary Administration: Description of the work undertaken in each major task area for the period 7 August 2020 to 23 September 2020.

Task Area	General Description	Includes
Assets 1:35 Hours \$783.75 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> Investigate property and assets
Creditors 34:12 Hours \$15,151.16 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Receiving and responding to creditor enquiries Maintaining creditor request log Review and prepare initial correspondence to creditors and their representatives Documenting and filing proofs of debt Considering reasonableness of creditor requests Compiling information requested by creditors Liaising with landlord of the office premises Communicating with ATO regarding appointment and seeking information Meetings with individual creditors regarding queries
	Secured creditor correspondence	<ul style="list-style-type: none"> Notifying PPSR registered creditor of appointment Reviewing security documents Assessed secured creditor position Liaising with lawyers regarding security documents Responding to secured creditor's queries
	First Meeting of Creditors	<ul style="list-style-type: none"> Drafting and circulating the circular to creditors dated 11 August 2020 including the DIRRI Preparing and uploading advertisement of meeting of creditors on 19 August 2020 Reviewing and inputting proofs of debt and proxies into accounting software Preparing meeting folder including run sheet, attendance register, the proofs of debt and the proxies for the meeting of creditors on 19 August 2020 Attending the first meeting of creditors on 19 August 2020 Drafting and lodging the minutes of the first meeting of creditors

Task Area	General Description	Includes
	Second Meeting of Creditors	<ul style="list-style-type: none"> • Preparing various documents for Federal Court application for extension of second meeting convening period • Liaised with directors & directors' advisors regarding extension of convening period • Liaised with lawyers regarding convening period application • Corresponded with all creditors regarding firstly intention to extend convening period and secondly the extension granted
Investigation 9:30 Hours \$3,477.50 (excl. GST)	Investigation	<ul style="list-style-type: none"> • Reviewing various company records • Sourcing and reviewing statutory searches of the Company • Liaising with banks for access to the Company's bank records • Issuing correspondence to the Directors of the Company • Reviewing the completed Directors' statement about the Company's business, property, affairs, and financial information • Reviewing the completed Directors' questionnaire • Meeting/telephone conferences with Directors regarding Company operations and subsidiaries • Liaising with employees and the Company's accountant to gain access to the Company's digital records • Conducting and summarising statutory searches • Preparation of comparative financial statements • Preparation of deficiency statement • Review of specific transactions and liaising with directors regarding certain transactions
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists
Administration 11:57 hours \$3,925.59 (excl. GST)	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence opening and closing accounts • Processing receipts and payments • Requesting bank statements • Conducting bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment • Preparing BAS • Completing group certificates
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration

Task Area	General Description	Includes
	Insurance	<ul style="list-style-type: none"> Providing the insurance broker with the details of the Company's operations Reviewing insurance policies
Employees 1:18 hours \$494.00 (excl. GST)	Employees	<ul style="list-style-type: none"> Preparing and review employment contract Receiving and following up employee enquiries Reviewing and preparing correspondence to employees Liaising with staff regarding their ongoing employment Updating staff regarding sale of business progress and negotiations Processing and paying wages, superannuation and PAYG
Total hours 58:32 hours Total \$23,832.00 (excl. GST)		

Schedule L - Spitfire Machines Pty Ltd Resolution 3: Administrators' time costs to the end of the Administration

Voluntary Administration: Description of the work to be undertaken in each major task area for the period 24 September 2020 to the end of the Administration.

Task Area	General Description	Includes
Assets Est. 5.0 hours Est. \$2,000.00 (excl. GST)	Deed of Company Arrangement	<ul style="list-style-type: none"> Liaise with DOCA proponent and lawyers Internal meetings regarding the DOCA and creditors' trust Finalising terms of the DOCA and executing the same
Creditors Est. 13.5 hours Est. \$6,000.00 (excl. GST)	Creditor reports	<ul style="list-style-type: none"> Finalise various sections of the 439A Report to Creditors including, investigations, return analysis, DOCA proposal and remuneration report to creditors as well as statutory annexures
	Creditor Enquiries	<ul style="list-style-type: none"> Liaise with the creditors via telephone and email regarding the Administration Maintain creditor request log
	Second Meeting of Creditors	<ul style="list-style-type: none"> Attend second meeting of creditors Draft minutes of the second meeting of creditors
Administration Est. 5.5 hours Est. \$1,500.00 (excl. GST)	Bank account administration	<ul style="list-style-type: none"> Bank account reconciliations Prepare accounts payable and accounts receivable documents
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> File documents Update checklists Prepare correspondence by mail and email Update the creditor details in the accounting system

Task Area	General Description	Includes
Employees Est. 1.0 hours Est. \$500.00 (excl. GST)	Employees	<ul style="list-style-type: none"> Receiving and following up employee enquiries Reviewing and preparing correspondence to employees
Total hours 25.0 hours Total \$10,000.00 (excl. GST)		

Schedule M – Spitfire Machines Pty Ltd Resolution 4: Future Liquidators’ time costs (if applicable)

Creditors Voluntary Liquidation: Description of the work to be undertaken in each major task area for the future liquidation of Spitfire Machines (if applicable).

