

RESTRUCTURING | CORPORATE RECOVERY | ADVISORY AND TRANSACTION SERVICES | FORENSIC ACCOUNTING



Australian Music Group Holdings Pty Ltd  
ACN 127 691 534  
And Associated Entities  
(All Administrators Appointed)  
(All Receivers and Managers Appointed)

CONCURRENT  
SECOND MEETING OF CREDITORS  
Friday 25 January 2013

SYDNEY · PERTH · MELBOURNE · BRISBANE

# 1. INTRODUCTION



## Agenda

No.	Agenda Item
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1. Introduction of Administrators
2. Concurrent Second Meetings of Creditors pursuant to Section 439A of the Corporations Act 2001
3. Procedural Matters
4. Administrators' Actions to Date
5. Purpose of Meeting
6. Administrators' Report
7. Voluntary Administration Process
8. Background
9. Security Interest Holders
10. Outcome of Receivership
11. Financial Position
12. Reasons for Failure
13. Investigations Undertaken
14. Estimated Outcome
15. Administrators' Remuneration
16. Questions
17. Resolutions

# 1. INTRODUCTION OF ADMINISTRATORS



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## Who We Are

1. Ross Andrew Blakeley and Andrew Peter Schwarz are Joint and Several Administrators, appointed on 23 August 2012.  
Appointment was ratified at first meeting of creditors held on 4 September 2012
2. Partners of Taylor Woodings and specialise in:
  - Restructuring;
  - Corporate Recovery;
  - Advisory and Transaction Services; and
  - Forensic Accounting.
3. National firm with offices in Melbourne, Sydney, Brisbane and Perth.
4. Chartered Accountants and members of Insolvency Practitioners Association.
5. Registered and Official Liquidators with ASIC and the Supreme and Federal Courts.

## 2. CONCURRENT FIRST MEETING OF CREDITORS



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This is the Second Meeting of Creditors pursuant to Section 439A of the Corporations Act 2001 of the following Companies:

	Company
A.	Australian Music Group Holdings Pty Ltd
B.	Australian Music Group Pty Ltd
C.	AMG Shared Services Pty Ltd
D.	The Billy Hyde Group Pty Ltd
E.	Musiclink Group Pty Ltd
F.	Billy Hyde Imports Pty Ltd
G.	Musiclink Orchestral Supplies Pty Ltd
H.	Music Link Australia Pty Ltd
I.	Intermusic Distribution Pty Ltd
J.	Australian Music Pty Ltd

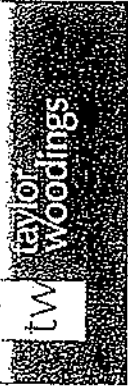
## 2. CONCURRENT FIRST MEETING OF CREDITORS



### Company

- K. Billy Hyde Music Brisbane Pty Ltd
- L. Billy Hyde Music Gold Coast Pty Ltd
- M. Billy Hyde Music Group Pty Ltd
- N. Billy Hyde Music Adelaide Pty Ltd
- O. MLA Asset Services Pty Ltd
- P. Billy Hyde Music Sunshine Coast Pty Ltd
- Q. MLA Services Pty Ltd

- The meetings are to be held concurrently unless any objection exists.
- Meetings for particular companies will be adjourned and re-adjourned as necessary for passing specific resolutions.



### 3. PROCEDURAL MATTERS

#### No Matter

1. Nature of Meeting
2. Quorum
3. Notice Convening Meeting
4. Time and Place of Meeting
5. DIRRI - Update
6. Entitlement to Vote
7. Adjudication of Proofs of Debt for Voting
8. Voting on Resolutions

#### 4. PURPOSE OF MEETING

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" The purpose of the second meeting of creditors is to consider the Administrators report dated 14 January 2013 and to resolve individually for each company that:

- a) The company be wound up;
  - b) The company execute a Deed of Company Arrangement; or
  - c) The administration of the Company should end
- " Further matters including the administrators remuneration will also be addressed.

## 5. ADMINISTRATORS' REPORT



- " The Administrators prepared a report pursuant to Section 439A of the Act.
- " The purpose of the report is to provide creditors with sufficient information to allow them to make informed decisions regarding the future of the Companies.
- " The report covers such matters as:
  - 1) Company History
  - 2) Administrators recommendations regarding the Companies' future
  - 3) Expected returns to creditors
  - 4) Possible contraventions of the Act
  - 5) Investigations conducted by the Administrators
  - 6) Commentary on the likely recovery of antecedent transactions
  - 7) Possible insolvent trading by the Companies
- " The Administrators can provide a broad overview only at this stage, based on our initial investigations.
- " Further investigations will be conducted on the assumption the Companies proceed to liquidation.



## 6. VOLUNTARY ADMINISTRATION PROCESS



### Key Dates

Dates	Events
23 August 2012	Appointment of Ross Andrew Blakeley and Andrew Peter Schwaiz as Voluntary Administrators of the Companies.
23 August 2012	Appointment of James Henry Stewart and Brendan John Richards of Ferrier Hodgson as Receivers and Managers over the assets of the companies.
4 September 2012	First Meeting of Creditors
14 September 2012	Application to Court to extend convening period for a period of 120 days.
24 October 2012	DEEWR provide agreement to fund payment of certain employee entitlements
15 November 2012	Directors submit Reports as to Affairs
25 November 2012	Receivers and Managers cease trading
14 January 2013	Second Report to Creditors
25 January 2013	Second Meeting of Creditors

**6 VOLUNTARY ADMINISTRATION PROCESS  
FIRST MEETING OF CREDITORS**



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- " The first meeting of creditors was held on 4 September 2012.
- " The Administrators' appointment was ratified at the meeting, with no alternative Administrators proposed.
- " Creditors resolved that a committee of creditors be appointed to Australian Music Pty Ltd, the members of which are:
  - Mr Raj Shan – Express Data Holdings Pty Ltd
  - Mr Tasi Herba – Yamaha Music Australia
  - Mr Steve Mouton – National Audio Systems
  - Mr Chris Kalmar – Roland Corporation Australia

**6. VOLUNTARY ADMINISTRATION PROCESS  
 COMMITTEE OF CREDITORS –  
 AUSTRALIAN MUSIC**



- The Committee of Creditors of Australian Music Pty Ltd has met on two occasions following the first meeting of creditors.
- The Committee met on 10 September 2012 and resolved:
  - To support the application made by the Administrators to extend the convening period of the Companies to 120 days; and
  - To support the application made by the Administrators regarding the electronic distribution of information to creditors.
- The committee also met on 21 January 2013 to consider the contents of the Administrators' report to creditors

## 7. BACKGROUND



- The Companies were Australia's largest retailer and wholesaler of musical instruments.
- AMG employed over 600 staff and has over 300 trade and wholesale creditors.
- The Receivers and Managers have control of the Companies' businesses and assets and have been responsible for all decisions regarding trading, staffing requirements and realisation of assets.
- The Receivers and Managers continued to trade the Companies' businesses while attempting to sell the businesses on a going concern basis.
- The Companies' businesses have ceased to trade, with no commercially viable sale being available.
- The Administrators have relied on the Companies' records. They have had limited opportunity to verify information. Accordingly they do not warrant the accuracy of the information presented today.

# 7. BACKGROUND



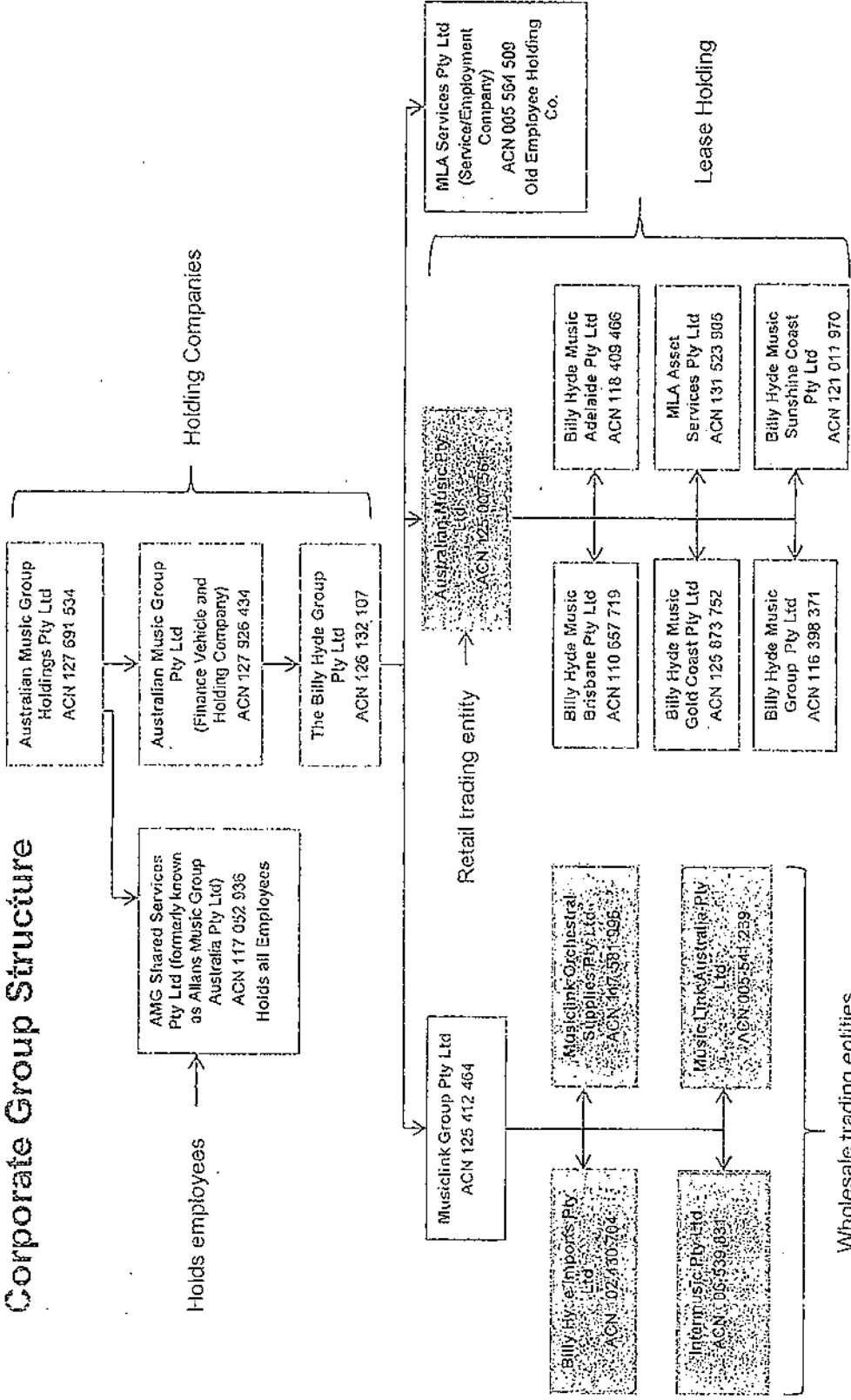
## Statutory Information

Company	A.C.N.	Date Incorporated	Director(s)	Date Appointed	Secretary	Date Appointed	Shareholder(s)
Australian Music Group Holdings Pty Ltd	127 691 534	24 September 2007	John Frederick Helms Timothy James Mason	20 July 2010 20 July 2010	T J Mason	26 July 2011	Revere Capital Partners LP Brackenbury Music Pty Ltd
Australian Music Group Pty Ltd	127 925 434	10 October 2007	John Frederick Helms Timothy James Mason	5 August 2010 5 August 2010	T J Mason	28 July 2011	Australian Music Group Holdings Pty Ltd
AMG Shared Services Pty Ltd	117 052 936	9 November 2005	John Frederick Helms Timothy James Mason	9 November 2005 9 November 2005	T J Mason	31 July 2009	Australian Music Group Holdings Pty Ltd
The Billy Hyde Group Pty Ltd	126 132 107	22 June 2007	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Group Holdings Pty Ltd
Musickink Group Pty Ltd	125 412 484	15 May 2007	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	The Billy Hyde Group Pty Ltd
Elly Hyde Imports Pty Ltd	102 430 704	7 October 2002	John Frederick Helms Timothy James Mason	5 August 2010 20 July 2011	T J Mason	28 July 2011	Musickink Group Pty Ltd
Musickink Orchestral Supplies Pty Ltd	117 581 936	15 December 2005	John Frederick Helms Timothy James Mason	5 August 2010 26 July 2011	T J Mason	20 July 2011	Musickink Group Pty Ltd
Musickink Australia Pty Ltd <i>ATF Mt Unit Trust</i>	005 541 239	4 May 1979	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Musickink Group Pty Ltd
Musickink Distribution Pty Ltd	006 539 831	24 March 1986	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Musickink Group Pty Ltd
Australian Music Pty Ltd	125 007 561	20 April 2007	John Frederick Helms Timothy James Mason	14 December 2010 20 July 2011	T J Mason	28 July 2011	The Billy Hyde Group Pty Ltd
Elly Hyde Music Brisbane Pty Ltd	110 657 719	24 August 2004	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Pty Ltd
Elly Hyde Music Gold Coast Pty Ltd	125 873 752	8 June 2007	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Pty Ltd
Elly Hyde Music Group Pty Ltd	116 388 371	5 August 2010	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Pty Ltd
Elly Hyde Music Adelaide Pty Ltd	118 409 486	17 February 2003	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Pty Ltd
ELA Asset Services Pty Ltd	121 523 905	10 June 2006	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	The Billy Hyde Group Pty Ltd
Elly Hyde Music Sunshine Coast Pty Ltd	121 011 970	1 August 2006	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	Australian Music Pty Ltd
ELA Services Pty Ltd	005 564 509	22 June 1979	John Frederick Helms Timothy James Mason	5 August 2010 28 July 2011	T J Mason	28 July 2011	The Billy Hyde Group Pty Ltd

# 7. BACKGROUND



## Corporate Group Structure



SYDNEY PERTH MELBOURNE BRISBANE

## 7. BACKGROUND



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### ASIC Class Order

- The Companies are subject to ASIC Class Order Number 98/1418.
- The Class Order is a result of the Companies entering into a deed of cross guarantee, effectively guaranteeing the debts of one another.
- The Class Order allowed the Companies to produce consolidated accounts and maintain the books and records on a consolidated group basis.
- The Administrators have received legal advice considering the impact of the Order, its enforceability and the impact it has on the priorities outlined in section 556 of the Act.
- The Administrators are of the preliminary view that the order will be enforceable.
- The priority of debts owed by individual members of the AMG Group would not extend to the guarantor entities.





## 7 BACKGROUND



### Business Activities

	Employment	Trading Wholesale	Trading Retail	Leases	Inventory	FINANCIALS
AMG Shared Services Pty Ltd	✓			✓		✓
Australian Music Group Holdings Pty Ltd						
Australian Music Group Pty Ltd				✓		
Australian Music Pty Ltd			✓			
Billy Hyde Imports Pty Ltd					✓	
Billy Hyde Music Adelaide Pty Ltd						✓
Billy Hyde Music Brisbane Pty Ltd						✓
Billy Hyde Music Gold Coast Pty Ltd						✓
Billy Hyde Music Group Pty Ltd						✓
Billy Hyde Music Sunshine Coast Pty Ltd						✓
Intermusic Distribution Pty Ltd		✓			✓	
MLA Asset Services Pty Ltd						✓
MLA Services Pty Ltd						
Music Link Australia Pty Ltd		✓		✓		
Musicink Group Pty Ltd						
Musicink Orchestral Supplies Pty Ltd		✓			✓	
The Billy Hyde Group Pty Ltd						

## 7. BACKGROUND



### Material Events Leading up to Appointment

Dates	Events
2005	Current Directors purchase 8 Allans Music stores. Directors own 20% of shareholding at this time. Crescent Capital Partners own 70% and 10% owned by minority shareholders
2007	Interests associated with Crescent acquire Billy Hyde business for \$50m
July 2010	Allans and AMG (Billy Hyde) merge
January 2011	Wholesale business loses four agencies to competitors
December 2011	Crescent sell shareholding to current directors for \$1
March 2012	Revere Capital purchase debt owed to National Australia Bank Limited who was owed circa \$55m for \$8m. Directors request immediate injection of \$7m working capital from Revere Capital
March – Aug 2012	Revere Capital injects working capital : 15 March \$3m; April \$1m; 22 May \$2m; 2 Aug \$1.1m
29 June 2012	Revere Capital acquires 100% of the shares and forgives \$47m of debt
10 August 2012	Revere Capital decide not to advance \$1.5m for requested stock build
10- 21 August 2012	Directors prepare and distribute Information Memorandum for sale of businesses. Directors in discussions with a number of parties
22 August 2012	Revere Capital demand payment of full debt owed
23 August 2012	Directors appoint Voluntary Administrators
23 August 2012	Revere Capital appoint Receivers and Managers



## 8. SECURITY INTERESTHOLDERS

- " Revere Capital hold registered security interests in respect of all of the Companies.
- " A number of other creditors also hold registered security interests:

Company	Secured Creditors
Australian Music Group Holdings Pty Ltd	Revere Capital Pty Ltd
Australis Music Group Pty Ltd	Australis Music Group Pty Ltd
Australian Music Group Pty Ltd	Revere Capital Pty Ltd
AMG Shared Services Pty Ltd	Revere Capital Pty Ltd Pioneer Electronics Australia Pty Ltd Audio Products Group Pty Ltd
The Billy Hyde Group Pty Ltd	Revere Capital Pty Ltd
Musiciink Group Pty Ltd	Revere Capital Pty Ltd
Billy Hyde Imports Pty Ltd	Revere Capital Pty Ltd
Musiciink Orchestral Supplies Pty Ltd	Panasonic Australia Pty Ltd
Music Link Australia Pty Ltd	Revere Capital Pty Ltd
Intermusic Distribution Pty Ltd	Revere Capital Pty Ltd
Australian Music Pty Ltd	Revere Capital Pty Ltd Toyota Material Handling Australia Pty Ltd
	Express Data Holdings Pty Ltd Hills Holdings Limited Yamaha Music Australia Pty Ltd Kawai Australia Pty Ltd Roland Corporation Australia Pty Ltd Australis Music Group Pty Ltd Jands Pty Ltd Da Lage Lenden Pty Ltd Amber Technology Limited
Billy Hyde Music Brisbane Pty Ltd	Revere Capital Pty Ltd
Billy Hyde Music Gold Coast Pty Ltd	Revere Capital Pty Ltd
Billy Hyde Music Group Pty Ltd	Revere Capital Pty Ltd
Billy Hyde Music Adelaide Pty Ltd	Revere Capital Pty Ltd
MLA Asset Services Pty Ltd	Revere Capital Pty Ltd National Australia Bank Limited
Billy Hyde Music Sunshine Coast Pty Ltd	Revere Capital Pty Ltd
MLA Services Pty Ltd	Revere Capital Pty Ltd

## 8. SECURITY INTEREST HOLDERS



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### Revere Capital Pty Ltd

- Revere holds a first ranking security interest in respect of each of the Companies.
- The relationship resulted through Revere purchasing approximately \$70 million of debt owned by the Companies to NAB in March 2012.
- The Administrators understand that the debt was acquired by Revere for approximately \$8 million.
- Revere subsequently advanced further funds totaling approximately \$7.1 million.
- On 29 June 2012, Revere and the Companies entered into a Deed of Forgiveness in which Revere agreed to forgive approximately \$52 million of debt.
- Around the same time, Revere acquired 80% of the equity in the Companies.
- Legal advice was sought as to the validity of Revere's security and claim.
- The Administrators consider Revere's security to be valid and enforceable.
- Revere have submitted a claim to the Administrators totalling \$27 million.
- Revere will receive a return of approximately \$22.5 million from the Receivership of the Companies.

## 9. OUTCOME OF RECEIVERSHIP



- " The Receivers have sole control of the Companies assets and trading operations.
- " The Receivers primary obligation is to their appointor, Revere Capital Pty Ltd, however have a statutory duty to consider position of other creditors.
- " The Receivers marketed the business for sale
- " No commercially viable offers were received
- " On 12 September 2012 the Receivers entered into a controlled closure of the stores.
- " The last stores closed on 25 November 2012 with the final employees terminated on 21 December 2012
- " The Receivership will result in a return to Revere of approximately \$22.5 million, a shortfall of approximately \$4.5 million on the debt claimed from the Companies.