Task Area	General Description	Includes
Assets Est. 12.5 hours Est. \$5,000.00 (excl. GST)	Sale of Intellectual Property & Assets	<ul style="list-style-type: none"> Finalise investigations regarding assets or potential claims
Creditors Est. 50.0 hours Est. \$20,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> Liaise with the creditors via telephone and email regarding the Liquidation Investigate and confirm creditor claims Review materials provided by creditors in relation to their claim in the estate Liaise with lawyers regarding creditors’ claims
	Correspondence to creditors	<ul style="list-style-type: none"> Draft and lodge the minutes of the second meeting of creditors with ASIC Prepare statutory report to creditors Liaise with creditors regarding matters in statutory report Prepare advertisement of meeting of creditors Review and input proofs of debt and proxies into accounting software Liaise with the creditors regarding attendance at any meeting of the creditors Provide further update reports to creditors (if required)
	Dividend procedures (as required)	<ul style="list-style-type: none"> Prepare correspondence to potential creditors advising of intention to declare a dividend Prepare correspondence inviting final lodgement of POD, if applicable Prepare the dividend file including a timeline schedule Review claims and supporting documentation Prepare dividend file Advertise announcement of dividend Prepare payment vouchers to pay dividend Prepare correspondence to creditors enclosing the payment of dividends Prepare subsequent dividends as required in relation to receipts of related party debtors from related party dividend distributions

Task Area	General Description	Includes
	Committee of inspection (if any)	<ul style="list-style-type: none"> • Correspondence to all creditors regarding the formation of a Committee of Inspection • Holding meetings of the Committee of Inspection • Initial correspondence with Committee members regarding their appointment on the Committee of Inspection
Investigation Est. 25.0 hours Est. \$10,000.00 (excl. GST)	Report to ASIC	<ul style="list-style-type: none"> • Prepare a file note summarising the results of the investigations • Prepare the statutory investigation reports • Liaise with ASIC with regards to any queries raised • Prepare the Liquidators' report pursuant to section 533 of the Act
	Conduct investigations	<ul style="list-style-type: none"> • Further review of the Company's records • Investigate financials and prepare file note(s) regarding potential claims • Finalise the position on potential recovery actions • Preparing statutory investigation reports • Preparing affidavits seeking non-lodgement assistance • Liaising with ASIC
Administration Est. 12.5.0 hours Est. \$5,000.00 (excl. GST)	Correspondence	<ul style="list-style-type: none"> • Prepare general correspondence to letters, telephone calls and emails
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ASIC Form 5602 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
<p>Total estimated hours 100.0 hours Total estimated cost \$40,000.00 (excl. GST)</p>		

Schedule N – Spitfire Machines Pty Ltd Resolution 4: From execution of DOCA to finalisation (effectuation) of the DOCA (if applicable)

Deed of Company Arrangement: Description of the work to be undertaken in each major task area for the future DOCA of Spitfire Machines.

Task Area	General Description	Includes
Assets Est. 2.5 hours Est. \$1,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Preserving assets for inclusion in DOCA • Attending to the sale of any excluded assets (if required) • Liaising with lawyers regarding the treatment of assets under the DOCA • Attending to the DOCA requirements in addressing company assets • Administer DOCA
Creditors Est. 5.0 hours Est. \$2,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors' claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Circular to creditors regarding the execution of DOCA • Circular to creditors regarding the effectuation of the DOCA and creation of the Creditors' Trust
Administration Est. 5.0 hours Est. \$2,000.00 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
Total estimated hours 12.5 hours Total estimated cost \$5,000.00 (excl. GST)		

Spitfire Operations Pty Ltd - Time Costs

Schedule O - Spitfire Operations Pty Ltd Resolution 2: Administrators' time costs for work completed

Voluntary Administration: Description of the work undertaken in each major task area for the period 7 August 2020 to 23 September 2020.

Task Area	General Description	Includes
Assets 1:40 Hours \$825.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Investigate property and assets • Reviewed AFSL • Liaised with lawyers regarding AFSL • Liaised with interested parties regarding sale of AFSL
Creditors 29:02 Hours \$13,533.33 (excl. GST)	First Meeting of Creditors	<ul style="list-style-type: none"> • Drafting and circulating the circular to creditors dated 11 August 2020 including the DIRRI • Preparing and uploading advertisement of meeting of creditors on 19 August 2020 • Reviewing and inputting proofs of debt and proxies into accounting software • Preparing meeting folder including run sheet, attendance register, the proofs of debt and the proxies for the meeting of creditors on 19 August 2020 • Attending the first meeting of creditors on 19 August 2020 • Drafting and lodging the minutes of the first meeting of creditors
Investigation 7:45 Hours \$3,040.00 (excl. GST)	Investigation	<ul style="list-style-type: none"> • Reviewing various Company records • Sourcing and reviewing statutory searches of the Company • Liaising with banks for access to the Company's bank records • Issuing correspondence to the Director of the Company • Reviewing the completed Director's statement about the Company's business, property, affairs, and financial information • Liaising with employees and the Company's accountant to gain access to the Company's digital records • Conducting and summarising statutory searches • Preparation of comparative financial statements • Preparation of deficiency statement
Administration 9:28 hours	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists

Task Area	General Description	Includes
\$3,096.92 (excl. GST)	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Processing receipts and payments Requesting bank statements Conducting bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BAS Completing group certificates
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration
	Insurance	<ul style="list-style-type: none"> Providing the insurance broker with the details of the Company's operations Reviewing insurance policies
Total estimated hours 43:52 hours Total estimated cost \$20,837.25 (excl. GST)		

Schedule P – Spitfire Operations Pty Ltd Resolution 3: Administrators' time costs to the end of the Administration

Voluntary Administration: Description of the work to be undertaken in each major task area for the period 24 September 2020 to the end of the Administration.

Task Area	General Description	Includes
Assets Est. 17.5 hours Est. \$7,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> Preserve assets as required
	Deed of Company Arrangement	<ul style="list-style-type: none"> Liaise with DOCA proponent and lawyers Internal meetings regarding the DOCA and creditors' trust Finalising terms of the DOCA and executing the same
Creditors Est. 15.0 hours Est. \$6,000.00 (excl. GST)	Creditor reports	<ul style="list-style-type: none"> Finalise various sections of the 439A Report to Creditors including, investigations, return analysis, DOCA proposal and remuneration report to creditors as well as statutory annexures
	Creditor Enquiries	<ul style="list-style-type: none"> Liaise with the creditors via telephone and email regarding the Administration Maintain creditor request log
	Second Meeting of Creditors	<ul style="list-style-type: none"> Attend second meeting of creditors Draft minutes of the second meeting of creditors
Administration Est. 3.75 hours Est. \$1,500.00	Bank account administration	<ul style="list-style-type: none"> Bank account reconciliations Prepare accounts payable and accounts receivable documents

Task Area	General Description	Includes
(excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • File documents • Update checklists • Prepare correspondence by mail and email • Update the creditor details in the accounting system
Employees Est. 1.5 hours Est. \$500.00 (excl. GST)	Employees	<ul style="list-style-type: none"> • Receiving and following up employee enquiries • Reviewing and preparing correspondence to employees
Total hours 37.75 hours Total \$15,000.00 (excl. GST)		

Schedule Q – Spitfire Operations Pty Ltd Resolution 4: Future Liquidators’ time costs (if applicable)

Creditors Voluntary Liquidation: Description of the work to be undertaken in each major task area for the future liquidation of Spitfire Operations (if applicable).

Task Area	General Description	Includes
Assets Est. 37.5 hours Est. \$15,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Finalise investigations regarding assets or potential claims • Liaise with interested parties regarding AFSL • Liaise with lawyers regarding sale of AFSL • Complete sale of AFSL
Creditors Est. 50 hours Est. \$20,000.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors’ claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Draft and lodge the minutes of the second meeting of creditors with ASIC • Draft statutory documents to convene meeting of creditors • Prepare advertisement of meeting of creditors • Review and input proofs of debt and proxies into accounting • Liaise with the creditors regarding attendance at any meeting of the creditors • Preparation of meeting file, including agenda and attendance register, at any meeting of the creditors • Draft and lodge the minutes of any meeting of the creditors including the final meeting of the creditors
	Dividend procedures (as required)	<ul style="list-style-type: none"> • Prepare correspondence to potential creditors advising of intention to declare a dividend • Prepare correspondence inviting final lodgement of POD, if applicable