## 9. OUTCOME OF RECEIVERSHIP



The outcome of the Receivership is summarised below:

	23 August 2012 - 30 November 2012	1 December 2012 - Estimated Completion	Total
	\$	\$	\$
Trading Receipts	44,313,476	2,130,000	46,443,476
Receipts from Pre Appointment Debtors	3,904,518	90,000	3,994,518
Receipts from the sale of Plant and Equipment	146,809	0	146,809
Receipts from the Sale of Other Assets	2,238,009	0	2,238,009
Other Receipts	716,149	140,000	856,149
<b>Total Receipts</b>	<b>51,319,062</b>	<b>2,360,000</b>	<b>53,679,062</b>
Trading Payments	11,046,410	0	11,046,410
Receiver's Professional Fees	1,765,440	415,000	2,180,440
Receiver's Disbursements	22,929	0	22,929
Distribution to Secured Creditor	15,000,000	7,535,000	22,535,000
Fees Associated with Hilco Realisation Strategy	2,208,420	179,000	2,387,420
Disbursements Associated with Hilco Realisation Strategy	1,219,296	0	1,219,296
Other Professional Fees and Disbursements	366,521	0	366,521
Future Receivership Trading and Other Liabilities	0	10,999,000	10,999,000
Other Costs	153,536	2,768,510	2,922,046
<b>Total Payments</b>	<b>31,782,552</b>	<b>21,896,510</b>	<b>53,679,062</b>
<b>Net Receipts and Payments</b>	<b>19,536,510</b>	<b>(19,536,510)</b>	<b>0</b>

## 10. FINANCIAL POSITION



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The Administrators have undertaken the following:

- Assessed the position of the Companies as at the date of appointment;
- Reviewed the historical financial performance of the Companies for the financial years ending 27 June 2010 and 3 July 2011;
- Evaluated the monthly trading performance of the Companies in the 12 months prior to the appointment of the Administrators;

**10. FINANCIAL POSITION**



**Financial History of the Companies:**

	FY10	FY11	FY12
	\$'000	\$'000	\$'000
Sales	136,400	125,000	115,901
Gross Profit	55,226	49,119	41,021
EBITDA	8,991	(2,824)	(5,951)
Total Assets	93,654	60,571	54,123
Total Liabilities	80,205	80,857	43,188
Current Ratio	0.66	0.47	2.08
Net Assets	13,449	(20,286)	10,935

**Key Comments:**

- The 2010 results reflect the merger of the AMG and Allans businesses that occurred on 20 July 2010.
- The 2011 results were impacted by a non recurring charge of \$3.84 million relating to the merger.
- Impairment charges of \$27.4 million have also been applied to the Companies' goodwill in 2011.
- The improvement in net assets in 2012 is a result of the debt forgiveness afforded to the Companies by Revere.



## 10. FINANCIAL POSITION



### Financial History of the Companies:

	FY10 \$'000	FY11 \$'000	FY12 \$'000
Current Assets	45,883	37,335	35,179
Non Current Assets	47,771	23,236	18,945
Total Assets	93,654	60,571	54,123
Current Liabilities	69,917	79,638	16,922
Non Current Liabilities	10,289	1,219	26,266
Total Liabilities	80,205	80,857	43,188
Net Assets	13,449	(20,286)	10,935

### Key Comments:

- Decreases in cash and inventories between 2010 and 2011 account for a reduction in short term assets.
- The 2011 net asset position deteriorates due to these decreases and impairments to goodwill totalling \$27.4 million
- The Companies incurred a net asset deficiency through 2012, save for June 2012 where the debt forgiveness provided by Revere resulted in a net asset surplus

**10. FINANCIAL POSITION**



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**Directors' RATAs as at 23 August 2012:**

	Valuation \$	Estimate \$
<i>Assets</i>		
Debtors	4,868,751	5,280,638
Cash at Bank	2,097,778	2,097,778
Stock	30,440,949	42,129,414
Other Assets	7,601,369	1,565,901
Assets Specifically Charged	11,967,827	1,155,225
<b>Total Assets</b>	<b>56,976,674</b>	<b>52,228,956</b>
<i>Liabilities</i>		
Employee Entitlements	(2,621,917)	(2,621,917)
Secured Creditors	(27,140,458)	(27,140,458)
Unsecured Creditors	(11,381,211)	(11,381,211)
<b>Total Liabilities</b>	<b>(41,143,586)</b>	<b>(41,143,586)</b>
<b>Surplus / (Deficit)</b>	<b>15,833,088</b>	<b>11,085,370</b>

**Key Comments:**

- The RATAs indicate a surplus after the extinguishment of all claims.
- The Administrators consider that the estimated realisable values ascribed to a number of assets and liabilities will vary.
- After accounting for the relevant variations, the Administrators consider that a deficiency would likely exist as at 23 August 2012.

## 10. FINANCIAL POSITION



### Position of the Companies as at 23 August 2012:

	Notes	Book Value \$	ERV \$	Notes:
Cash at Bank and on Hand		835,620	835,620	
Trade Debtors	1	4,702,116	4,372,967	1. Represents debtors outstanding as at the date of appointment of the Administrators. Discount for doubtful debts allowed for in ERV.
Stock	2	29,117,815	27,079,568	
Plant and Equipment	3	6,431,165	Unknown	2. Based on stock valuation as at the date of appointment of the Administrators. Discount for stock spoilage allowed for in ERV.
Total Assets		41,086,715	Unknown	3. The Companies held significant items of plant and equipment. The estimated realisable value of these as at 23 August 2012 is unknown.
Liabilities				
Secured Creditors				
Reverse Capital	4	27,000,000	27,000,000	4. Based on claim submitted to the Administrators
Other Secured Creditors	5	4,061,500	4,061,500	5. Based on records of the Companies
Preferential Creditors				
Superannuation	6	358,522	358,522	6. Amounts outstanding for all employees as at the date of our appointment
Commissions	6	393,876	393,876	
Annual Leave	6	1,564,514	1,564,514	7. Based on listing provided by the Companies after the date of our appointment
Long Service Leave	6	452,416	452,416	
Payment in Lieu of Notice	6	1,048,705	1,048,705	
Redundancy	6	2,358,844	2,358,844	
Unsecured Creditors				
Trade Creditors	7	5,989,344	5,989,344	It is estimated that the Companies would incur a net asset deficiency as at the date of the appointment of the Administrators;
Gift Vouchers / Lay-Bys / Deposits		503,487	503,487	
Australian Taxation Office		1,179,852	1,179,852	It is anticipated that the net asset deficiency would increase if the ERV of the plant and equipment was quantified.
Total Liabilities		7,672,684	7,672,684	
Estimated Surplus / Shortfall		44,911,059	44,911,059	
		(3,824,344)	Unknown	

## 11. REASONS FOR FAILURE



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The Administrators consider the following as significant contributing factors to the failure of the Companies:

- “ A downturn in the general retail climate in Australia;
- “ Deterioration in relationships with key suppliers and the subsequent loss of a number of exclusive agency agreements;
- “ Loss of support from Revere;
- “ Trading Losses; and
- “ Inadequate cash inflows to meet current liabilities

A number of other factors are likely to have also contributed to some degree.

## 12. INVESTIGATIONS UNDERTAKEN



### Potential Offences Committed

- The Administrators are obliged to report to creditors any reportable offences they identify as being committed by a past or present officer of the Companies.
- Preliminary investigations undertaken to date indicate that offences may have been committed:

Entity	Care and Diligence Section 180	Good Faith Section 181	Use of Position Section 182	Use of Information Section 183	Further Investigation Required			Officers to help Liquidator Section 530A	Trading Whilst Insolvent Section 588G	Avoiding Employee Entitlements Section 596AB
					Good Faith - Criminal Offence Section 184	Books and Records Sections 286 & 344	Books and Records Section 344			
AMG Shared Services Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Australian Music Group Holdings Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Australian Music Group Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Australian Music Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Imports Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Music Adelaide Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Music Brisbane Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Music Gold Coast Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Music Group Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Billy Hyde Music Sunshine Coast Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Intermusic Distribution Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
MLA Asset Services Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
MLA Services Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Music Link Australia Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Musichink Group Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
Musichink Orchestral Supplies Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
The Billy Hyde Group Pty Ltd	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇

Key

- Unlikely that offence(s) committed ◇
- Further work required to identify any potential offence(s) ◇
- Potential offence(s) committed - further investigations required ▣

Symbol

## 12. INVESTIGATIONS UNDERTAKEN



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### Potential Offences Committed

- The Administrators investigations regarding offences committed by past or present officers of the Companies are preliminary only.
- Save for a potential claim regarding trading whilst insolvent, the Administrators are of the preliminary view that no significant reportable offences have been committed.

## 12 INVESTIGATIONS UNDERTAKEN



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### Potential Actions available to a Liquidator:

A Liquidator has the right to commence legal proceedings to recover money or other property for the benefit of creditors.

#### Recovery actions:

- Potentially add to the funds available to creditors;
- Are usually expensive, lengthy and have unpredictable outcomes;
- Wouldn't normally be commenced unless defendants have the ability to satisfy judgements;
- Must be funded from assets of the company, or by creditors or litigation funders.

Creditors should note that any successful recoveries will be applied to the relevant company within the group, as opposed to the Group as a whole.

The Recoveries potentially available to a Liquidator may include:

- Insolvent Trading;
- Unfair Preferences;
- Uncommercial Transactions; and
- Related Party Transactions

## 12. INVESTIGATIONS UNDERTAKEN



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### Investigations Undertaken to Date:

The Administrators have undertaken preliminary investigations to provide creditors with the necessary information in preparing for the second meeting of creditors.

The Administrators have undertaken the following actions:

- Had various communications and discussions with the directors and key staff of the Companies;
- Examined the accounting and financial records maintained by the Companies;
- Conducted various searches of publicly available records;
- Made enquiries with certain parties such as the Land Titles Office and the Sheriffs office; and
- Received and reviewed other ad hoc information regarding the Companies' affairs



## 12. INVESTIGATIONS UNDERTAKEN

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### Date of Insolvency

One of the key factors in bringing a case for most recoveries available to a liquidator is establishing insolvency.

In determining when the Companies became insolvent, the Administrators have:

- Considered the Companies' historical trading performance and position;
- Reviewed the Companies' relationships with its key suppliers;
- Assessed the Companies' unpaid statutory liabilities;
- Analysed the Companies' access to finance, including the relationship held with the major funder, Revere; and
- Other material matters as required.

## 12. INVESTIGATIONS UNDERTAKEN



### Date of Insolvency – Factors Considered

The Administrators have considered the following factors:

Indicator	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012
Trading losses	□	□	□	□	□	□	□	□	□	□	□	□
Inefficient cash flow	□	□	□	□	□	□	□	□	□	□	□	□
Incomplete financial records or disorganised internal accounting procedures	□	□	□	□	□	□	□	□	□	□	□	□
Lack of cash-flow forecasts and other budgets	□	□	□	□	□	□	□	□	□	□	□	□
Increasing debt	□	□	□	□	□	□	□	□	□	□	□	□
Problems selling stock or collecting debts	□	□	□	□	□	□	□	□	□	□	□	□
Unrecoverable loans to associated parties	□	□	□	□	□	□	□	□	□	□	□	□
Creditors unpaid outside usual terms	□	□	□	□	□	□	□	□	□	□	□	□
Special arrangements with selected creditors	□	□	□	□	□	□	□	□	□	□	□	□
Payments to creditors of rounded sums that are not reconcilable to specific invoices	□	□	□	□	□	□	□	□	□	□	□	□
Overdraft limit reached or defaults on loan or interest payments	□	□	□	□	□	□	□	□	□	□	□	□
Problems obtaining finance	□	□	□	□	□	□	□	□	□	□	□	□
Increased monitoring/ involvement by financier	□	□	□	□	□	□	□	□	□	□	□	□
Inability to raise funds from shareholders	□	□	□	□	□	□	□	□	□	□	□	□
Overdue taxes and superannuation liabilities	□	□	□	□	□	□	□	□	□	□	□	□

Key  
 Indicator not present ○  
 Further investigation required / signs existed ◇  
 Indicator considered present □

## 12. INVESTIGATIONS UNDERTAKEN

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### Date of Insolvency – Summary

- " The Administrators have considered a range of factors in assessing the Companies' solvency.
- " Evidence suggests that the Companies were likely insolvent for some time.
- " The Companies' operations and financial affairs were complex and the Administrators have not formed a view as to the exact date when the Companies likely became insolvent.
- " Further work will be required by a liquidator to establish the date of insolvency in order to pursue voidable transaction recoveries.

## 12 INVESTIGATIONS UNDERTAKEN



### Possible Recoveries Identified

- The Administrators have identified a number of transactions that may lead to recoveries in the Liquidation of the Companies.
- The potential return has not been quantified and further work will be required by the Liquidators (if appointed) in order to establish the validity and quantum of claims.

### Recoveries include:

Entity	Unfair Preference Payments	Uncommercial Transactions	Unfair Loans	Unreasonable Director-Related Transactions	Trading Whilst Insolvent
AMG Shared Services Pty Ltd	Section 588FA	Section 588FB	Section 588FD	Section 588FDA	Section 588G / 588V
Australian Music Group Holdings Pty Ltd	□	□	□	□	□
Australian Music Group Pty Ltd	□	□	□	□	□
Australian Music Pty Ltd	□	□	□	□	□
Billy Hyde Imports Pty Ltd	□	□	□	□	□
Billy Hyde Music Adelaide Pty Ltd	□	□	□	□	□
Billy Hyde Music Brisbane Pty Ltd	□	□	□	□	□
Billy Hyde Music Gold Coast Pty Ltd	□	□	□	□	□
Billy Hyde Music Group Pty Ltd	□	□	□	□	□
Billy Hyde Music Sunshine Coast Pty Ltd	□	□	□	□	□
Intermusic Distribution Pty Ltd	□	□	□	□	□
M.L.A Asset Services Pty Ltd	□	□	□	□	□
M.L.A Services Pty Ltd	□	□	□	□	□
Music Link Australia Pty Ltd	□	□	□	□	□
Musiclink Group Pty Ltd	□	□	□	□	□
Musiclink Orchestral Supplies Pty Ltd	□	□	□	□	□
The Billy Hyde Group Pty Ltd	□	□	□	□	□

Key: □ Potential recoveries identified - further investigation required  
 □ Recoveries unlikely based on investigations to date

Symbol: ○

## 12. INVESTIGATIONS UNDERTAKEN



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### Financial Position of Directors

- The Administrators have conducted their own investigations into the financial position of the directors of the Companies.
- Searches of available public registers have been conducted.
- The directors have declined to provide information regarding their personal financial positions.
- The Administrators consider that the directors may be in a position to satisfy, at least in part, any claim brought against them.

## 12 INVESTIGATIONS UNDERTAKEN



### Directors response to Administrators' report

- The directors of the Companies have voiced concerns regarding the Administrators' report to creditors, which were provided to the Administrators in a letter dated 23 January 2013.
- Copies of the letter are available for creditors if required.
- The Administrators do not believe that the concerns raised affect their assessment of the Companies.
- The points raised may provide partial defences to the directors in any action brought against them by a Liquidator in respect of voidable transactions.
- The concerns raised by the directors are outlined below:



- **Directors' Concern** Throughout the period assessed by the Administrators, the Companies held letters of forbearance from NAB and Revere.
- **Administrators' Preliminary View** Letters of forbearance are one factor to be considered in conjunction with many other factors when assessing the solvency of the Companies. such letters may provide the directors with some defence to claims brought by the Liquidators in the future.
- **Directors' Concern** There was no debt for equity swap transacted by the Companies with Revere.
- **Administrators' Preliminary View** The debt forgiven by Revere and the subsequent acquisition of equity were two independent events. Whether an actual "swap" took place or two independent transactions occurred, the Administrators consider the transactions to be of the same effect.

## 12. INVESTIGATIONS UNDERTAKEN

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- Directors' Concern
  - The report does not account for the impact of the debt forgiveness on the Companies' profit in 2012.
- Administrators' Preliminary View
  - The Administrators have not been provided with statutory accounts for FY2012, where this type of transaction would normally be reported. The Administrators comments on FY2012 are based on management accounts.
  - The debt forgiveness may have resulted in an improvement in the 2012 financial performance of the Companies.
  - However, being a non cash, accounting entry, it would not affect the actual result from trading of the Companies.
- Directors' Concern
  - The report does not accurately depict the requests for funding made to Revere by the Companies
- Administrators' Preliminary View
  - The Administrators still consider that the funding identified as required by the directors was not forthcoming in quantum and timing.
- Directors' Concern
  - The Directors believe that a disagreement within Revere led to the withdrawal of their support in August 2012
- Administrators' Preliminary View
  - The Administrators do not consider that this would impact their views as to the affairs of the Companies or their recommendations for the future of the Companies.
- Directors' Concern
  - The Directors do not hold any real property as suggested in the Administrators report
- Administrators' Preliminary View
  - It appears a property identified may belong to a different person

### 13. ESTIMATED OUTCOME



#### Estimated Return to Creditors

- " The Administrators do not expect any return to be available from the Receivership.
- " There is a prospect of some recoveries from voidable transactions in a number of the Companies, however the quantum and likelihood of these recoveries is unknown at this stage.
- " Former employees have already and will continue to have access to GEERS for outstanding entitlements.
- " The estimated return available to creditors of each of the Companies is set out below:

	Return to Unsecured Creditors from Assots	Return to Employees	Return from Voidable Transactions Possible?	Further Investigations Required
AMG Shared Services Pty Ltd	Ni	Via GEERS	Yes	Yes
Australian Music Group Holdings Pty Ltd	Ni	N/A	Yes	Yes
Australian Music Group Pty Ltd	Ni	N/A	Yes	Yes
Australian Music Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Imports Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Music Adelaide Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Music Brisbane Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Music Gold Coast Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Music Group Pty Ltd	Ni	N/A	Yes	Yes
Billy Hyde Music Sunshine Coast Pty Ltd	Ni	N/A	Yes	Yes
Intermusic Distribution Pty Ltd	Ni	N/A	Yes	Yes
MLA Assot Services Pty Ltd	Ni	N/A	Yes	Yes
MLA Services Pty Ltd	Ni	N/A	Yes	Yes
Music Link Australia Pty Ltd	Ni	N/A	Yes	Yes
Musiclink Group Pty Ltd	Ni	N/A	Yes	Yes
Musiclink Orchestral Supplies Pty Ltd	Ni	N/A	Yes	Yes
The Billy Hyde Group Pty Ltd	Ni	N/A	Yes	Yes



**13. ESTIMATED OUTCOME**



**GEERS**

- " GEERS funding is normally only provided following liquidation.
- " The Administrators have liaised with GEERS to secure the advance of funding for employee entitlements during the Administration.
- " On 24 October 2012, GEERS advised that funding would be made available during the Administration.
- " To date, the Administrators have verified 455 employee claims and have distributed funds to 113 employees
- " The Administrators anticipate the receipt of funding for the remaining 342 claims shortly

### 13. ESTIMATED OUTCOME



#### Administrators' Recommendation

The Act requires the Administrators to set out their opinion on the three alternatives available to creditors.

These are either:

- The Companies execute a DOCA;
- The Companies be wound up and liquidators appointed; or
- The Administrations be terminated.

The outcome of each of the Companies is not dependent on each other and creditors may resolve the future of the Companies differently.

The Administrators recommend that the Companies be wound up on the following basis:

### 13. ESTIMATED OUTCOME SUMMARY



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#### Future of the Companies:

- No Deed of Company Arrangement has been proposed for any of the Companies.
- Given the financial position of the Companies, the Administrators cannot recommend that the administrations end.
- The Administrators see no benefit in an adjournment of the second meeting of creditors.
- It is the Administrators recommendation that the Companies be wound up.

#### Outcome for Creditors:

- It is unlikely that funds will become available from the Receivership to allow a distribution to creditors in the liquidation.
- Employees have access to GEERS for outstanding employee entitlements.
- The Companies proceeding to liquidation will allow the Liquidators to conduct further investigations which may result in some recoveries being made in some of the Companies from antecedent transactions.
- The quantum of these recoveries is currently unknown and it is unclear whether any such recoveries would allow for a return to unsecured creditors.

## 13. ESTIMATED OUTCOME SUMMARY



### Contraventions of the Act

- The Administrators consider that a breach of section 588G of the Act may have occurred through the Companies potentially trading whilst insolvent.
- A breach of section 180 of the Act will likely also have occurred should it be proven that the Companies traded whilst insolvent.
- Further investigations are required to determine the likelihood of any offences being committed.

### Potential Recoveries

- The Administrators have identified a number of payments which may be construed to represent unfair preference payments pursuant to section 588FA of the Act.
- Should it be shown that the Companies traded whilst insolvent, the Companies may have a claim against the directors and the ultimate holding company pursuant to sections 588G and 588V of the Act.
- Again, further investigations will be required in order to determine the validity and quantum of any claims.

### 13. ESTIMATED OUTCOME



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#### Way Forward in Liquidation

- Complete investigations
- Complete remaining distributions to employees under GEERS
- Consider pursuing trading whilst insolvent claim against directors and ultimate holding companies
- Consider pursuing unfair preference payments and other voidable transactions
- Report to ASIC

Liquidators (if appointed) would be required to report to creditors on an at least annual basis.

## 15. QUESTIONS



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### Protocol

- Please raise hand and wait
- Advise of name and Creditor representing

Please keep questions relevant to all Creditors



END OF PRESENTATION

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

---

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

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Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

---

This is the exhibit marked "RAB-5" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
\_\_\_\_\_  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
\_\_\_\_\_  
Ross Andrew Blakeley

**Exhibit "RAB-5"**  
**Copies of ASIC Class Order and the Deeds of**  
**Cross Guarantee**



## ASIC Class Order [CO 98/1418]

### Wholly-owned entities

This instrument has effect under s341(1) of the *Corporations Act 2001*.

This compilation was prepared on 22 August 2013 taking into account amendments up to [CO 13/1051].

Prepared by the Australian Securities and Investments Commission.

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Australian Securities and Investments Commission  
Subsection 341(1) — Corporations Act 2001  
Class Orders and Revocations

### First order

Pursuant to subsection 341(1) of the Corporations Act 2001 ("the Act"), the Australian Securities and Investments Commission ("ASIC") hereby makes an order relieving a company ("the Entity") from the requirement to comply with the following provisions of the Act in relation to a financial year ending on or after 1 July 1998 ("the Relevant Financial Year"):

- Paragraphs 292(1)(b) and (c) (the requirements to prepare a financial report and directors' report);
- Subsection 301(1) (the requirement to have the financial report audited);
- Subsections 314(1), 315(1) and 315(4) and section 316 (the requirements concerning distribution of the financial report, directors' report and auditors' report and any concise financial report ("the reports") to members);
- Section 317 (the requirement for a public company to lay reports before an annual general meeting);
- Subsection 319(1) (the requirement to lodge reports with ASIC); and
- Sections 327A, 327B and 327C (the requirement for a public company to appoint an auditor).

### ON CONDITION THAT:

#### *Relevant Financial Year*

- (a) The financial year of the Holding Entity ends on the same date as the end of the Relevant Financial Year;

#### *Restrictions on the Entity, Holding Entity and Trustee*

- (b) The Entity is one of the Wholly-owned Entities of the Holding Entity at the end of the Relevant Financial Year and is:

- (i) a public company;
- (ii) a large proprietary company; or
- (iii) a small proprietary company to which paragraph 292(2)(b) applies;
- (c) The Entity is not a borrower in relation to debentures, a disclosing entity, or a financial services licensee;
- (d) The Holding Entity is not a small proprietary company;
- (da) Except in relation to a Deed of Cross Guarantee lodged with ASIC before 1 July 2004 — a company holds office as trustee under the Deed of Cross Guarantee;
- (db) Except in relation to a Deed of Cross Guarantee lodged with ASIC before 1 July 2004 — if the person holding office as trustee under the Deed of Cross Guarantee is a Group Entity within the meaning of that Deed, another person that is a company holds office as alternative trustee under that Deed;

*Consolidated financial statements*

- (e) The Holding Entity has prepared consolidated financial statements which include a consolidated statement of cash flows together with notes thereto for the Relevant Financial Year (“the Consolidated Financial Statements”);
- (f) If the Holding Entity is not a registered foreign company:
  - (i) where the economic entity comprising the Holding Entity and its controlled entities was not a reporting entity (as defined in accounting standards):
    - (A) the Consolidated Financial Statements covered at least those controlled entities which were part of the Extended Closed Group and included no entities which were not controlled entities;
    - (B) where the Consolidated Financial Statements did not cover the entire economic entity, the notes thereto made it clear which entities were covered by those Consolidated Financial Statements;
    - (C) accounting standard AASB 1024 “Consolidated Accounts” (except paragraph 39) (for reporting periods commencing before 1 January 2005) or AASB 127 “Consolidated and Separate Financial Statements” (except paragraphs 40 and Aus40.1) (for reporting periods commencing on or after 1 January 2005) was applied as if the entities to which the Consolidated Financial Statements relate were a reporting entity; and
    - (D) the Holding Entity complied with all of the other requirements of Chapter 2M as if the Consolidated Financial Statements were part of its financial report;
  - (ii) where s319(4) of the Corporations Law (as taken to be included in the Act by s1408(2) of the Act) applies to the Holding Entity, the Consolidated Financial Statements are lodged with ASIC within 4 months (or for a financial year commencing from 1 January 2005 to 31 December 2005 (both inclusive), 5

months) after the end of the Relevant Financial Year unless all entities in the Closed Group are Exempt Entities; and

(iii) where all entities which are parties to the Deed of Cross Guarantee are Exempt Entities, the Holding Entity lodged with ASIC within 4 months (or for a financial year commencing from 1 January 2005 to 31 December 2005 (both inclusive), 5 months) after the end of the Relevant Financial Year a document signed by one director or the company secretary (in accordance with a resolution of the directors) containing:

(A) the information required by subparagraphs (i)(i) to (iv);

(B) a statement that all entities in the Closed Group are Exempt Entities; and

(C) the statement required to be included in the directors' declaration under paragraph (j);

(g) If the Holding Entity is a registered foreign company:

(i) the Holding Entity prepared Consolidated Financial Statements in accordance with:

(A) where the Holding Entity is controlled by a disclosing entity formed or incorporated in Australia, a company or a registered scheme — the requirements of Chapter 2M (including s295(4)) as if the Holding Entity were a public company (and paragraph (f)(i) may be applied as if the Holding Entity was not a registered foreign company);

(B) where (A) does not apply — a requirement of the law in its place of origin, and those Consolidated Financial Statements covered the Holding Entity and at least those controlled entities which are part of the Extended Closed Group (and included a note making it clear which entities were covered by those Consolidated Financial Statements); or

(C) where neither (A) nor (B) applies — the requirements of Chapter 2M as to the form and content of Consolidated Financial Statements, as if the Holding Entity were a public company and covering at least those entities in the Extended Closed Group; and

(ii) the Holding Entity lodged the Consolidated Financial Statements with ASIC no later than 4 months after the end of the Relevant Financial Year;

(h) The Consolidated Financial Statements:

(ii) include adequate provision in relation to the liabilities of any parties to the Deed of Cross Guarantee which are not consolidated where it is probable that those liabilities will not be fully met by those parties;

(i) The notes to the Consolidated Financial Statements:

(i) include a short statement of the nature of the Deed of Cross Guarantee;

(ii) list the parties to the Deed of Cross Guarantee, separately identifying:

- (A) the members of the Closed Group; and
  - (B) the other members of the Extended Closed Group;
- (iii) give details (including dates) of parties which, during or since the Relevant Financial Year, have been:
- (A) added by an Assumption Deed contemplated by the Deed of Cross Guarantee;
  - (B) removed by a Revocation Deed contemplated by the Deed of Cross Guarantee; or
  - (C) the subject of a Notice of Disposal contemplated by the Deed of Cross Guarantee;
- (iv) give details (including dates and reasons) of any entities which obtained relief under this order or a previous order at the end of the immediately preceding financial year but which were ineligible for relief in respect of the Relevant Financial Year;
- (v) if the Consolidated Financial Statements cover entities which are not members of the Closed Group, set out the information specified in the Schedule in respect of the consolidation of the entities which are members of the Closed Group (after eliminating all transactions between members of the Closed Group);
- (vi) if the Consolidated Financial Statements cover entities which are not parties to the Deed of Cross Guarantee, set out the information specified in the Schedule in respect of the consolidation of the Holding Entity and those entities which are parties to the Deed of Cross Guarantee and controlled by the Holding Entity (after eliminating all transactions between parties to the Deed of Cross Guarantee); and
- (vii) if there are any parties to the Deed of Cross Guarantee which are not controlled by the Holding Entity, set out the information specified in the Schedule in respect of those parties (either individually or in aggregate);
- (j) A statement as to whether, as at the date of the relevant document, there are reasonable grounds to believe that the members of the Extended Closed Group (identified in the note required by paragraph (i)(ii)) will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee is included in all of the following documents (as applicable):
- (i) the directors' declaration of the Holding Entity for the Relevant Financial Year (including a directors' declaration prepared pursuant to subparagraph (g)(i)(A));
  - (ii) the document required by paragraph (f)(iii); and
  - (iii) where subparagraphs (g)(i)(B) or (C) apply, a document signed by a director in accordance with a resolution of directors and lodged with ASIC with the Consolidated Financial Statements within 4 months (or for a financial year

commencing from 1 January 2005 to 31 December 2005 (both inclusive), 5 months) after the end of the Relevant Financial Year;

*Opt-in and opt-out notices by the Entity*

(k) Unless:

- (i) the Entity took advantage of the relief available under this order in respect of the financial year immediately preceding the Relevant Financial Year; and
- (ii) the Holding Entity of the Entity is the same for the Relevant Financial Year and the financial year immediately preceding it,

a notice signed by a director or secretary is lodged with ASIC using Form 389 within 4 months after the end of the relevant financial year, containing a statement that the Entity has taken advantage of relief under this order together with the identity of the Holding Entity;

(ka) If the relief available under this order is not taken advantage of in respect of a financial year (the *first non-reliance year*) immediately following a financial year in which relief was taken advantage of then, unless the Entity lodges an annual financial report prepared under Chapter 2M of the Act for the first non-reliance year, a notice that the Entity has ceased to take advantage of the relief signed by a director or secretary is lodged with ASIC using Form 399:

- (i) within 4 months after the end of the first non-reliance year; or
- (ii) such other time as is approved in writing by ASIC;

*Annual resolution*

(kb) At or about the time of the Entity's balance date for the Relevant Financial Year the directors reassess the advantages and disadvantages associated with the Entity remaining a party to the Deed of Cross Guarantee and taking advantage of the relief afforded by this order and the directors resolve either that the Entity should continue to remain a party to the Deed of Cross Guarantee, or seek to revoke the Deed of Cross Guarantee, as the case may be;

*Timing requirements in relation to membership of Closed Group and being party to the Deed of Cross Guarantee*

(l) Before the end of the Relevant Financial Year:

- (i) the Entity and every other entity in the Closed Group became parties to the Deed of Cross Guarantee; and
- (ii) an original of that Deed of Cross Guarantee (or the relevant Assumption Deed) has been lodged with ASIC; and
- (iii) where the lodgement of a Deed referred to in paragraph (ii) occurs on or after 1 July 2004 — an original of a certificate relating to that Deed is also lodged with ASIC, where that certificate conforms with the definition of Certificate as it appeared in this order at the time that the Deed was lodged;

- (m) Where the Deed of Cross Guarantee has been lodged with ASIC before 1 July 2004, that Deed has been approved by ASIC at least 60 days before the signing of the Holding Entity's directors' declaration for the Relevant Financial Year or the document referred to in subparagraph (j)(iii);
- (n) The Entity and the Holding Entity were members of the Closed Group and parties to the Deed of Cross Guarantee at the end of the Relevant Financial Year and:
  - (i) remain members of the Closed Group and parties to that Deed at all times up to, and including, the date on which the Consolidated Financial Statements (or the document required by paragraph (f)(iii)) are lodged with ASIC; or
  - (ii) if the Entity ceased to be a member of the Closed Group or a party to the Deed prior to the date on which the directors of the Holding Entity lodged the Consolidated Financial Statements, within one month of that cessation the Entity became party to another Deed of Cross Guarantee with another holding entity, an original of which has been lodged with ASIC, and (after making reasonable and diligent enquiries) the Entity's directors have no reason to believe that the Entity may not be able to obtain relief under this order in respect of its next financial year;

*Initial procedures in applying for relief*

- (o) Before the end of the first financial year in respect of which the Entity took advantage of relief under this order or a previous order (being a financial year at the end of which the Entity was one of the Wholly-owned Entities of the Holding Entity):
  - (i) The directors of the Entity have made a statement, signed by at least 1 director, stating that in the directors' opinion immediately prior to the execution of the Deed of Cross Guarantee or Assumption Deed by the Entity there were reasonable grounds to believe that the Entity would be able to pay its debts as and when they become due and payable;
  - (ii) The directors of the Entity have resolved that the Entity should obtain the benefit of this order or a previous order and the directors have not revoked that resolution or resolved to the contrary;
  - (v) In respect of every other entity (the "Other Entity") which has become a party to the Deed of Cross Guarantee after the date of this order (irrespective of whether the Other Entity has taken advantage of relief under this order) the directors of that Other Entity have made a statement, signed by at least 1 director, and made before the end of the financial year in which it became a party to the Deed of Cross Guarantee, stating that in the directors' opinion immediately prior to the execution of the Deed of Cross Guarantee or Assumption Deed by the Other Entity there were reasonable grounds to believe that the Other Entity would be able to pay its debts as and when they become due and payable,

except that subparagraph (o)(i) does not apply where the Entity became a party to the Deed of Cross Guarantee prior to 1 July 1997 and has lodged with ASIC a financial report or financial statements containing an unqualified directors' declaration (required by section 295(4) of the Act) or directors' statement (required by section 301 or section 302 of the Corporations Law as it stood prior to the Company Law

Review Act 1998) in respect of a financial year which ended after becoming a party to the Deed of Cross Guarantee and before the Relevant Financial Year);

*Foreign entities*

- (q) No entity was a member of the Closed Group unless it:
- (i) was a company;
  - (ii) was a body corporate incorporated or formed in Australia, the United Kingdom, New Zealand, Singapore or Hong Kong; or
  - (iii) was the Holding Entity;
- (r) So long as any entity (including the Holding Entity, where applicable) which is not a body corporate incorporated or formed in Australia or a company ("the foreign entity") is a party to the Deed of Cross Guarantee the directors of the Entity and the Holding Entity are satisfied (as evidenced by resolutions of the directors of those two entities), before the Holding Entity lodges the Consolidated Financial Statements, that, on the basis of appropriate recent advice, the Deed of Cross Guarantee is in a class of documents generally enforceable in the foreign entity's place of incorporation or formation as against the foreign entity;

*Variations to Deed of Cross Guarantee*

- (s) Neither the Entity nor the Holding Entity have terminated, repudiated or attempted to repudiate or terminate or agreed to any variation of the Deed of Cross Guarantee except by:
- (i) an Assumption Deed contemplated by the Deed of Cross Guarantee and either:
    - (A) lodged with ASIC together with a certificate relating to that Deed, where that certificate conforms with the definition of Certificate as it appeared in this order at the time that the Deed was lodged; or
    - (B) where the Assumption Deed is lodged with ASIC before 1 July 2004 — approved by ASIC;
  - (ii) a Revocation Deed contemplated by the Deed of Cross Guarantee pursuant to which the Deed of Cross Guarantee ceases to apply to one or more entities other than the Entity;
  - (iii) the substitution of a trustee, or addition or substitution of an alternative trustee, contemplated by the Deed of Cross Guarantee and where the variation is lodged with ASIC before 1 July 2004 — approved by ASIC; or
  - (iv) any variation to reflect any amendment of the ASIC Pro Forma *Deed of Cross Guarantee* (ASIC Pro Forma 24) that may be made by ASIC from time to time;

*Companies which cease to be members of the Closed Group*

- (u) Within 2 months of ceasing to be a Wholly-owned Entity, the Entity prepares a financial report and directors' report for the Relevant Financial Year and lodges those documents with ASIC, except where:
- (i) within one month, the Entity becomes a party to another Deed of Cross Guarantee and (after making reasonable and diligent enquiries) the directors of the Entity have no reason to believe that it will not be relieved from preparing a financial report under this order in respect of its next financial year;
  - (ii) the Entity was also subject to relief from the requirement to prepare a financial report pursuant to a provision of the Act or another ASIC order in respect of the Relevant Financial Year;
  - (iii) at the time the Entity ceases to be a member of the Closed Group it is less than 1 month until, or is after, the end of the first financial year immediately after the Relevant Financial Year; or
  - (iv) the Entity was a small proprietary company for the Relevant Financial Year;

*Auditor of the Holding Entity*

- (v) If the Holding Entity's financial report is required to be audited, the auditor of the Holding Entity is satisfied that paragraphs (e), (f)(i), (g)(i), (h), (i) and (j) (as applicable) have been complied with; and

*Entities excluded from relying on this order*

- (w) ASIC has:
- (i) not notified the Entity in writing that it may not rely on this order or may not rely on this order for the Relevant Financial Year; or
  - (ii) notified the Entity in writing that it may not rely on this order or may not rely on this order for the Relevant Financial Year but has subsequently revoked or varied that notice so that it does not cover the Relevant Financial Year.

SCHEDULE

For reporting periods commencing before 1 January 2009 and where the version of accounting standard AASB 101 "Presentation of Financial Statements" ("AASB 101") dated September 2007 has not been adopted early by the Holding Entity for the Relevant Financial Year, the following information for the Relevant Financial Year with comparative information for the immediately preceding financial year:

- (i) An Income Statement setting out the information specified by paragraphs 81 to 85 of accounting standard AASB 101 "Presentation of Financial Statements" issued in July 2004 (as applicable to the financial statements of the Holding Entity for the Relevant Financial Year) ("old AASB 101");



(ii) Opening and closing retained earnings, dividends provided for or paid, and transfers to and from reserves; and

(iii) A Balance Sheet complying with paragraphs 68 to 73 of old AASB 101.

In any other case, the following information for the Relevant Financial Year with comparative information for the immediately preceding financial year:

(i) A Statement of Comprehensive Income setting out the information specified by paragraphs 82 to 87 of AASB 101 and, where paragraph 84 of AASB 101 is applied, an Income Statement;

(ii) Opening and closing retained earnings, dividends provided for or paid, and transfers to and from reserves; and

(iii) A Statement of Financial Position complying with paragraphs 54 to 59 of AASB 101.

Comparative information is only required where the Holding Entity was a holding entity in a deed of cross guarantee for the purposes of this order at any time during the immediately preceding financial year.

#### Interpretation

In this order:

“borrower in relation to debentures” means a body that is or will be liable to repay money under a debenture, but does not include a body that only has debentures on issue that were issued or allotted:

(i) by excluded issues to which paragraph 66(2)(d) of the Corporations Law applied as that Law stood prior to 13 March 2000; or

(ii) pursuant to offers which did not need disclosure to investors under Part 6D.2 of the Act because of s708(1) of the Act.

“Certificate” in relation to a Deed of Cross Guarantee or an Assumption Deed to which an Entity is a party, means one or more certificates in writing addressed to the Entity, the trustee and any alternative trustee under the Deed of Cross Guarantee and to ASIC which together include statements to the following effect:

(a) that the Deed is in exactly the same terms as ASIC Pro Forma 24 or 27 as the case requires except for the following:

(i) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the deed have been made;

(ii) execution clauses have been added, deleted, modified or varied as required in order to facilitate the proper execution of the deed;

(iii) the date has been completed;

- (iv) the headnote, the headings before the headnote and any editorial note have been omitted;
  - (v) in the case of an Assumption Deed which covers more than one Entity — such variations as are necessary to enable the additional entities to be covered;
  - (vi) in the case of an Assumption Deed which covers making the trustee of the Deed of Cross Guarantee to which the Assumption Deed relates a member of the Closed Group — such variations as are necessary to enable the Assumption Deed to have that effect;
- (b) that, in relation to the execution of the Deed by each party to it that is a company, either:
- (i) the Deed appears to be signed in accordance with subsection 127(1) of the Act; or
  - (ii) the company's common seal appears to have been fixed to the Deed, and the fixing of the seal appears to have been witnessed, in accordance with subsection 127(2) of the Act;

and the provider of the certificate does not know and has no reason to suspect that the Deed has not been duly executed by the company; and

- (ba) that the provider of the certificate, after having made such inquiries as were reasonable in the circumstances, is of the opinion that the Deed has been duly executed by each party to it that is not a company;

where:

- (e) the certificates referred to in paragraphs (a), (b) and (ba) are given by a lawyer who holds a practising certificate.