Task Area	General Description	Includes
		<ul style="list-style-type: none"> • Prepare the dividend file including a timeline schedule • Review claims and supporting documentation • Prepare dividend file • Advertise announcement of dividend • Prepare payment vouchers to pay dividend • Prepare correspondence to creditors enclosing the payment of dividends • Prepare subsequent dividends as required in relation to receipts of related party debtors from related party dividend distributions
	Committee of inspection (if any)	<ul style="list-style-type: none"> • Correspondence to all creditors regarding the formation of a Committee of Inspection • Holding meetings of the Committee of Inspection • Initial correspondence with Committee members regarding their appointment on the Committee of Inspection
Investigation Est. 25 hours Est. \$10,000.00 (excl. GST)	Report to ASIC	<ul style="list-style-type: none"> • Prepare a file note summarising the results of the investigations • Prepare the statutory investigation reports • Liaise with ASIC with regards to any queries raised • Prepare the Liquidators' report pursuant to section 533 of the Act
	Conduct investigations	<ul style="list-style-type: none"> • Further review of the Company's records • Investigate financials and prepare file note(s) regarding potential claims • Finalise the position on potential recovery actions • Preparing statutory investigation reports • Preparing affidavits seeking non-lodgement assistance • Liaising with ASIC • Pursue litigation claims
Administration Est. 12.5 hours Est. \$5,000.00 (excl. GST)	Correspondence	<ul style="list-style-type: none"> • Prepare general correspondence to letters, telephone calls and emails
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ASIC Form 5602 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration

Task Area	General Description	Includes
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
Total estimated hours 125.0 hours Total estimated cost \$50,000.00 (excl. GST)		

Schedule R – Spitfire Operations Pty Ltd Resolution 4: From execution of DOCA to finalisation (effectuation) of the DOCA (if applicable)

Deed of Company Arrangement: Description of the work to be undertaken in each major task area for the future DOCA of Spitfire Operations (if applicable).

Task Area	General Description	Includes
Assets Est. 2.5 hours Est. \$1,000.00 (excl. GST)	Property & Assets	<ul style="list-style-type: none"> • Preserving assets for inclusion in DOCA • Attending to the sale of any excluded assets (if required) • Liaising with lawyers regarding the treatment of assets under the DOCA • Attending to the DOCA requirements in addressing company assets • Administering DOCA
Creditors Est. 5 hours Est. \$2,500.00 (excl. GST)	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> • Liaise with the creditors via telephone and email regarding the Liquidation • Investigate and confirm creditor claims • Review materials provided by creditors in relation to their claim in the estate • Liaise with lawyers regarding creditors' claims
	Correspondence to creditors	<ul style="list-style-type: none"> • Circular to creditors regarding the execution of DOCA • Circular to creditors regarding the effectuation of the DOCA and creation of the Creditors' Trust
Administration Est. 5 hours Est. \$2,500.00 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews, including six-monthly reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence closing accounts • Process receipts and payments • Request bank statements and details of specific transfers • Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment and resignation as liquidators • Preparing BAS • Preparing and lodging ASIC forms • Correspondence with ASIC regarding statutory forms

Task Area	General Description	Includes
	Planning / Review	<ul style="list-style-type: none"> • Discussions regarding status of administration
	Finalisation	<ul style="list-style-type: none"> • Notify the ATO of finalisation • Cancel ABN / GST / PAYG registrations • Complete checklists • Finalise the WIP
<p>Total estimated hours 12.5 hours Total estimated cost \$5,000.00 (excl. GST)</p>		

Schedule W - Olvera Advisors Schedule of Rates as at 1 July 2020

Classification	Rate (\$/hour)	Guide to Level of Insolvency Experience
Appointee / Director	630	Official or Registered Liquidator/Trustee or Principal
Associate / Director	570	More than 10 years' experience. Qualified and capable of controlling all aspects of an app.
Manager 1	495	Typically, Professional body qualified. 7 + years' experience, likely more than 3 years as manager, tertiary qualified. Answerable to the appointee but otherwise responsible for all aspects of administration. Capable of controlling all aspects of an insolvency appointment.
Manager 2	425	Typically, Professional body qualified. 6 - 7 years + experience. Controls all allocated tasks. Well-developed technical and commercial skills
Supervisor	380	Typically, Professional body qualified. 4 to 6 years' experience. Will have had conduct on minor matters and experience in control of staff. Assists planning and controls medium to larger matters. Reports to manager.
Senior 1	325	Typically, 2 to 4 years' experience. Professional body program commenced or completed. Required to control and or assist on the fieldwork on matters. Reports to supervisor / manager.
Senior 2	295	Typically, 1 to 2 years' experience. Likely tertiary course underway or near complete. Required to control and or assist on the fieldwork on matters. Reports to supervisor / manager.
Intermediate 1	250	Typically, up to 2 years' experience. Required to assist on fieldwork on matters. Reports to more senior staff.
Intermediate 2	200	Typically, less 1-year experience. Trainee likely undertaking a degree with an accountancy major or other industry major. Required to assist on fieldwork on matters. Reports to more senior staff.
IT Administrator	220	Appropriate skills.
General Administrator	140	Appropriate skills including machine usage.
Clerk	140	Non-qualified but passed HSC. Classification would depend on experience, salary and complexity of work to be conducted.
Junior	140	HSC. Plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day fieldwork under supervision of more senior staff.



LEVEL 6, 9 BARRACK ST SYDNEY NSW 2000

WWW.OLVERAADVISORS.COM