“Closed Group” means the Holding Entity and the Wholly-owned Entities;

“Control” has the same meaning as in accounting standard AASB 127 “Consolidated and Separate Statements” (for reporting periods commencing before 1 January 2013) or accounting standard AASB 10 “Consolidated Financial Statements” (for reporting periods commencing on or after 1 January 2013).

“Deed of Cross Guarantee” means the deed to which the Entity is a party which:

- (i) is in exactly the same terms as ASIC Pro Forma 24 except for the following:
  - (A) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the deed have been made;
  - (B) execution clauses have been added as required in order to facilitate the proper execution of the deed;
  - (C) the date has been completed;

- (D) the headnote, the headings before the headnote and any editorial note have been omitted;
- (ia) in the case of a deed lodged with ASIC before 1 July 2004 — is substantially in the form set out in ASIC Pro Forma 24 and which has been approved by ASIC under this order;
- (iaa) in the case of a deed lodged with ASIC on or after 1 July 2004 but before 31 March 2008—is in exactly the same terms as ASIC Pro Forma 24 as at the date the deed was lodged except for the matters set out in subparagraphs (i)(A) to (D);
- (ii) has been approved for the purposes of a previous order; or
- (iii) is in the form required for the purposes of Class Order [CO 95/1530], has been lodged with ASIC between 1 July 1998 and the date of this order, and has been approved by ASIC for the purposes of this order or Class Order [CO 95/1530] (even if the Entity never obtains relief under Class Order [CO 95/1530]),
- and includes such a deed as varied by:
- (iv) an Assumption Deed contemplated by the Deed of Cross Guarantee and either:
- (A) lodged with ASIC together with a certificate relating to that Deed, where that certificate conforms with the definition of Certificate as it appeared in this order at the time that the Deed was lodged;
- (B) where the Assumption Deed is lodged with ASIC before 1 July 2004 — approved by ASIC;
- (v) a Revocation Deed contemplated by the Deed of Cross Guarantee;

“Exempt Entity” means a company which is not controlled by a foreign company and which is:

- (a) a small proprietary company; or
- (b) a large proprietary company which:
- (i) satisfied all of the requirements of s319(4) of the Corporations Law (as taken to be included in the Act by s1408(2) of the Act), or would have satisfied all of those requirements except that its financial statements or financial reports during 1993 or a later financial year were not audited before the deadline for reporting to members for that year pursuant to relief obtained under this Class Order, Class Order [CO 95/1530] or Class Order [CO 96/1579]; and
- (ii) has not at any time during 1993 or a later financial year been a member of a Closed Group for the purposes of this Class Order or Class Order [CO 95/1530] where that Closed Group included a company which was not an Exempt Entity;

“Extended Closed Group” means the Closed Group and any other entities which are parties to the Deed of Cross Guarantee and which are controlled by the Holding Entity;

"Holding Entity" is a company, a disclosing entity which is a body corporate incorporated or formed in Australia, or a registered foreign company:

- (i) of which the Entity is one of the Wholly-owned Entities;
- (ii) which is not controlled by another member of the Closed Group; and
- (iii) which is a party to the Deed of Cross Guarantee;

"previous order" means any one of ASIC Class Orders [CO 91/996] dated 19 December 1991, [CO 92/770] dated 20 July 1992, [CO 93/1370] dated 4 November, [CO 94/1862] dated 13 December 1994, [CO 95/1530] dated 10 November 1995 or [CO 96/153] dated 12 March 1996; and

"Wholly-owned Entities" collectively mean companies and foreign companies:

- (i) all of which are controlled by the Holding Entity;
- (ii) no member of any of which is a person other than the Holding Entity, another one of the Wholly-owned Entities, a nominee for the Holding Entity or a nominee for another one of the Wholly-owned Entities; and
- (iii) all of which are parties to the Deed of Cross Guarantee.

#### Second order

And under subsection 341(1) of the Act ASIC relieves a company that is a Holding Entity for the purposes of the first order from the requirement to comply with subsections 295(2) and (3) of the Act to the extent they would prevent:

- (a) the inclusion of Consolidated Financial Statements (for the purposes of paragraph (f) of the first order) where the consolidated group is not a reporting entity for the purposes of accounting standards under subsection 296(1) of the Act; or
- (b) the notes to the Consolidated Financial Statements (within the meaning of the first order) from including the information specified in paragraph (i) of the first order.

#### Revocations

Pursuant to subsection 341(1) of the Corporations Act 2001 ("the Act"), the Australian Securities and Investments Commission hereby revokes Class Orders [CO 95/1530] dated 10 November 1995, [CO 96/153] dated 12 March 1996, [CO 96/805] dated 28 May 1996 and [CO 97/1018] dated 9 July 1997, with effect for financial years ending on or after 1 July 1998 (8 July 1998 where the Holding Entity adopts Class Order [CO 98/0095]).

## Notes to ASIC Class Order [CO 98/1418]

### Note 1

ASIC Class Order [CO 98/1418] (in force under s341(1) of the *Corporations Act 2001*) as shown in this compilation comprises that Class Order amended as indicated in the tables below.

### Table of Instruments

Instrument number	Date of making or FRLI registration	Date of commencement	Application, saving or transitional provisions
[CO 98/1418]	13/8/1998 ( <i>see</i> F2006B01644)	13/8/1998	
[CO 98/2017]	30/10/1998 ( <i>see</i> F2006B00222)	30/10/1998	-
[CO 00/321]	8/2/2000 ( <i>see</i> F2006B00369)	8/2/2000	-
[CO 01/1087]	4/10/2001 ( <i>see</i> F2006B01645)	4/10/2001	-
[CO 02/248]	2/3/2002 ( <i>see</i> F2006B01646)	11/3/2002	-
[CO 02/1017]	26/7/2002 ( <i>see</i> F2006B01654)	26/7/2002	-
[CO 04/663]	22/6/2004 ( <i>see</i> F2006B01656)	22/6/2004	-
[CO 04/682]	1/7/2004 ( <i>see</i> F2006B01657)	1/7/2004	-
[CO 05/542]	20/6/2005 ( <i>see</i> F2005L01930)	20/6/2005	-
[CO 05/1270]	16/12/2005 ( <i>see</i> F2011C00498)	1/1/2005	-
[CO 06/51]	31/1/2006 ( <i>see</i> F2006L00292)	31/1/2006	-
[CO 08/11]	31/3/2008 ( <i>see</i> F2008L00956)	31/3/2008	-
[CO 08/285]	16/6/2008 ( <i>see</i> F2008L0209i)	16/6/2008	-
[CO 08/618]	14/8/2008 ( <i>see</i> F2008L03055)	14/8/2008	-
[CO 09/626]	11/8/2009 ( <i>see</i> F2009L03131)	11/8/2009	-
[CO 13/1051]	22/8/2013 ( <i>see</i> F2013L01614)	22/8/2013	-

### Note 2

ASIC Class Order [CO 05/1270] incorporates by reference amendments set out in ASIC Class Order [CO 04/1624]. A copy of ASIC Class Order [CO 04/1624] may be obtained from ASIC's website: <http://www.asic.gov.au/co>.

## Table of Amendments

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted

Provision affected	How affected
Class order .....	{CO 98/2017}; [CO 00/321]; [CO 01/1087]; [CO 04/663] and [CO 06/51]
Subpara (6 <sup>b</sup> dash point).....	ad. [CO 98/2017] rs. [CO 04/663]
Para (b) heading.....	rs. [CO 04/663]
Para (c).....	am. [CO 01/1087] and [CO 02/248]
Para (da).....	ad. [CO 04/663]
Para (db).....	ad. [CO 04/663]
Para (f)(i) .....	am. [CO 05/1270]
Para (f)(ii) .....	am. [CO 01/1087] and [CO 06/51]
Para (f)(iii) .....	am. [CO 06/51]
Para (h)(i).....	am. [CO 06/51] rep. [CO 08/618]
Para (i) .....	am. [CO 01/1087]
Para (j)(iii) .....	am. [CO 06/51]
Para (k).....	am. [CO 06/51] rs. [CO 08/11] and [CO 09/626]
Para (ka).....	ad. [CO 08/11]
Para (kb).....	ad. [CO 08/11]
Para (l) .....	am. [CO 08/11]
Para (l)(ii) .....	ad. [CO 04/663] am. [CO 06/51] and [CO 08/285]
Para (m) .....	am. [CO 04/663]
Para (o)(i).....	am. [CO 08/11]
Para (o)(ii).....	rep. [CO 08/11]
Para (o)(iv).....	rs. [CO 04/663] rep [CO 08/11]
Para (o)(v).....	am. [CO 08/11]
Para (p).....	rep. [CO 08/11]
Para (p)(i).....	am. [CO 01/1087]
Para (p)(iii).....	am. [CO 01/1087]
Para (q)(iii).....	am. [CO 01/1087]
Para (s) .....	am. [CO 01/1087]
Para (s)(i) .....	rs. [CO 04/663]
Para (s)(i)(A).....	am. [CO 08/285]
Para (s)(iii) .....	rs. [CO 04/663]; am. [CO 08/285] and [CO 08/618]

Provision affected	How affected
Para (t).....	rep. [CO 06/51]
Para (w).....	rs. [CO 08/11]
Schedule.....	am. [CO 01/1087] and [CO 02/1017] rs. [CO 05/1270] and [CO 08/11] am. [CO 08/285] and [CO 08/618]
Interpretation.....	am. [CO 01/1087]; [CO 02/248]; [CO 04/663]; [CO 05/1270]; [CO 05/542]; [CO 08/11], [CO 08/285] and [CO 13/1051]
Second order .....	am. [CO 06/51] rs. [CO 08/11]
Revocations.....	am. [CO 06/51]

Australian Securities &  
Investments Commission



F06  
Corporations Act 2001

## Deeds of cross-guarantee and related documents – Class Order 98/1418

Attach the documents indicated below to this form.

Document details	Type of document	ASIC use only (Form code)
Indicate in the appropriate box the type of document(s) included with this form.	<input checked="" type="checkbox"/> Deed of cross-guarantee – (Pro forma 24)	351
	<input type="checkbox"/> Assumption deed relating to class order – (Pro forma 27)	352
	<input type="checkbox"/> Notice of disposal relating to class order – (Pro forma 25)	353
	<input type="checkbox"/> Revocation deed – (Pro forma 26)	355

### Ultimate holding company details

Company/entity name

AUSTRALIAN MUSIC GROUP HOLDINGS PTY LTD

ACN/ABN/ARBN

127 691 534

### Lodgement details

Who should ASIC contact (if there is a query about this form?)

Firm/organisation

Middletons

Contact name/position description

Chris Nikou

ASIC registered agent number (if applicable)

2550

Company/entity name

ACN/ABN/ARBN (if applicable)

Telephone number

(03) 9205 2000

Postal or DX address

Level 25, Rialto South Tower, 525 Collins Street

Melbourne VIC 3000

Email address (optional)

Total number of pages including this cover sheet

25



**Signature**

I certify that the information in this form is true and complete.

Name

Chris Nikou

Capacity

Agent

Entity name (if acting as an agent)

Middletons

Signature



Date signed

2 7 / 0 8 / 1 2  
(D D) (M M) (Y Y)

**Lodgement**

Send completed and signed forms to:  
Australian Securities and Investments Commission,  
PO Box 4000, Gippsland Mail Centre VIC 3841.

**For more information**

Web [www.asic.gov.au](http://www.asic.gov.au)  
Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

## Pro Forma 24 Deed of cross guarantee

Class Order [CO 98/1418] — Wholly-owned entities

This Deed of Cross Guarantee is made on 26<sup>th</sup> June 2012  
between:

- (1) The Group Entities (which are listed in Part 1 of the Schedule);
- (2) The Trustee (which is named in Part 2 of the Schedule); and
- (3) The Alternative Trustee (which is named in Part 3 of the Schedule) (if applicable),

for the purpose of the Group Entities (except those indicated in Part 1 of the Schedule as being ineligible) obtaining the benefit of the Class Order and witnesses as follows:

### 1 Interpretation

#### 1.1 In this Deed:

“Act” means the *Corporations Act 2001*;

“ASIC” means the Australian Securities and Investments Commission;

“Associate” has the meaning given by Division 2 of Part 1.2 of the Act;

“Assumption Deed” means a Deed executed pursuant to clause 5 by which a further Group Entity or further Group Entities may be joined to this Deed of Cross Guarantee;

“Certificate” in relation to a Deed of Cross Guarantee or an Assumption Deed, means one or more certificates in writing addressed to each Group Entity or proposed Group Entity covered by the Deed, the Trustee named in Part 2 of Schedule and any Alternative Trustee named in Part 3 of the Schedule and to ASIC which together include statements to the following effect:

- (a) that the Deed:
  - (i) is in exactly the same terms as ASIC Pro Forma 24 or 27 as the case requires except for the following:
    - (A) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the deed have been made;

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

- (B) execution clauses have been added, deleted, modified or varied as required in order to facilitate the proper execution of the deed;
  - (C) the deed has been completed;
  - (D) the headnote, the headings before the headnote and any editorial notes have been omitted;
  - (E) in the case of an Assumption Deed which covers more than one proposed Group Entity — such variations as are necessary to enable the additional entities to be covered;
  - (F) in the case of an Assumption Deed which covers making the trustee of the Deed of Cross Guarantee to which the Assumption Deed relates a member of the Closed Group — such variations as are necessary to enable the Assumption Deed to have that effect;
- (b) that, in relation to the execution of the Deed by each party to it that is a company, either:
- (i) the Deed appears to be signed in accordance with subsection 127(1) of the Act; or
  - (ii) the company's common seal appears to have been fixed to the Deed, and the fixing of the seal appears to have been witnessed, in accordance with subsection 127(2) of the Act;

and the provider of the certificate does not know and has no reason to suspect that the Deed has not been duly executed by the company;

- (ba) that the provider of the certificate, after having made such inquiries as were reasonable in the circumstances, is of the opinion that the Deed has been duly executed by each party to it that is not a company;

where:

- (c) the certificates referred to in paragraphs (a), (b) and (ba) are given by a lawyer who holds a practising certificate;

“Class Order” means Class Order [CO 98/1418] made by ASIC pursuant to subsection 341(1) of the Act;

“Closed Group” means the Holding Entity and its Wholly-

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

owned Entities;

“company” has the same meaning as in section 9 of the Act;

“Control” has the same meaning as that term has in accounting standard AASB 127 “Consolidated and Separate Financial Statements”;

“Creditor” means a person (whether now ascertained or ascertainable or not) who is not a Group Entity and to whom now or at any future time a Debt (whether now existing or not) is or may at any future time be or become payable;

“Debt” means any debt or claim which is now or at any future time admissible to proof in the winding up of a Group Entity and no other claim;

“Group Entity” means (until this Deed of Cross Guarantee ceases to apply to that entity by virtue of a disposal under clause 4.2 or until that entity is released from this Deed of Cross Guarantee by a Revocation Deed under clause 4.5):

- (a) any one of the entities listed in Part 1 of the Schedule; and
- (b) any entity joined to this Deed of Cross Guarantee by the execution of an Assumption Deed;

“Holding Entity” means the Group Entity which controls each of the other Group Entities and which is not controlled by another Group Entity;

“lawyer” has the same meaning as in section 9 of the Act;

“Revocation Deed” means a Deed executed pursuant to clause 4.5 by virtue of which this Deed of Cross Guarantee ceases to apply to one or more of the Group Entities; and

“Wholly-owned Entities” collectively mean companies and foreign companies:

- (a) all of which are controlled by the Holding Entity;
- (b) no member of any of which is a person other than the Holding Entity, another one of the Wholly-owned Entities, a nominee for the Holding Entity or a nominee for another one of the Wholly-owned Entities; and
- (c) all of which are parties to the Deed of Cross Guarantee,

except that, when used in reference to a “Group Entity sold”, “Wholly-owned Entities” collectively mean companies and foreign companies:

- (a) all of which are controlled by the Group Entity sold;
- (b) no member of any of which is a person other than the Group Entity sold, another one of the Wholly-owned Entities, a nominee for the Group Entity sold or a nominee for another one of the Wholly-owned Entities; and

ASIC PRO FORM 24— DEED OF CROSS GUARANTEE

(c) all of which are parties to the Deed of Cross Guarantee.

**2 Operation of deed**

2.1 This Deed of Cross Guarantee will be of no force and effect until the Holding Entity has submitted an original of this Deed of Cross Guarantee for lodgment at ASIC together with an original of a Certificate relating to this Deed.

**3 Cross guarantee**

- 3.1 Subject to clause 3.4, each Group Entity covenants with the Trustee for the benefit of each Creditor that the Group Entity guarantees to each Creditor payment in full of any Debt in accordance with this Deed of Cross Guarantee.
- 3.2 Each Group Entity agrees with the Trustee that this Deed of Cross Guarantee becomes enforceable in respect of the Debt of a Group Entity ("the Group Entity"):
- (a) upon the winding up of the Group Entity under subsection 459A or paragraphs 461(1)(a), (h) or (j) of the Act or as a creditors' voluntary winding up under Part 5.5 Division 3 of the Act; or
  - (b) in any other case — if six months after a resolution or order for the winding up of the Group Entity any Debt of a Creditor of the Group Entity has not been paid in full.
- 3.3 Subject to clause 3.4, the Trustee and each Group Entity acknowledge that the Trustee holds the benefit of the covenants and commitments of each Group Entity made pursuant to this Deed upon trust for each Creditor.
- 3.4 If an Alternative Trustee is named in Part 3 of the Schedule, then:
- (a) the Trustee covenants with the Alternative Trustee as trustee for the benefit of each Creditor that the Trustee guarantees to each Creditor payment in full of any Debt in accordance with this Deed of Cross Guarantee; and
  - (b) for the purposes of this covenant the provisions of this Deed of Cross Guarantee will apply to the Trustee as if it was a Group Entity and was not the Trustee and to the Alternative Trustee as if it was the Trustee.

**4 Revocation and release**

- 4.1 This Deed of Cross Guarantee and the trusts constituted by it may not be revoked or released except as expressly permitted by this Deed.
- 4.2 If:

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

- (a) a liquidator, receiver, receiver and manager, controller, or scheme manager or administrator of a company under administration or of a deed of company arrangement is appointed to or to the property of the Group Entity or each of the Group Entities owning shares in a Group Entity (the "Group Entity sold") and that Group Entity or those Group Entities disposes (or dispose) of all issued shares in the Group Entity sold and the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly-owned Entity of the Group Entity sold); or
- (b) a mortgagee or mortgagees (other than a Group Entity or an Associate of any Group Entity) of shares owned by a Group Entity or by Group Entities in another Group Entity (the "Group Entity sold") disposes (or dispose) of all issued shares in the Group Entity sold and the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly-owned Entity of the Group Entity sold); or
- (c) the Group Entity or Group Entities owning shares in a Group Entity (the "Group Entity sold") disposes (or dispose) of all issued shares in the Group Entity sold and:
  - (i) the directors of the Holding Entity upon disposal certify in writing that the disposal is a bona fide sale and that the consideration for the sale is fair and reasonable; and
  - (ii) a copy of that certificate is lodged by the Holding Entity, and by the Group Entity sold, with ASIC; and
  - (iii) the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly-owned Entity of the Group Entity sold),

then provided that the disposal is not to an Associate of any Group Entity:

- (d) this Deed of Cross Guarantee shall cease to apply to the Group Entity sold and to any Group Entity which is a Wholly-owned Entity of the Group Entity sold; and
- (e) the Group Entity sold and every Group Entity which is a Wholly-owned Entity of the Group Entity sold will be released from all liability under this Deed of Cross Guarantee including liability:
  - (i) arising or accruing prior to or after such disposal; or

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- (ii) due to this Deed of Cross Guarantee becoming enforceable prior to or after such disposal against the Group Entity sold or against a Group Entity which is a Wholly-owned Entity of the Group Entity sold; and
  - (f) each other Group Entity will be released from all liability whatever under this Deed of Cross Guarantee in respect of any Debt of the Group Entity sold or in respect of any Debt of a Group Entity which is a Wholly-owned Entity of the Group Entity sold including liability:
    - (i) in respect of any Debt arising or accruing before or after such disposal; or
    - (ii) due to this Deed of Cross Guarantee becoming enforceable before or after such disposal against the Group Entity or any Group Entity which is a Wholly-owned Entity of the Group Entity sold; and
  - (g) the trust constituted by this Deed shall be revoked in respect of the covenants made pursuant to this Deed of Cross Guarantee:
    - (i) by the Group Entity sold; and
    - (ii) by any Group Entity which is a Wholly-owned Entity of the Group Entity sold.
- 4.3 A disposal under clause 4.2 may be effected even if:
- (a) this Deed of Cross Guarantee has become enforceable in respect of a Group Entity; or
  - (b) the winding up as mentioned in clause 3.2 of any Group Entity has commenced.
- 4.4 Any of the Group Entities or the Group Entity sold may upon payment of the reasonable costs of the Trustee require the Trustee to execute a Deed containing a release by the Trustee:
- (a) of the Group Entity sold and every Group Entity which is a Wholly-owned Entity of the Group Entity sold in terms similar to paragraph 4.2(e) of this Deed of Cross Guarantee; and
  - (b) of each other Group Entity in terms similar to paragraph 4.2(f) of this Deed of Cross Guarantee.
- 4.5 The Group Entities which are from time to time parties to this Deed of Cross Guarantee may revoke this Deed of Cross Guarantee in respect of any Group Entity or all Group Entities by all executing a Revocation Deed the effect of which will be conditional upon:
- (a) the Holding Entity lodging an original of that Revocation Deed with ASIC; and

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

- (b) each Group Entity giving notice to its Creditors of the Revocation Deed by public advertisement (which may be a joint advertisement by two or more Group Entities) made at any time before or within one month after the date on which the original of the Revocation Deed is lodged with ASIC in a daily newspaper circulating in each state and territory in which any Creditor of the Group Entity is located; and
- (c) there being no winding up as mentioned in paragraph 3.2(a) of any Group Entity being either:
  - (i) a winding up within six months after the original of the Revocation Deed is lodged with ASIC; or
  - (ii) a winding up the commencement of which occurs within six months after the original of the Revocation Deed is lodged with ASIC,

and upon satisfaction of those conditions:

- (d) any Group Entity in respect of which this Deed of Cross Guarantee is revoked by that Revocation Deed (the "Group Entity released") will be released from all liability whatever under this Deed of Cross Guarantee including liability:
  - (i) arising or accruing before or after:
    - (A) execution of the Revocation Deed; or
    - (B) those conditions being satisfied; or
  - (ii) due to this Deed of Cross Guarantee becoming enforceable against the Group Entity released before or after:
    - (A) execution of the Revocation Deed; or
    - (B) those conditions being satisfied; and
- (e) each other Group Entity will be released from all liability under this Deed of Cross Guarantee in respect of any Debt of the Group Entity released including liability:
  - (i) in respect of any Debt arising or accruing before or after:
    - (A) execution of the Revocation Deed; or
    - (B) those conditions being satisfied; or
  - (ii) due to this Deed of Cross Guarantee becoming enforceable against the Group Entity before or after:
    - (A) execution of the Revocation Deed; or
    - (B) those conditions being satisfied; and



ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

(f) the trust constituted by this Deed of Cross Guarantee shall be revoked in respect of the covenants of each Group Entity released.

4.6 A Revocation Deed under clause 4.5 may be executed even if:

- (a) this Deed of Cross Guarantee has become enforceable in respect of a Group Entity; or
- (b) the winding up of a Group Entity has commenced.

4.7 The Group Entities may upon payment of the reasonable costs of the Trustee require the Trustee to be a party to a Revocation Deed and if so required the Trustee must execute the Revocation Deed which shall contain a release by the Trustee:

- (a) of the Group Entity released in terms similar to paragraph 4.5(d) of this Deed of Cross Guarantee; and
- (b) of the other Group Entities in terms similar to paragraph 4.5(e) of this Deed of Cross Guarantee.

**5 Assumption deed**

5.1 The Holding Entity may by executing an Assumption Deed to which the Trustee and any further controlled entity or controlled entities of the Holding Entity eligible for the benefit of the Class Order are party join a further Group Entity or further Group Entities to this Deed.

5.2 An Assumption Deed will be of no force and effect until the Holding Entity has submitted an original of the Assumption Deed for lodgment at ASIC together with an original of a Certificate relating to that Deed.

5.3 Any further Group Entity so added by an Assumption Deed will be taken to have assumed liability under this Deed of Cross Guarantee as if that Group Entity had executed this Deed of Cross Guarantee.

**6 Deed poll**

6.1 As a separate covenant by way of Deed Poll each Group Entity agrees with each Creditor that the Group Entity will guarantee to each Creditor payment of any Debt due to the Creditor from any other Group Entity in accordance with this Deed of Cross Guarantee.

**7 Trustee and alternative trustee**

7.1 The only obligations of the trustee (including the Alternative Trustee if applicable in respect of the Trustee where the Trustee is the Holding Entity or a Group Entity) are:

- (a) to act as bare Trustee for the benefit of each Creditor of the Covenants of each Group Entity contained in this Deed of Cross Guarantee;

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

- (b) upon request to assign to any Creditor the benefit of this Deed of Cross Guarantee in so far as it benefits that Creditor (such assignment to be at the cost of the Creditor who must fully indemnify the Trustee);
  - (c) to permit its name to be used in any demand or notice made or given by or legal proceedings brought by any Creditor seeking to enforce the benefit of this Deed of Cross Guarantee (but the Creditor must fully indemnify the Trustee and provide the Trustee with any reasonable security for costs which the Trustee may require);
  - (d) upon request to lodge in its name on behalf of any Creditor or Creditors a proof of debt in the winding up of a Group Entity of a claim under this Deed of Cross Guarantee (such proof to be at the cost of the Creditor or Creditors who must fully indemnify the Trustee); and
  - (e) to execute a release pursuant to clause 4.4 or 4.7 when required to do so.
- 7.2 The Trustee has no duty to supervise or monitor any Group Entity or to claim or pursue any Debt or (except as provided in clause 7.1) to enforce this Deed of Cross Guarantee.
- 7.3 The Trustee must execute a release pursuant to clause 4.4 or clause 4.7 when required to do so and the Trustee has no duty to inquire as to the propriety of any Deed of Revocation or of any disposal of shares in a Group Entity.
- 7.4 The Trustee is entitled to full indemnity from any Creditor for anything done by the Trustee at the request of the Creditor.
- 7.5 The Trustee may retire and appoint a new Trustee.

## 8 General

- 8.1 Execution of this Deed of Cross Guarantee is not to bar any person or company from disposing of any share in a Group Entity and is not to bar any Group Entity from executing a Revocation Deed at any time and does not amount to a representation by or agreement of any person or any Group Entity to or with any Creditor or other person that this Deed of Cross Guarantee may not be revoked as provided for in its terms.
- 8.2 This Deed of Cross Guarantee shall be governed by and construed in accordance with the laws of Victoria and each party to this Deed of Cross Guarantee agrees to submit to the non-exclusive jurisdiction of the Courts of Victoria.

## 9 Waiver

- 9.1 Each Group Entity agrees with the Trustee for the benefit of

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

each Creditor that:

- (a) no Group Entity shall be entitled to:
  - (i) the benefit of any security or securities now or in future held or taken or otherwise acquired by a Creditor from a Group Entity;
  - (ii) the benefit of any dividend, composition or payment received by any Creditor from any Group Entity under any such security or securities; or
  - (iii) prove for or claim, demand or receive any such dividend, composition or payment.
- (b) If any security given or payment made to a Creditor by a Group Entity or by any other person is avoided or reduced by virtue of any law relating to liquidation, the Creditor shall then be entitled to recover the value or amount of any such security or payment from each Group Entity despite any prior settlement, discharge or release between the Creditor and any Group Entity.

9.2 Each Group Entity agrees with the Trustee for the benefit of each Creditor that no Creditor is under any obligation to:

- (a) give notice to any Group Entity of any amendment of any agreement giving rise to a Debt or of any breach of any such agreement; or
- (b) enforce this Guarantee against all of the Group Entities but may in its absolute discretion at any time and from time to time proceed against any or all of them.

9.3 Each Group Entity agrees with the Trustee for the benefit of each Creditor that the liability of each Group Entity shall not be affected by any one or more of the following (whether or not done or occurring by or with the consent of the Creditor or with the knowledge or consent of any Group Entity):

- (a) any collateral rights or obligations which may exist between any Group Entities;
- (b) any variation or avoidance of any such collateral rights or obligations;
- (c) any other person becoming a guarantor of a Group Entity's obligations and liabilities;
- (d) any other person intended to be bound as a surety in respect of a Group Entity's obligations and liabilities not being or becoming so bound;
- (e) any other Group Entity being released from or ceasing to be bound by this Deed of Cross Guarantee;
- (f) the giving of any release or waiver by any Creditor to any Group Entity;

ASIC PRO FORM 24— DEED OF CROSS GUARANTEE

- (g) the making of any arrangement or compromise by any Creditor with any of the Group Entities;
- (h) delay or failure by any Creditor to enforce this Deed of Cross Guarantee;
- (i) liquidation of any Group Entity or of any surety of a Group Entity;
- (j) the giving of any security by any Group Entity; or
- (k) where a Group Entity is a member of any partnership, any change in the membership of such partnership.

9.4 Each Group Entity agrees with the Trustee for the benefit of each Creditor that without the consent of any Group Entity each Creditor may at any time and from time to time without affecting the liability of any Group Entity under this Deed of Cross Guarantee:

- (a) grant to the Group Entity which is the principal debtor any indulgence or consideration;
- (b) compound with or release the Group Entity which is the principal debtor;
- (c) assent to any assignment to trustees for the benefit of Creditors under any scheme or deed of arrangement of the Group Entity which is the principal debtor whether with or without the winding up of the Group Entity which is the principal debtor;
- (d) assent to the appointment of a receiver, controller or administrator of a company under administration or a deed of company arrangement of the Group Entity which is the principal debtor; or
- (e) release or discharge or otherwise deal with any property whether real or personal comprised in any security held from the Group Entity which is the principal debtor.

9.5 Each Group Entity agrees with the Trustee for the benefit of each Creditor that:

- (a) no failure or delay of a Creditor to exercise any right given to it under this Deed of Cross Guarantee, or to insist on strict compliance by the Group Entity which is the principal debtor or any other Group Entity with any obligation in respect of any Debt or under this Deed of Cross Guarantee, and no custom or practice of the Creditor or the Group Entities at variance with the terms of this Deed of Cross Guarantee, will constitute a waiver or variation of each Creditor's right to demand exact compliance with the terms of this Deed of Cross Guarantee;

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

- (b) any delay or omission of any Creditor to exercise any right arising from a breach of any obligation by a Group Entity will not affect or prejudice any Creditor's rights arising from such breach, or any subsequent breach, or the continuance of any breach; and
- (c) waiver by any Creditor of any particular breach by any Group Entity will not affect or prejudice any Creditor's rights in respect of any subsequent breach of the same or of a different nature.

9.6 Each Group Entity agrees with the Trustee for the benefit of each Creditor that:

- (a) all benefits, compositions and payments received by any Creditor from or on account of any Group Entity, including any dividends upon the liquidation of the Group Entity which is the principal debtor or of any Group Entity, or from any other person or from the realisation or enforcement of any security, guarantee or indemnity capable of being applied by any Creditor in or towards satisfaction of a Debt, will be applied as payments in gross;
- (b) no dividend or payment received by any Creditor in a liquidation of the Group Entity which is the principal debtor shall prejudice or affect the right of the Creditor to recover the Debt from each Group Entity to the full extent of this Deed of Cross Guarantee.

## 10 Variations

10.1 The Group Entities and the Trustee may by executing another deed vary this Deed of Cross Guarantee to reflect any amendments of ASIC Pro Forma *Deed of Cross Guarantee* (ASIC Pro Forma 24) that may be made by ASIC from time to time.

## SCHEDULE

### Parties to this Deed of Cross Guarantee

#### PART I — GROUP ENTITIES

- (1) Holding Entity:  
Australian Music Group Holdings Pty Ltd ACN 127 691 534
- (2) Group Entities (other than the Holding Entity) which are as at the date of execution of the Deed eligible for the benefit of the Class Order:

ASIC PRO FORMA 24— DEED OF CROSS GUARANTEE

Allans Billy Hyde Stage Systems Pty Ltd	ACN 159 148 222
AMG Shared Services Pty Ltd	ACN 117 052 936
Australian Music Group Pty Ltd	ACN 127 926 434
Australian Music Pty Ltd	ACN 125 007 561
Billy Hyde Imports Pty Ltd	ACN 102 430 704
Billy Hyde Music Adelaide Pty Ltd	ACN 118 409 466
Billy Hyde Music Brisbane Pty Ltd	ACN 110 657 719
Billy Hyde Music Gold Coast Pty Ltd	ACN 125 873 752
Billy Hyde Music Group Pty Ltd	ACN 116 398 371
Billy Hyde Music Sunshine Coast Pty Ltd	ACN 121 011 970
Intermusic Distribution Pty Ltd	ACN 006 539 831
MLA Asset Services Pty Ltd	ACN 131 523 905
MLA Services Pty Ltd	ACN 005 564 509
Music Link Australia Pty Ltd	ACN 005 541 239
Music Link Orchestral Supplies Pty Ltd	ACN 117 581 996
Musiclink Group Pty Ltd	ACN 125 412 464
The Billy Hyde Group Pty Ltd	ACN 126 132 107

- (3) Group Entities (other than the Holding Entity) which are as at the date of execution of the Deed ineligible for the benefit of the Class Order:

NOT APPLICABLE

PART 2 — TRUSTEE

Trustee:

Australian Music Group Holdings Pty Ltd ACN 127 691 534

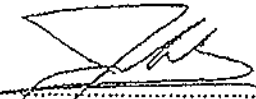
PART 3 — ALTERNATIVE TRUSTEE

Alternative trustee:

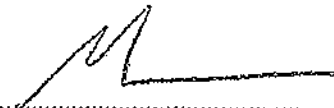
Australian Music Group Pty Ltd ACN 127 926 434

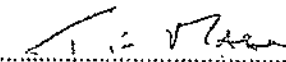
EXECUTED AS A DEED

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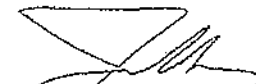
  
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Signature of director

JOHN HEWITT  
.....  
Name (please print)


  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

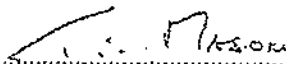
  
.....  
Name (please print)

Executed by Allans Billy Hyde Stage Systems Pty Ltd ACN 159 148 222 in accordance with section 127(1) of the Corporations Act 2001 (Cth):

  
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Signature of director

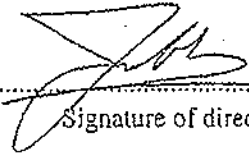
JOHN HEWITT  
.....  
Name (please print)

  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

  
.....  
Name (please print)

ASIC PRO FORM 24—DEED OF CROSS GUARANTEE

Executed by AMG Shared Services Pty Ltd  
ACN 117 052 936 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth):



Signature of director

JOHN HELME

Name (please print)



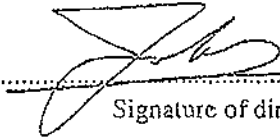
Signature of director or company secretary\*

\*delete whichever does not apply

TIM MASON

Name (please print)

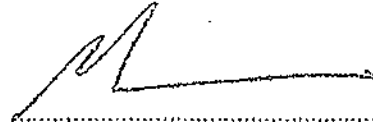
Executed by Australian Music Group Pty Ltd  
ACN 127 926 434 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth):



Signature of director

JOHN HELME

Name (please print)



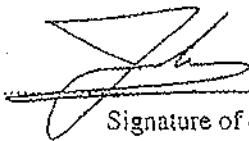
Signature of director or company secretary\*

\*delete whichever does not apply

TIM MASON

Name (please print)

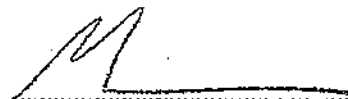
Executed by Australian Music Pty Ltd ACN  
125 007 561 in accordance with section 127(1)  
of the *Corporations Act 2001* (Cth):



Signature of director

JOHN HELME

Name (please print)



Signature of director or company secretary\*

\*delete whichever does not apply

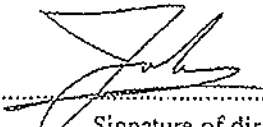
TIM MASON

Name (please print)




ASIC PRO FORMA 24—DEED OF CROSS GUARANTEE

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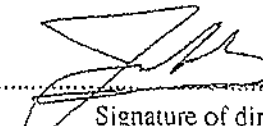
  
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Signature of director

JOHN HELVIE  
.....  
Name (please print)

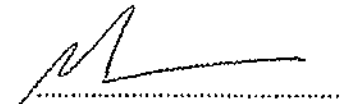
  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

TIM MASON  
.....  
Name (please print)

Executed by Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:


  
.....  
Signature of director

JOHN HELVIE  
.....  
Name (please print)


  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

TIM MASON  
.....  
Name (please print)

Executed by Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

  
.....  
Signature of director


JOHN HELVIE  
.....  
Name (please print)

  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

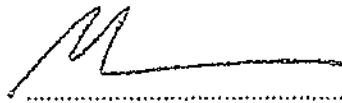
TIM MASON  
.....  
Name (please print)

ASIC PRO FORM 24—DEED OF CROSS GUARANTEE

Executed by Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

  
Signature of director

JOHN HELME  
Name (please print)

  
Signature of director or company secretary\*  
\*delete whichever does not apply

TIM MASON  
Name (please print)

Executed by Billy Hyde Music Group Pty Ltd ACN 116 398 371 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

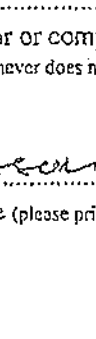
  
Signature of director

JOHN HELME  
Name (please print)


  
Signature of director or company secretary\*  
\*delete whichever does not apply

TIM MASON  
Name (please print)

Executed by Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970 in accordance with section 127(1) of the *Corporations Act 2001* (Cth):

  
Signature of director

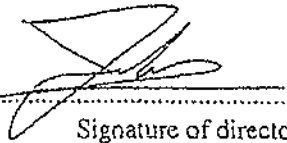
JOHN HELME  
Name (please print)

  
Signature of director or company secretary\*  
\*delete whichever does not apply

TIM MASON  
Name (please print)

ASIC PRO FORM 24 DEED OF CROSS GUARANTEE

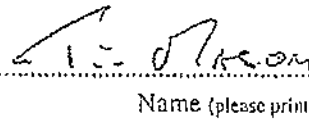
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ACN 006 539 831 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth):

  
Signature of director

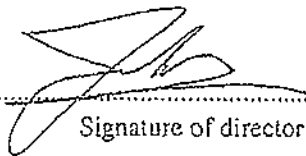
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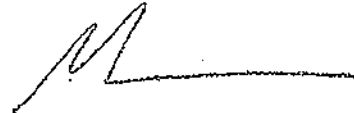
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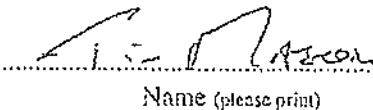
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ACN 131 523 905 in accordance with  
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(Cth):

  
Signature of director

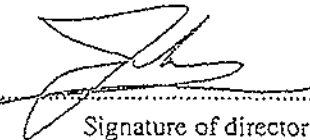
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Name (please print)



Signature of director or company secretary\*  
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Name (please print)

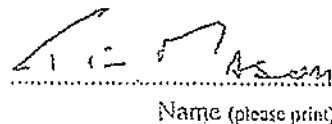
Executed by MLA Services Pty Ltd ACN 005  
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*Corporations Act 2001* (Cth):

  
Signature of director

JOHN HELME  
Name (please print)

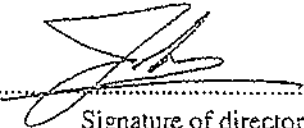


Signature of director or company secretary\*  
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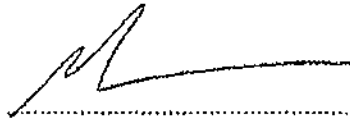
  
Name (please print)

ASIC PRO FORMA 24-- DEED OF CROSS GUARANTEE

Executed by Music Link Australia Pty Ltd  
ACN 005 541 239 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth);

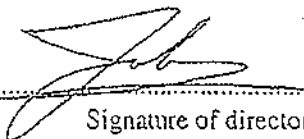
  
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Signature of director

JOHN HELME  
.....  
Name (please print)

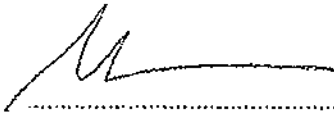
  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

Eric Mason  
.....  
Name (please print)

Executed by Music Link Orchestral Supplies  
Pty Ltd ACN 117 581 996 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth);

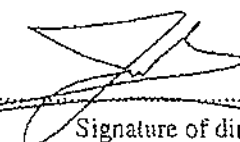
  
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JOHN HELME  
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Name (please print)

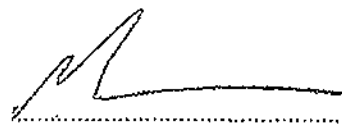
  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

Eric Mason  
.....  
Name (please print)

Executed by Musiclink Group Pty Ltd ACN  
125 412 464 in accordance with section 127(1)  
of the *Corporations Act 2001* (Cth);

  
.....  
Signature of director

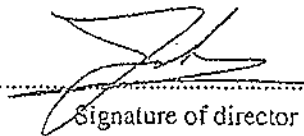
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Name (please print)

  
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Signature of director or company secretary\*  
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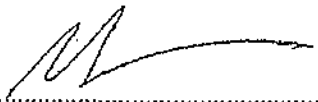
Eric Mason  
.....  
Name (please print)

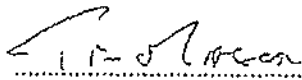
ASIC PRO FORM 24—DEED OF CROSS GUARANTEE

Executed by The Billy Hyde Group Pty Ltd  
ACN 126 132 107 in accordance with  
section 127(1) of the *Corporations Act 2001*  
(Cth):

  
.....  
Signature of director

JOHN HELME  
.....  
Name (please print)

  
.....  
Signature of director or company secretary\*  
\*delete whichever does not apply

  
.....  
Name (please print)

## Solicitor's Certificate

To: the Holding Entity (and Trustee)

Australian Music Group Holdings Pty Ltd ACN 127 691 534

and

the Group Entities

Allans Billy Hyde Stage Systems Pty Ltd ACN 159 148 222

AMG Shared Services Pty Ltd ACN 117 052 936

Australian Music Group Pty Ltd ACN 127 926 434

Australian Music Pty Ltd ACN 125 007 561

Billy Hyde Imports Pty Ltd ACN 102 430 704

Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466

Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719

Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752

Billy Hyde Music Group Pty Ltd ACN 116 398 371

Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970

Intermusic Distribution Pty Ltd ACN 006 539 831

MLA Asset Services Pty Ltd ACN 131 523 905

MLA Services Pty Ltd ACN 005 564 509

Music Link Australia Pty Ltd ACN 005 541 239

Music Link Orchestral Supplies Pty Ltd ACN 117 581 996

Musiolink Group Pty Ltd ACN 125 412 464

The Billy Hyde Group Pty Ltd ACN 126 132 107

and

the Alternative Trustee

Australian Music Group Pty Ltd ACN 127 926 434

and

the Australia Securities and Investments Commission,

I, Chris Nikou, of Middletons, Level 25, 525 Collins Street, Melbourne, Victoria, 3000, certify as follows:

1. That the Deed of Cross Guarantee executed by Australian Music Group Holdings Pty Ltd and each of the Group Entities listed above on 26 June 2012 (Deed) is in exactly the same terms as ASIC Pro Forma 24 Deed of cross guarantee, except for the following:
  - (a) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the Deed have been made;
  - (b) execution clauses have been added, deleted, modified or varied as required in order to facilitate the proper execution of the Deed;
  - (c) the date has been completed; and
  - (d) the headnote, the headings before the headnote and any editorial note have been omitted.
2. That, in relation to the execution of the Deed by each party to it that is a company, the Deed appears to be signed in accordance with subsection 127(1) of the *Corporations Act 2001* (Cth) and I have no knowledge and reason to suspect that the Deed has not been duly executed by the company.
3. That, after having made such inquiries as were reasonable in the circumstances, I am of the opinion that the Deed has been duly executed by each party to it that is not a company.

Dated the 27<sup>th</sup> day of June 2012

Signed by \_\_\_\_\_ )  
in the presence of: \_\_\_\_\_ )

\_\_\_\_\_ Witness

Ryan Hellman Name of Witness (print)

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-6" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
\_\_\_\_\_  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (V/1)

  
\_\_\_\_\_  
Ross Andrew Blakeley

**Exhibit "RAB-6"**  
**Copy of the Report to creditors dated 8 July 2021**



8 July 2021

Australian Music Group Holdings Pty Ltd ACN 127 691 534 ("AMGH")  
Australian Music Group Pty Ltd ACN 127 926 434 ("AMG")  
Australian Music Pty Ltd ACN 125 007 561 ("AMPL")  
AMG Shared Services Pty Ltd ACN 117 052 936  
The Billy Hyde Group Pty Ltd ACN 126 132 107  
Musiclink Group Pty Ltd ACN 125 412 464  
Billy Hyde Imports Pty Ltd ACN 102 430 704  
Music Link Orchestral Supplies Pty Ltd ACN 117 581 996  
Music Link Australia Pty Ltd ACN 005 541 239  
Intermusic Distribution Pty Ltd ACN 006 539 831  
Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719  
Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752  
Billy Hyde Music Group Pty Ltd ACN 116 398 371  
Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466  
MLA Asset Services Pty Ltd ACN 131 523 905  
Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970  
MLA Services Pty Ltd ACN 005 564 509  
(All Receivers and Managers Appointed) (All In Liquidation)  
Formerly trading as "Allans Billy Hyde"  
(Collectively referred to herein as "the Companies")

**Circular to Creditors**

Creditors are advised that a Report to Creditors ("**Report**") for the Companies and Remuneration Approval Reports for AMGH, AMG and AMPL have been issued.

The purpose of the Report is to provide an update to creditors on the progress of the liquidations of the Companies since the Liquidator's last report, advise creditors of an upcoming court application regarding the allocation of funds between Group entities from the insolvent trading recovery and provide notice of my intention to apply to the court for approval of remuneration for AMGH, AMG and AMPL.

The following documents are available for download from the Liquidator's firm's website  
<https://www.fticonsulting.com/creditors>:

- ☐ Liquidator's Report;
- ☐ Respective Remuneration Approval Reports; and
- ☐ Draft copy of the Liquidator's application and supporting affidavit (excluding exhibits). Sealed copies of the application and the affidavit will be uploaded, in due course.

Creditors who are unable to directly access and download the documents can request that a copy of any of the above documents be mailed to them by emailing [AMGcreditors@fticonsulting.com](mailto:AMGcreditors@fticonsulting.com), or by telephoning this office on (03) 9604 0600.

Should you have any queries please contact George Tansley of this office at the contact details above.

Yours faithfully



**Ross Blakeley**  
Liquidator

8 July 2021



# Australian Music Group Holdings & Associated Companies (All In Liquidation)

Report to Creditors

**Australian Music Group Holdings Pty Ltd ACN 127 691 534 ("AMGH")**  
**AMG Shared Services Pty Ltd ACN 117 052 936 ("AMGSS")**  
**Australian Music Group Pty Ltd ACN 127 926 434 ("AMG")**  
**Australian Music Pty Ltd ACN 125 007 561 ("AMPL")**  
**Billy Hyde Imports Pty Ltd ACN 102 430 704**  
**Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466**  
**Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719**  
**Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752**  
**Billy Hyde Music Group Pty Ltd ACN 116 398 371**  
**Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970**  
**Intermusic Distribution Pty Ltd ACN 006 539 831**  
**MLA Asset Services Pty Ltd ACN 131 523 905**  
**MLA Services Pty Ltd ACN 005 564 509**  
**Music Link Australia Pty Ltd ACN 005 541 239**  
**Music Link Orchestral Supplies Pty Ltd ACN 117 581 996**  
**Musiclink Group Pty Ltd ACN 125 412 464**  
**The Billy Hyde Group Pty Ltd ACN 126 132 107**  
**(All In Liquidation)**  
**(Collectively "the Group" or "Companies")**  
**Formerly trading as "Allans Billy Hyde"**

I refer to my update to Creditors dated 20 April 2018. The purpose of this report is to provide an update to creditors on the progress of the Liquidations of the Companies since my last report, advise creditors of an upcoming court application regarding the allocation of funds between Group entities from a recent recovery and provide notice of my intention to apply to the court for approval of remuneration as stipulated in Form 16 attached.

## **Recent Actions and Current Status of the Liquidations**

Creditors will note from my prior update that all matters relating to the pursuit of voidable transactions had been resolved and that I was considering whether formal proceedings for a trading whilst insolvent action would be brought against the directors of the Group ("Directors"). Formal proceedings were subsequently commenced, with a settlement of \$500,000 being reached at a court ordered mediation, which is discussed in further detail below.

The cash at bank balances in relation to each entity within the Group is set out in the below table:

**Table 1: Cash at Bank Balances**

Entity	Cash at Bank 30 June 2021	Proposed allocation of litigation Proceeds	Cash at Bank after allocation
Australian Music Group Holdings Pty Ltd	272.1	14,355.0	14,627.1
AMG Shared Services Pty Ltd	712,335.1	71,649.5	783,984.6
Australian Music Group Pty Ltd	0.0	268,327.4	268,327.4
Australian Music Pty Ltd	1,125,503.9	133,319.1	1,258,823.0
Billy Hyde Imports Pty Ltd	1,687.0	0.0	1,687.0
Billy Hyde Music Adelaide Pty Ltd	61.5	98.1	159.5
Billy Hyde Music Brisbane Pty Ltd	1,557.8	0.0	1,557.8
Billy Hyde Music Gold Coast Pty Ltd	289.9	2.8	292.7
Billy Hyde Music Group Pty Ltd	339.6	547.4	886.9
Billy Hyde Music Sunshine Coast Pty Ltd	393.9	0.0	393.9
Intermusic Distribution Pty Ltd	0.0	588.1	588.1
MLA Asset Services Pty Ltd	0.0	0.0	0.0
MLA Services Pty Ltd	178.6	7,442.9	7,621.5
Music Link Australia Pty Ltd	1,298.0	2,473.4	3,771.4
Musiclink Group Pty Ltd	0.0	635.7	635.7
Musiclink Orchestral Supplies Pty Ltd	0.0	252.2	252.2
The Billy Hyde Group Pty Ltd	1,545.0	308.5	1,853.5
<b>Total</b>	<b>1,845,462.4</b>	<b>500,000.0</b>	<b>2,345,462.4</b>

No further recoveries are expected in the respective liquidations which are now positioned to be finalised. This has necessitated the following:

- ▣ Consideration as to how the funds from the trading whilst insolvent action should be allocated across the relevant Group entities;
- ▣ Further consideration of the Deed of Cross Guarantee dated 26 June 2012 ("Cross Deed") and what impact it may have on priority and unsecured distributions; and
- ▣ Reviewing creditor claims and, in particular, proofs of debt received with a view to efficiently deal with creditor claims in entities in which there may be a dividend.

The above matters are elaborated on below.

## 1. Insolvent Trading

Creditors will recall that the Liquidator identified a potential claim against the Directors of the Group for trading whilst insolvent in contravention of section 588G of the Corporations Act 2001 ("Act").

The Liquidator subsequently commenced an insolvent trading claim in the Supreme Court of Victoria ("Court") against the Directors. Significant work was necessary to prepare the claim for Court, including:

- ▣ Filing a Statement of Claim with the Court;
- ▣ Filing an affidavit with the Court initiating proceedings;
- ▣ Preparing a Solvency Report;

- ▣ Attending to pre-discovery and publicly examining the Directors; and
- ▣ Attending a judicial mediation with the Directors.

At a judicial mediation held on 2 December 2019, a settlement was reached with the Directors pursuant to which the Directors were required to pay an amount of \$500,000 (“Proceeds”). Payment of the settlement sum was received on 16 March 2020.

The Liquidator considered that agreeing to the settlement represented the best outcome for creditors, as it:

- ▣ had regard to the Directors’ financial capacity to meet a claim noting there was uncertainty to recover payment from the Directors in full;
- ▣ was timely; and
- ▣ provided certainty of outcome and return.

## 1. Application for Distribution of Funds

The proceeds were paid into the bank account of AMPL. Given that the claims made in the insolvent trading proceeding are in respect of debts incurred by entities of the Group, the Liquidator has had to consider the basis on which the Proceeds ought to be distributed amongst the Group Companies.

The Liquidator considers the appropriate method by which the Proceeds should be distributed is in proportion to each amount of the claim (debts incurred) for insolvent trading made in respect of each of the Companies (“Proportionate Method”). It is necessary for the Liquidator to seek orders of the court that the Proceeds be allocated in this way. The application to the court, including all exhibits, is a substantial document running to many pages. Therefore, in order to save printing and posting costs, the full application is available for download on FTI Consulting’s creditor portal at <http://www.fticonsulting-asia.com/creditors>. Should you require a printed copy of the application, please contact this office on (03) 9604 0600 or via email at [AMGcreditors@fticonsulting.com](mailto:AMGcreditors@fticonsulting.com)

It is the Liquidator’s view that the Proportionate Method is the most logical, just and efficient process for distribution of the Proceeds. The distribution under this method corresponds to the debts incurred by each of the Companies in the Group and is accordingly equivalent to the loss and damage incurred by their respective creditors. The allocation that would result from the Proportionate Method is estimated as follows:

**Table 2: Proportionate Method Distribution**

Company	Percentage of creditors included in Insolvent Trading	Proceeds allocation amount
	Claim	
AMGSS	14.3%	71,649.53
AMPL	26.7%	133,319.13
AMGH	2.9%	14,355.00
AMG	53.7%	268,327.38
Billy Hyde Music Adelaide Pty Ltd	0.0%	98.06
Billy Hyde Music Gold Coast Pty Ltd	0.0%	2.80

Billy Hyde Music Group Pty Ltd	0.1%	547.37
Intermusic Distribution Pty Ltd	0.1%	588.06
MLA Services Pty Ltd	1.5%	7,442.88
Music Link Australia Pty Ltd	0.5%	2,473.40
Musiclink Group Pty Ltd	0.1%	635.74
Musiclink Orchestral Supplies Pty Ltd	0.1%	252.15
The Billy Hyde Group Pty Ltd	0.1%	308.53
<b>Total</b>	<b>100.0%</b>	<b>500,000.00</b>

The Liquidator has had regard to two other possible methods of distribution:

- ▣ the amount will be allocated proportionally but adjusted according to the strength or weakness of each of the claims comprising each Company making up the Group's claim for insolvent trading ("**Risk Adjusted Method**") (i.e. analyse the strength and/or weakness for the prospects of each debt); and
- ▣ the Proceeds will be distributed equally between the Companies (i.e. split equally between the 17 Companies of the Group) ("**Even Method**").

The Risk Adjusted Method is impractical in that it is difficult and potentially costly to differentiate the strength and/or weakness for the prospects of success of each debt given:

- ▣ the activities of the Group were intertwined;
- ▣ the debts were incurred over a significant period of time;
- ▣ the large number of trading debts incurred; and
- ▣ that the Cross Deed results in all the Group Companies incurring the contingent debts of each other and therefore the strength of the claim at least in respect of mathematical insolvency of the Group Companies being equal in each case.

If the Even Method is applied, some entities will have a surplus after the payment of debts, and that surplus may then be distributed back to the other entities in the Group as a result of the Cross Deed. This method will have implications for AMGSS in that it is likely employees will receive less than they would under the Proportionate Method. Further, this method is inherently unfair in that the distribution does not reflect the loss and damage of the claim for insolvent trading suffered by each entity, which is in proportion to the debts incurred rather than even.

Accordingly, the Liquidator does not consider either the Risk Adjusted Method or Even Method an appropriate way to deal with the Proceeds and therefore intends to seek an order of the court that the Liquidator is justified in allocating the Proceeds in accordance with the Proportionate Method. The Proceeds would be allocated in proportion to the amount of the claim (debts incurred) of the insolvent trading proceeding made by each of the Companies comprising the Group.

If you wish to object to the Proceeds being allocated in accordance with the Proportionate Method described above, you must, within 21 days of the date of this Report, serve on the Liquidator, a notice of objection stating the grounds of your objection. The Liquidator will then file an affidavit outlining the grounds of any objection(s) received.

## 2. Pooling

In considering the most logical, just and efficient process of distributing the Proceeds, the Liquidator also considered whether a pooling order would be appropriate in the circumstances.

The effect of a pooling order generally is that each company in the group becomes jointly and severally liable for the debts payable by the other companies and all intra-group debts and claims are extinguished (the 17 Companies in the Group effectively become one Company).

The court will only make a pooling order where:

- ▣ it is satisfied that it would be “just and equitable” to do so; and
- ▣ there would be no “material disadvantage” to eligible unsecured creditors in making such an order.

The Liquidator has analysed the estimated returns to creditors in a pooling scenario as highlighted in the table below. For illustrative purposes the Group is split into two subgroups as follows:

- ▣ AMGSS – this represents the employing company where all priority creditor claims exist; and
- ▣ Other entities – this is the sum of all other liquidations within the Group. This demonstrates the anticipated return to unsecured creditors.

**Table 3: Pooling Analysis**

Cents / \$	Pooling		No Pooling	
	AMGSS	Other Entities	AMGSS	Other Entities
<b>Priority Creditor Claims</b>				
Wages & Superannuation	100.00	-	65.40	-
Leave Entitlements	33.90	-	-	-
Termination	-	-	-	-
<b>Unsecured Creditor Claims</b>				
Unsecured Creditors	-	-	-	3.19

The Liquidator’s assessment is that without a pooling order, the eligible unsecured creditors are estimated to receive between 3 to 4 cents in the dollar. Conversely, in a pooling scenario, eligible unsecured creditors of each of the Companies in the Group would stand to receive no return in the liquidations. This is because in a pooling scenario, eligible priority creditors would have priority over all Group funds compared to ordinary unsecured creditors, not just those funds held in the liquidation of AMGSS. Thus, a pooling order is unlikely to be approved by the Court as ordinary unsecured creditors of the “other entities” will suffer a material disadvantage.

Therefore, the Liquidator does not intend to seek a pooling order.

### 3. Cross Deed

Each of the Companies comprising the Group are subject to ASIC Class Order number 98/1418 (“Class Order”), which is supported by the Cross Deed. The Cross Deed makes each Group entity liable for each creditor of all other Group entities. The Liquidator understands the following in respect of the Cross Deed:

- ▣ the priority rules in the context of employee entitlements continue to apply to each Company individually and employees rank equally with other unsecured creditors for any deficiency in the liquidation of other Group entities (to the extent a deficiency exists); and
- ▣ by reason of the Cross Deed, creditors of one Company in the Group become creditors of all in the Group, albeit as “guarantee creditors”. There is no distinction between direct unsecured creditors of a particular Group entity and unsecured creditors of other entities within the Group - all unsecured creditors will rank equally.

Practically speaking, what this means for creditors is as follows:

- ▣ as all employees were creditors of AMGSS, the assets of AMGSS are first available for the benefit of those employee creditors. Those employee creditors then prove equally with unsecured creditors in the liquidations of the remaining Group entities for any deficiency; and
- ▣ the assets of the remaining Group entities are, in essence, pooled and available for distribution to the unsecured creditors of the Group equally, together with the employee creditors of AMGSS to the extent there is a deficiency.

The above is discussed further in the context of the estimated return to creditors in Section 5.

### 4. Liquidator’s Remuneration

The following summarises the Liquidator’s outstanding and future remuneration:

**Table 4: Liquidator’s Remuneration Claim**

Period	Company	Amount (Excl GST) (\$)
<b>Historical Remuneration</b>		
25 June 2019 to 30 June 2021 (inclusive)	AMPL	175,589.55
19 April 2017 to 30 June 2021 (inclusive)	AMGH	19,266.00
28 November 2017 to 30 June 2021 (inclusive)	AMG	33,912.00
		<b>228,767.55</b>
<b>Future Remuneration</b>		
1 July 2021 to Conclusion	AMPL	105,194.13
1 July 2021 to Conclusion	AMG	45,182.84
		<b>150,377.97</b>
<b>Total Remuneration Claim</b>		<b>379,145.52</b>

The Liquidator is seeking approval for historical fees of \$175,589.55 for AMPL covering the period 25 June 2019 to 30 June 2021, \$19,266.00 for AMGH covering the period 19 April 2017 to 30 June 2021 and



\$33,912.00 for AMG covering the period 28 November 2017 to 30 June 2021. Work conducted during this period relates to the matters outlined in this Report and in my previous update dated 20 April 2018, however it has primarily consisted of pursuing the insolvent trading claim and determining how the Proceeds should be distributed amongst the Group:

- ▣ Reviewing and assessing the solvency position of the Group and compiling evidence in support of same;
- ▣ Determining commerciality of pursuing the insolvent trading claim;
- ▣ Preparing for and attending to mediation and settlement regarding the insolvent trading claim;
- ▣ Reviewing and assessing allocation of creditor claims that formed part of insolvent trading claim;
- ▣ Reviewing the Cross Deed;
- ▣ Reviewing legal advice;
- ▣ Preparing and analysing the estimated outcome statement;
- ▣ Analysing the different outcomes under a pooling scenario and a non-pooling scenario; and
- ▣ Liaising with solicitors and counsel on the insolvent trading claim and subsequent allocation of the Proceeds.

The Liquidator is also seeking fee approval to an interim capped amount of \$150,377.97 for future work for AMPL and AMG to the conclusion of the Liquidation. It is anticipated that time subject to this approval will be primarily spent in connection with the following:

- ▣ Making an application to the Court in relation to the allocation of the Proceeds;
- ▣ The review, adjudication and payment of unsecured creditor claims; and
- ▣ Dealing with other steps necessary in finalising the liquidations of the 17 entities making up the Group.

Details of the outstanding and future remuneration are provided for in the Remuneration Approval Reports for the relevant Companies and Group on FTI Consulting's creditor portal <http://www.fticonsulting-asia.com/creditors>.

Noting the significant cost to convene a concurrent meeting of creditors for the Group, the Liquidator seeks to make an application under section 90-15 of Schedule 2 - Insolvency Practice Schedule (Corporations) for the court to determine the remuneration properly incurred for the Group.

In addition to the proposed remuneration approval that is being sought as part of this Court application described above, the following remuneration approvals have previously been approved and not yet drawn:

**Table 5: Remaining Fee Approvals**

Entity	Amount (\$)
Australian Music Group Holdings Pty Ltd	5,329.5
AMG Shared Services Pty Ltd	84,380.0
Australian Music Group Pty Ltd	14,791.0
Australian Music Pty Ltd	0.0
Billy Hyde Imports Pty Ltd	15,000.0
Billy Hyde Music Adelaide Pty Ltd	13,444.9
Billy Hyde Music Brisbane Pty Ltd	15,000.0
Billy Hyde Music Gold Coast Pty Ltd	13,676.0
Billy Hyde Music Group Pty Ltd	15,000.0
Billy Hyde Music Sunshine Coast Pty Ltd	13,941.5
Intermusic Distribution Pty Ltd	13,165.6
MLA Asset Services Pty Ltd	13,215.1
MLA Services Pty Ltd	13,250.3
Music Link Australia Pty Ltd	15,000.0
Musiclink Group Pty Ltd	15,000.0
Musiclink Orchestral Supplies Pty Ltd	15,000.0
The Billy Hyde Group Pty Ltd	15,000.0
<b>Total</b>	<b>290,193.9</b>

It is expected that for a number of the smaller entities that have around \$15,000 in fee approval remaining, remuneration and incurred costs will be paid to the extent that funds are unavailable in each of these individual entities from the Primary Bank Account (“**Unfunded Companies**”). The Liquidator considers that the payment of the remuneration and incurred costs of the Unfunded Companies is justified given:

- ▣ the integrated and interdependent business structure of the Group;
- ▣ that tasks undertaken by my staff in relation to one Group entity were usually relevant to at least one other Group entity, if not the Group as a whole;
- ▣ it was accordingly necessary for the Liquidator and his staff to investigate the affairs of the Unfunded Companies in the course of investigating and administering the affairs of the Group in liquidation;
- ▣ most of the Unfunded Companies were specific purpose entities incorporated to hold leases of retail premises used by the Group, or other discrete operations. The operations of these entities benefitted the group as a whole by enabling trading operations by the funded companies; and
- ▣ the Unfunded Companies incurred liabilities under the Cross Deed for the benefit of the funded companies in the Group.

If you wish to object to the Liquidator seeking the approval by the court for his current future remuneration, you must, within 21 days of the date of this Report, serve on the Liquidator, a notice of objection stating the grounds of your objection. The Liquidator will then file an affidavit outlining the grounds of any objection(s) received.

## 5. Current Financial Position and Estimated Return to Creditors

Detailed below is an estimated return to creditors. For illustrative purposes the Group is split into two subgroups as follows:

- ▣ AMGSS – this represents the employing company where all priority creditor claims exist; and
- ▣ Other entities – this is the sum of all other liquidations within the Group. This demonstrates the anticipated return to unsecured creditors.

**Table 6: Estimated outcome statement as at 30 June 2021 (Proportionate Method)**

	AMGSS	Other Entities
Available cash	712,335.1	1,133,127.3
<i>Plus: insolvent trading claim allocation</i>	71,649.5	428,350.5
<i>Less: current and future fees and expenses</i>		
Liquidator's fees and disbursements to 30 June 2021 (ex. GST)	(7,373.5)	(255,231.3)
Liquidator's future fees and disbursements to conclusion (ex. GST) (est.)	(84,380.0)	(178,377.0)
Future legal fees and disbursements to conclusion (ex. GST) (est.)	(75,000.0)	(150,000.0)
<b>Total professional fees and expenses</b>	<b>(166,753.5)</b>	<b>(583,608.2)</b>
<b>Funds available for priority creditors (wages and super)</b>	<b>617,231.1</b>	<b>977,869.6</b>
Total Priority Creditors - Wages and Superannuation	(944,406.8)	N/A
<b>Return to Priority Creditors - Wages and Superannuation</b>	<b>65.4</b>	<b>N/A</b>
<b>Funds available for subsequent priority claims</b>	<b>0.0</b>	<b>977,869.6</b>
Total Priority Creditors - Leave Entitlements	(1,917,113.6)	N/A
Total Priority Creditors – Termination	(3,141,499.1)	N/A
<b>Funds Available for unsecured creditors</b>	<b>0.0</b>	<b>977,869.6</b>
Total Unsecured Creditors	(32,016,896.9)	(32,016,896.9)
<b>Return to Unsecured Creditors</b>	<b>0.0%</b>	<b>3.2%</b>

Creditors should note the following in respect of the above:

- ▣ calculation of the quantum of the dividend to creditors is a complex matter and the rate of the dividend provided for above is indicative at this stage, and subject to change should further creditor claims be received;
- ▣ employee creditors are anticipated to receive a partial dividend in respect of wages and superannuation out of the liquidation of AMGSS;
- ▣ total employee claims are estimated to be just over \$6 million. A deficiency of \$5.4 million is anticipated, which will represent an unsecured claim against the other entities; and
- ▣ a return to unsecured creditors at 3.2 cents in the dollar is anticipated at this stage.

Substantial work will be necessary in order to review and consider the creditor claims, and the Liquidator and his staff are in process of reviewing these claims in anticipation to declare a first and final dividend to creditors later in 2021.

## 6. Proofs of Debt

Creditors who have not submitted a formal proof of debt or claim ("POD") form are invited to do so as soon as possible and accordingly, please find enclosed a notice inviting formal proof of debt or claim. A blank POD form is also enclosed.

The Liquidator is not intending on declaring a dividend at this time and will write to creditors separately when in a position to do so. Creditors are requested to submit their POD form electronically to [AMGcreditors@fticonsulting.com](mailto:AMGcreditors@fticonsulting.com) noting which entity that their claim relates to.

Should you be unable to submit your POD electronically, please contact this office on (03) 9604 0600 or via email at [AMGcreditors@fticonsulting.com](mailto:AMGcreditors@fticonsulting.com) to discuss alternative arrangements.

## 7. Way Forward

The Liquidator intends on dealing with the following in the short to medium term:

- Making an application to court in respect of the allocation of the Proceeds and Liquidator's remuneration;
- Reviewing and assessing priority and unsecured creditor claims received; and
- Formally declaring and paying priority and unsecured dividends.

Thereafter, the Liquidator will take steps to finalise the liquidations. Creditors will be kept apprised of updates as necessary.

Should you have any queries in relation to this update, please do not hesitate to contact this office on (03) 9604 0600 or via email at [AMGcreditors@fticonsulting.com](mailto:AMGcreditors@fticonsulting.com).

Yours faithfully

**Australian Music Group Holdings Pty Ltd & Associated Companies**  
**(All In Liquidation)**



**Ross Blakeley**  
**Liquidator**

**NOTICE INVITING FORMAL PROOF OF DEBT OR CLAIM**

**Australian Music Group Holdings Pty Ltd ACN 127 691 534 ("AMGH")  
AMG Shared Services Pty Ltd ACN 117 052 936 ("AMGSS")  
Australian Music Group Pty Ltd ACN 127 926 434 ("AMG")  
Australian Music Pty Ltd ACN 125 007 561 ("AMPL")  
Billy Hyde Imports Pty Ltd ACN 102 430 704  
Billy Hyde Music Adelaide Pty Ltd ACN 118 409 466  
Billy Hyde Music Brisbane Pty Ltd ACN 110 657 719  
Billy Hyde Music Gold Coast Pty Ltd ACN 125 873 752  
Billy Hyde Music Group Pty Ltd ACN 116 398 371  
Billy Hyde Music Sunshine Coast Pty Ltd ACN 121 011 970  
Intermusic Distribution Pty Ltd ACN 006 539 831  
MLA Asset Services Pty Ltd ACN 131 523 905  
MLA Services Pty Ltd ACN 005 564 509  
Music Link Australia Pty Ltd ACN 005 541 239  
Music Link Orchestral Supplies Pty Ltd ACN 117 581 996  
Musiclink Group Pty Ltd ACN 125 412 464  
The Billy Hyde Group Pty Ltd ACN 126 132 107  
(All In Liquidation)  
(Collectively "the Group" or "Companies")  
Formerly trading as "Allans Billy Hyde"**


Take notice that creditors of the Company, whose debts or claims have not already been admitted, are required on or before 8 August 2021 to prove their debts or claims and to establish any title they may have to priority by delivering or posting to me at my address a formal proof of debt or claim in accordance with Form 535 or 536 containing their respective debts or claims.

If they do not they will be excluded from:

- (a) the benefit of any distribution made before their debts or claims are proved or their priority is established; and
- (b) objecting to the distribution.

Form of proof may be obtained from me.

Dated this 8<sup>th</sup> day of July 2021

  
**Ross Blakeley**  
Liquidator

**FORM 16**

rules 9.1, 9.2, 9.3, 9.4, 9.5

**NOTICE OF INTENTION TO APPLY FOR REMUNERATION**

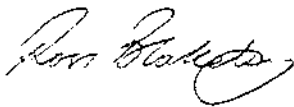
IN THE MATTER OF Australian Music Group Holdings Pty Ltd (ACN 127 691 534), Australian Music Group Pty Ltd (ACN 127 926 434) and Australian Music Pty Ltd (ACN 125 007 561) (All In Liquidation) (Collectively the "Companies")

TO: Creditors of the Companies

TAKE NOTICE that, not less than 21 days after this notice is served on you, I, Ross Blakeley of FTI Consulting, of 600 Bourke Street Melbourne VIC 3000, the liquidator of the above companies, intend to apply to the Court to determine my remuneration.

If you object to my application, you must, within 21 days after being served with this notice, serve on me a notice of objection stating the grounds of objection to the remuneration claimed.

Dated this 8<sup>th</sup> day of July 2021



**Ross Blakeley**  
Liquidator

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-7" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
\_\_\_\_\_  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
\_\_\_\_\_  
Ross Andrew Blakeley

**Exhibit "RAB-7"**  
**Copy of the correspondence between FTI and Mr  
Richter**

## Tansley, George

---

**From:** Tansley, George  
**Sent:** Friday, 9 April 2021 10:18 AM  
**To:** RICHTER,Michael  
**Cc:** Mazzone, James; Mazzulla, Tara; DAVIS,Lhia-Clare  
**Subject:** RE: AMG Shared Services (In Liquidation) [SEC=OFFICIAL]

Dear Michael

We respond to your email from 8 March 2021 as follows.

### **Management and operation of the Group, how employees paid/managed and extent of separate accounting records**

The following is a summary of the management and operation of the Group as the Liquidator understands it:

1. The companies collaboratively traded the companies of the Group. This had the impact of intertwining the companies in that:
  - 1.1 one entity, Australian Music Pty Ltd (ACN 125 007 561) ("**Australian Music**"), was responsible for the generation of, on average, 85% of the Group's income. A cessation of Australian Music's operations would likely have left the Group without sufficient funds to meet their short term liabilities;
  - 1.2 all employee creditors of the Group were employed, managed and paid by AMG Shared Services Pty Ltd (ACN 117 052 936), a wholly owned subsidiary of Australian Music Group Holdings Pty Ltd (ACN 127 691 534);
  - 1.3 a number of leases in relation to the premises occupied by the Group in its operations were held by various entities within the Group. The termination of these leases would have resulted in the Group being unable to trade from a number of its premises;
  - 1.4 Mr Timothy James Mason and Mr John Frederick Helme held directorships in all companies in the Group. Mr Mason also acted as company secretary of each of the Group companies;
  - 1.5 the fixed assets and stock of the companies were dispersed between a number of entities within the Group. The loss of these assets would adversely impact the remaining Group's ability to trade;
  - 1.6 the companies in the Group are all parties to the Deed of Cross-Guarantee. The effect of the Deed of Cross-Guarantee is that:
    - 1.6.1 each company is a guarantor of the debt owed by every other company to that company's creditors, as well as being primarily liable to pay its own creditors; and
    - 1.6.2 the Group is eligible to prepare consolidated accounts and maintain the books and records of the Group on a consolidated basis.

### **Determination of Pooling**

As you are aware, the Corporations Act ("Act") allows for two methods of pooling of the assets and liabilities of two or more companies that are in liquidation, being:

1. a pooling determination made by the liquidator and ratified by the 'eligible unsecured creditors' (section 571 of the Act); or



2. a pooling order made by a court (section 579E of the Act).

The effect of a pooling determination or a pooling order (unless otherwise modified as part of the determination) is that each company in the Group becomes jointly and severally liable for the debts payable by the other companies and all intra-group debts and claims are extinguished.

Notwithstanding the above, in order to satisfy the Court that a pooling order is just and equitable in accordance with the factors referred to at section 579E(12) of the Act, the Court must consider, inter alia, the extent to which creditors of any of the companies in the group may be advantaged or disadvantaged by the making of the order. Additionally, section 579E(10)(a) of the Act confirms that the Court must not make a pooling order where the Court is satisfied that the order would materially disadvantage an eligible unsecured creditor of a company in the group and the eligible unsecured creditor has not consented to the making of the order. Given the majority of creditors of the companies of the Group (the unsecured creditors) will not receive a return in a pooling scenario, they would be 'materially disadvantaged'. It therefore appears that the Court therefore cannot make such an order.

Case law confirms that in assessing whether an eligible unsecured creditor of a company would be "materially disadvantaged" by a pooling order, consideration must be given to the estimated return to the eligible unsecured creditor in a pooling scenario as compared to in a non-pooled scenario and whether any creditor has appeared to object to the making of the proposed pooling order.

A pooling determination is unlikely to be approved by the eligible unsecured creditors of each of the companies in the Group in circumstances where they would stand to receive no return in the liquidations. Conversely, without a pooling determination or pooling order, the eligible unsecured creditors are estimated to receive between 3 to 4 cents in the dollar.

#### **Court Application for distribution of proceeds**

1. We are currently preparing an application to the Court regarding the allocation of the insolvent trading claim proceeds and the distribution of funds to creditors ("**Application**").
2. Ultimately, the Liquidator has determined that the most appropriate method by which the Insolvent Trading Claim proceeds are to be distributed is in proportion to each amount of the claim (debts incurred) for insolvent trading made in respect of each of the companies.
3. We note that the Application is currently being finalised and creditors are shortly to be notified of the Application (prior to its filing). We therefore anticipate that the Application will be filed by May 2021.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Kind Regards

**George Tansley**

Associate, Corporate Finance & Restructuring

#### **FTI Consulting**

Level 21 / 600 Bourke Street

Melbourne VIC 3000

+61 3 9604 0631 T | +61 481 292 210 M

[George.tansley@fticonsulting.com](mailto:George.tansley@fticonsulting.com)

Liability limited by a scheme approved under Professional Standards Legislation. Scheme may not apply to all services.



**From:** RICHTER,Michael <Michael.Richter@jobs.gov.au>  
**Sent:** Thursday, 8 April 2021 2:46 PM  
**To:** Tansley, George <George.Tansley@fticonsulting.com>  
**Cc:** Linton, Kieran <Kieran.Linton@fticonsulting.com>; Mazzone, James <James.Mazzone@fticonsulting.com>; Mazzulla, Tara <Tara.Mazzulla@jobs.gov.au>; DAVIS,Lhia-Clare <Lhia-Clare.Davis@jobs.gov.au>  
**Subject:** [EXTERNAL] RE: AMG Shared Services (In Liquidation) [SEC=OFFICIAL]

**OFFICIAL**

Hi George

Further to our telephone call on 23 March 2021, when can we expect your response?

Regards

**Michael Richter**  
**Senior Forensic Investigator**

Recovery Team | Recovery and Litigation Branch  
Employee Entitlement Safeguards and Policy Division  
Attorney-General's Department  
T: (02) 6121 6516 (ext 66516) M: 0419 791 690 | [michael.richter@jobs.gov.au](mailto:michael.richter@jobs.gov.au) | [www.ag.gov.au](http://www.ag.gov.au)

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**From:** RICHTER,Michael  
**Sent:** Monday, 8 March 2021 12:53 PM  
**To:** Tansley, George <George.Tansley@fticonsulting.com>  
**Cc:** Linton, Kieran <Kieran.Linton@fticonsulting.com>; Mazzone, James <James.Mazzone@fticonsulting.com>; Mazzulla, Tara <Tara.Mazzulla@jobs.gov.au>; DAVIS,Lhia-Clare <Lhia-Clare.Davis@jobs.gov.au>  
**Subject:** RE: AMG Shared Services (In Liquidation) [SEC=OFFICIAL]

**OFFICIAL**

Dear George

We have considered your updated dividend analysis along with the commentary in your emails. In the email of 16 November 2020, you noted that in consultation with your legal advisors, you have made a preliminary decision not to apply for a pooling determination for the purpose of section 571(1) of the Act.

We would like to better understand why you have formed the view that the pooling of the companies is not in the best interest of creditors.

Specifically, we refer to section 579E(12) which provides the factors which a court must have regard to when determining whether the pooling determination is considered 'just and equitable' and consider the conditions for a pooling determination for the group of companies could be satisfied pursuant to section 571 and 579E of the Act.

Accordingly, we would be grateful if you could provide any additional information used to make your determination including:

- The extent the Group was managed or operated as an integrated operation;

- The manner in which the employees were paid and/or managed; and
- The extent of separate accounting records for each entity.

Further, can you please provide an update on the proposed application to Court in respect to the allocation of the proceeds of the Insolvent Trading Claim and/or distribution of funds to the unsecured creditors.

We would be pleased to discuss this matter by way of a teleconference if that is more suitable for you?

Regards

**Michael Richter**  
**Senior Forensic Investigator**

Recovery Team | Recovery and Litigation Branch  
Employee Entitlement Safeguards and Policy Division  
Attorney-General's Department

T: (02) 6121 6516 (ext 66516) M: 0419 791 690 | [michael.richter@jobs.gov.au](mailto:michael.richter@jobs.gov.au) | [www.ag.gov.au](http://www.ag.gov.au)

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**From:** Tansley, George <[George.Tansley@fticonsulting.com](mailto:George.Tansley@fticonsulting.com)>

**Sent:** Friday, 29 January 2021 5:15 PM

**To:** RICHTER,Michael <[Michael.Richter@jobs.gov.au](mailto:Michael.Richter@jobs.gov.au)>

**Cc:** Linton, Kieran <[Kieran.Linton@fticonsulting.com](mailto:Kieran.Linton@fticonsulting.com)>; Mazzone, James <[James.Mazzone@fticonsulting.com](mailto:James.Mazzone@fticonsulting.com)>

**Subject:** AMG Shared Services (In Liquidation)

---

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---

Hi Michael

I refer to your telephone call with James Mazzone and Kieran Linton of FTI Consulting on 21 January 2021.

We have updated our dividend analysis to take account of recent movements in the bank accounts and based on current figures and if no pooling order is sort, we estimate the return to the Commonwealth would be \$323k, comprised of:

- c. \$147k return in respect of wages and super (65.1 cents in the dollar); and
- c. \$175k return in respect of the anticipated shortfall as a 'guarantee' creditors (3.41 cents in the dollar).

The return to the Commonwealth as a 'guarantee' creditor, represents the Commonwealth's entitlement, along with other priority creditors, to claim equally with other unsecured creditors of the group for any shortfall from the liquidation of AMGSS by virtue of the Cross Guarantee.

For completeness, in a pooling scenario, we estimate the return to the Commonwealth would be 100 cents in the dollar for wages and superannuation, and 39.3 cents in the dollar return in respect of leave entitlements, comprising a total return of \$979k as follows:

- \$226k in respect of wages and super (100 cents in the dollar); and

- \$752k in respect of leave entitlements (39.3 cents in the dollar).

It remains the case that there will be no return to unsecured creditors in a pooling scenario.

As requested, attached is a summary of the current Receipts and Payments for AMG Shared Services Pty Ltd and below is a summary of the five largest unsecured creditors of the Group, which includes the Commonwealth in respect of their 'guarantee' unsecured creditor claim, and the associated estimated return.

<b>Top 5 Unsecured Creditor Claims</b>			
<b>Creditor</b>	<b>Debtor (First Instance)</b>	<b>Amount (\$)</b>	<b>Estimated Return (\$)</b>
The Commonwealth*	AMG Shared Services Pty Ltd	(5,137,648.72)	175,385.19
Melbourne Centrepoint Management	Australian Music Group Pty Ltd	(5,028,229.71)	171,649.93
Revere Capital	All entities of the Group	(5,000,000.00)	170,686.24
Gwynvill Properties Pty Ltd	AMG Shared Services	(3,743,891.90)	127,806.17
Yamaha Music Australia	Australian Music Pty Ltd	(1,813,509.00)	61,908.21
<b>Total</b>		<b>(20,723,279.33)</b>	<b>855,065.88</b>

\*This represents the unsecured return the Commonwealth is entitled to receive in respect of its unsecured 'guarantee' creditor claim against the wider group. The full return to the Commonwealth is anticipated to be \$323k.

Please let me know if you require further information.

Kind regards

**George Tansley**

Associate, Corporate Finance & Restructuring

**FTI Consulting**

Level 21 / 600 Bourke Street

Melbourne VIC 3000

+61 3 9604 0631 T | +61 481 292 210 M

[George.tansley@fticonsulting.com](mailto:George.tansley@fticonsulting.com)

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## Isabella Pierri

---

**Subject:** FW: AMG Shared Services Pty Ltd (in Liquidation) ("AMGSS") [SEC=OFFICIAL]

**From:** "Linton, Kieran" <Kieran.Linton@fticonsulting.com>  
**Date:** Monday, 16 November 2020 at 4:18:53 pm  
**To:** "Humphreys, Stephen" <Stephen.Humphreys@ag.gov.au>  
**Cc:** "Blakeley, Ross" <Ross.Blakeley@fticonsulting.com>  
**Subject:** AMG Shared Services Pty Ltd (in Liquidation) ("AMGSS")

**CAUTION:** This email originated from outside of the organisation. Do not follow guidance, click links, or open attachments unless you recognise the sender and know the content is safe.

Hi Stephen

I refer to previous correspondence regarding the above matter.

As you may be aware, AMGSS formed part of a broader group of companies trading as "Allans Billy Hyde" and each of the companies comprising the Group are parties to a Deed of Cross Guarantee ("Deed"). This means:

- The assets of AMGSS are first available for the benefit of those employee creditors. Those employee creditors then prove equally with unsecured creditors in the liquidations of the remaining Group entities for any deficiency; and
- By virtue of the cross-guarantee all unsecured creditors are treated equally, regardless of where their claim may lie. Accordingly, the assets of the remaining Group entities are, in essence, pooled and available for distribution to the unsecured creditors of the Group equally, together with the employee creditors of AMGSS to the extent there is a deficiency.

The Liquidator, in consultation with his legal advisors, has considered whether it is appropriate that a pooling order is sought. In order to successfully obtain a pooling order, regard has to be taken to the material advantage gained by all creditors in obtaining the pooling order i.e. if creditors are disproportionately disadvantaged by the pooling order, a successful application would be unlikely.

We have undertaken an analysis of the distribution waterfall, having regard to the cross-guarantee, and note that as it stands:

- there is estimated to be approximately 65 cents in the dollar available for wages and superannuation for employee creditors in AMGSS; and
- there would be a pool of funds of approximately \$1.1 million available for unsecured and 'guarantee' creditors of the other entities making up the Group (i.e. excluding AMGSS).

If no pooling order is sort, we estimate the return to the Commonwealth would be \$319,155, comprised of:

- c. \$149k return in respect of wages and super; and
- c. \$170k return in respect of the anticipated shortfall as a 'guarantee' creditors.

However, in a pooling scenario, as priority creditors retain their priority against the pooled assets, that \$1.1 million previously available for unsecured creditors would instead become available to the priority employees. Thus, resulting in a 100 cents in the dollar for wages and superannuation, and 38 cents in the dollar return in respect of leave entitlements. There would be no return to unsecured creditors in a pooling scenario. In this scenario, we anticipate the estimated return for the Commonwealth would be c. \$955k, comprised of:

- \$226k in respect of wages and super (100 cents in the dollar); and
- \$728k in respect of leave entitlements (38 cents in the dollar).

It is our preliminary view that unsecured creditors will suffer a material disadvantage in a pooling scenario and thus a pooling application would be prejudicial to the broader creditor group, and therefore unlikely that orders for pooling will be made by the Court. Accordingly, the Liquidator does not intend to make the application. However, we welcome the Commonwealth's views on this position.

We intend on providing creditors with an update and call for formal proofs of debt shortly. Accordingly, we request that you provide your views as soon as possible as this is a material matter that will impact on our reporting.

Should you wish to discuss, please do not hesitate to contact me or Ross to discuss.

Kind regards

**Kieran Linton**

Senior Director, Corporate Finance & Restructuring

[kieran.linton@fticonsulting.com](mailto:kieran.linton@fticonsulting.com)

**FTI Consulting**

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Melbourne VIC 3000, Australia

[www.fticonsulting.com](http://www.fticonsulting.com)



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IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-8" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
Ross Andrew Blakeley

**Exhibit "RAB-8"**  
**Copy of the schedule recording the**  
**Proportionate Method**





IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-9" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
Ross Andrew Blakeley

**Exhibit "RAB-9"**  
**Copy of the schedule recording the Even Method**



IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-10" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
\_\_\_\_\_  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
\_\_\_\_\_  
Ross Andrew Blakeley

**Exhibit "RAB-10"**  
**Copy of the pooling analysis**

**AMG Companies - Estimated Dividend Distribution (as at 30 June 2021)**

	All Entities
	Pooling Order
Available cash at bank	2,345,462
Insolvent Trading Claim Allocation	
<b>Assets available</b>	<b>2,345,462</b>
<i>Less: Recovery from insolvent trading claim</i>	
<b>Estimated cash available</b>	<b>2,345,462</b>
<b>Fees and expenses</b>	
Current legal fees and disbursements (ex. GST)	-
Current liquidators' fees and disbursements (ex. GST)	(262,605)
Future liquidator's fees and disbursements (ex. GST)	(262,757)
Future legal fees and disbursements (ex. GST)	(225,000)
<b>Funds available to secured creditors</b>	<b>1,595,101</b>
Secured creditors	-
<b>Funds available for employee entitlements</b>	<b>1,595,101</b>
Gross Amount	(944,407)
Wages - FEG	(226,666)
Wages - DHS	(1,148)
Wages - Contingency	(350,000)
Super	(366,592)
<b>Estimated dividend for superannuation and wages (cents in the dollar)</b>	<b>100.0</b>
Leave - FEG	(1,917,114)
<b>Estimated dividend for leave (cents in the dollar)</b>	<b>33.9</b>
Redundancy	(3,141,499)
<b>Estimated dividend for redundancy (cents in the dollar)</b>	<b>-</b>
<b>Funds available for unsecured creditors</b>	<b>-</b>
Direct creditors of Group Company	(20,803,376)
<b>Plus Guarantee Creditors</b>	
Unsecured Creditors of other Group Companies	
ATO	
Revere	
Employees	
<b>Total Unsecured / Guarantee Creditors</b>	<b>(20,803,376)</b>
<b>Estimated dividend to creditors (cents in the dollar)</b>	<b>-</b>

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-11" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
\_\_\_\_\_  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
\_\_\_\_\_  
Ross Andrew Blakeley

**Exhibit "RAB-11"**  
**Copy of the Remuneration Approval Report for**  
**AMPL dated 8 July 2021**

8 July 2021



# Remuneration Approval Report

Australian Music Pty Ltd  
(In Liquidation)  
125 007 561

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## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 (Act) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (ARITA) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Liquidation of Australian Music Pty Ltd (In Liquidation) 125 007 561 (the "Company").

We are asking the Court to approve the following remuneration and disbursements:

Liquidation – Period	Remuneration (excl GST)	Disbursements (excl GST)
Liquidation – 25 June 2019 to 30 June 2021	\$175,589.55	\$0.00
Liquidation – 1 July 2021 to Conclusion	\$105,194.13	\$0.00

Creditors have previously approved our remuneration and disbursements as follows:

Voluntary Administration – Period	Remuneration (excl GST)	Disbursements (excl GST)
23 August 2012 to 31 December 2012	\$70,776.85	\$0.00
1 January 2013 to 25 January 2013	\$25,000.00	\$0.00

Liquidation – Period	Remuneration (excl GST)	Disbursements (excl GST)
25 January 2013 to 15 January 2014	\$100,000.00	\$0.00
15 January 2014 to 15 April 2016	\$264,813.50	\$0.00
16 April 2016 to 24 June 2019	\$350,000.00	\$0.00

We estimate that the total cost of this Liquidation will be \$995,597.18 (excluding GST). This has increased from my previous estimate as further investigations were required into the financial affairs of the Company including but not limited to identifying, assessing and pursuing the insolvent trading claim.

This is my final remuneration approval request.

## Declaration

I, Ross Blakeley, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment.

## Remuneration sought

The remuneration we are asking the Court to be approved is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	25 June 2019 to 30 June 2021	\$175,589.55	As per the attached hourly rates	Immediately
Future work	1 July 2021 to Finalisation	\$105,194.13	As per the attached hourly rates	When funds are available
<b>Total</b>		<b>\$280,783.68</b>		

Details of the work already done are **enclosed** at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Resolutions to be considered by the Court are included at **Schedule C** for your information.

## Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

We are not currently seeking approval for disbursements.

## Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
23 August 2012 to 31 December 2012	work already completed	Creditors	\$70,776.85	\$70,776.85
1 January 2013 to 25 January 2013	future work	Creditors	\$25,000.00	\$17,211.65
<b>Total Voluntary Administration Period Previously Approved</b>			<b>\$95,776.85</b>	<b>\$87,988.50</b>

Period	For	Approving body	Approved amount \$	Amount paid \$
25 January 2013 to 15 January 2014	future work	Creditors	\$100,000.00	\$100,000.00
15 January 2014 to 15 April 2016	work already completed	Creditors	\$264,813.50	\$264,813.50
16 April 2016 to 24 June 2019	future work	Creditors	\$350,000.00	\$350,000.00
<b>Total Liquidation Period Previously Approved</b>			<b>\$714,813.50</b>	<b>\$714,813.50</b>

We are now seeking approval of a further \$280,783.68 in remuneration which will bring total remuneration claimed in this Liquidation to \$995,597.18.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Liquidation to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidation receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- ▣ realisations to date
- ▣ estimated future realisations
- ▣ estimated remuneration to complete the Liquidation
- ▣ the estimated total of creditor claims based on the Company's records and claims lodged

I estimate that a dividend of between 3 and 4 cents in the dollar will be paid in the Liquidation. Please note that this estimate is subject to a range of variables, particularly the future realisations and creditor claims.

## Summary of receipts and payments

A summary of the receipts and payments for the Liquidation as at 30 June 2021 is **enclosed** at Schedule E to this report.

An annual administration return was lodged with ASIC on 7 April 2021 which also provides information on the conduct of the administration.

## Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

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

- ▣ ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ▣ ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for INFO 85)

If you have any queries in relation to the information in this report, please contact George Tansley of this office on (03) 9604 0631 or by email at [george.tansley@fticonsulting.com](mailto:george.tansley@fticonsulting.com).

Yours faithfully

**Australian Music**

**(In Liquidation)**

  
**Ross Blakeley**

**Liquidator**

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Explanation where remuneration previously approved

Schedule E – Summary of receipts and payments

Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Schedule G – FTI Consulting schedule of rates effective 1 April 2020

Schedule H – FTI Consulting schedule of rates effective 1 May 2019

## Schedule A – Details of work

Task area/General description	Work already done	Future Work
Period	25 June 2019 to 30 June 2021	1 June 2021 to Finalisation
Amount \$ (excl GST)	\$175,589.55	\$105,194.13
<b>Creditors</b>	<p>127.2 hours</p> <p>\$54,856.00</p> <ul style="list-style-type: none"> <li>▣ Receive and respond to creditor enquiries</li> <li>▣ Maintaining creditor request log</li> <li>▣ Documenting</li> <li>▣ Considering reasonableness of creditor requests</li> <li>▣ Obtaining legal advice on requests</li> <li>▣ Documenting reasons for complying or not complying with requests or directions</li> <li>▣ Compiling information requested by creditors</li> </ul>	<p>60.0 hours</p> <p>\$28,481.04</p> <ul style="list-style-type: none"> <li>▣ Receive and respond to creditor enquiries</li> <li>▣ Maintaining creditor request log</li> <li>▣ Documenting</li> <li>▣ Liaising with creditors in regards to their PODs</li> </ul>
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> <li>▣ Preparing Reports to Creditors</li> <li>▣ Preparing Remuneration Notice</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing Reports to Creditors</li> </ul>
Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▣ Adjudicating on proofs of debt</li> <li>▣ Maintaining proof of debt register</li> <li>▣ Reviewing and assessing allocation of creditor claims that formed part of insolvent trading claim</li> </ul>	<ul style="list-style-type: none"> <li>▣ Adjudicating on proofs of debt</li> <li>▣ Maintaining proof of debt register</li> </ul>
Allocation of insolvent trading claim	<ul style="list-style-type: none"> <li>▣ Reviewing Deed of Cross Guarantee</li> <li>▣ Reviewing legal advice</li> <li>▣ Preparing and analysing estimate outcome statement</li> <li>▣ Preparing and analysing pooling and non-pooling scenarios</li> </ul>	

Task area/General description	Work already done	Future Work
	<ul style="list-style-type: none"> <li>▣ Internal meeting to discuss allocation of insolvent trading claims</li> <li>▣ Liaising with solicitors on allocation of insolvent trading claims</li> </ul>	
<b>Investigations</b>	<p><b>106.1 hours</b> <b>\$56,146.00</b></p> <ul style="list-style-type: none"> <li>▣ Reviewing and assessing solvency position of Company</li> <li>▣ Compiling evidence in support of solvency position</li> <li>▣ Reviewing creditor claims and quantifying insolvent trading claim</li> <li>▣ Assessing Directors' financial position</li> <li>▣ Internal meetings to discuss and assess claim</li> <li>▣ Liaising with solicitors regarding insolvent trading claim</li> <li>▣ Review correspondence with defendants</li> <li>▣ Respond to defences raised in respect of the legal proceedings</li> <li>▣ Liaising with solicitors regarding negotiating settlement of claim</li> <li>▣ Preparing for and attending mediation</li> <li>▣ Reviewing settlement deed</li> </ul>	<p><b>0.0 hours</b> <b>\$0.00</b></p>
<b>Litigation / Recoveries</b>		
	<p><b>99.9 hours</b> <b>\$32,515.00</b></p> <ul style="list-style-type: none"> <li>▣ Maintaining proof of debt register</li> <li>▣ Reviewing proofs of debt</li> <li>▣ Adjudicating on proofs of debt</li> </ul>	<p><b>200 hours</b> <b>\$69,064.91</b></p> <ul style="list-style-type: none"> <li>▣ Maintaining proof of debt register</li> <li>▣ Reviewing proofs of debt</li> <li>▣ Adjudicating on proofs of debt</li> <li>▣ Declaring dividend</li> </ul>
<b>Dividend</b>		
<b>Processing proofs of debt (POD)</b>		

Task area/General description	Work already done	Future Work
<b>Administration</b>	<b>87.57 hours</b> <b>\$32,072.55</b>	<b>22.0 hours</b> <b>\$7,648.18</b>
Correspondence	<ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> <li>▣ Six-monthly administration reviews</li> </ul>	<ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> <li>▣ Six-monthly administration reviews</li> </ul>
Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▣ Filing of documents</li> <li>▣ File reviews</li> <li>▣ Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>▣ Filing of documents</li> <li>▣ File reviews</li> <li>▣ Updating checklists</li> </ul>
Funds handling	<ul style="list-style-type: none"> <li>▣ Preparing correspondence opening and closing accounts</li> <li>▣ Entering receipts and payments into accounting system</li> <li>▣ Requesting bank statements</li> <li>▣ Bank account reconciliations</li> <li>▣ Correspondence with bank regarding specific transfers</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing correspondence opening and closing accounts</li> <li>▣ Entering receipts and payments into accounting system</li> <li>▣ Requesting bank statements</li> <li>▣ Bank account reconciliations</li> <li>▣ Correspondence with bank regarding specific transfers</li> </ul>
ASIC Forms and lodgements	<ul style="list-style-type: none"> <li>▣ Preparing and lodging ASIC forms including 5602</li> <li>▣ Correspondence with ASIC regarding statutory forms</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing and lodging ASIC forms including 5602</li> <li>▣ Correspondence with ASIC regarding statutory forms</li> </ul>
ATO and other statutory reporting	<ul style="list-style-type: none"> <li>▣ Preparing BAS</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing BAS</li> </ul>
Planning / Review	<ul style="list-style-type: none"> <li>▣ Discussions regarding status of administration</li> </ul>	<ul style="list-style-type: none"> <li>▣ Discussions regarding status of administration</li> </ul>
Books and records / storage	<ul style="list-style-type: none"> <li>▣ Dealing with records in storage</li> </ul>	<ul style="list-style-type: none"> <li>▣ Dealing with records in storage</li> </ul>
	<ul style="list-style-type: none"> <li>▣ Paying dividend</li> <li>▣ Sending unclaimed dividends to ASIC Unclaimed Monies</li> </ul>	<ul style="list-style-type: none"> <li>▣ Paying dividend</li> <li>▣ Sending unclaimed dividends to ASIC Unclaimed Monies</li> </ul>



## Schedule B – Time spent by staff on each major task (work already done)

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area							
					Creditors	Investigation	Dividend	Administration				
					Hrs	\$	Hrs	\$				
Ross Blakeley	Appointee	\$ 720	6.40	\$ 4,608.00	3.90	\$ 2,808.00	0.90	\$ 648.00	0.20	\$ 144.00	1.40	\$ 1,008.00
Ross Blakeley	Appointee	\$ 695	3.30	\$ 2,293.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	3.30	\$ 2,293.50
Paul Harlond	Managing Director	\$ 660	11.50	\$ 7,590.00	5.70	\$ 3,762.00	0.00	\$ -	0.00	\$ -	5.80	\$ 3,828.00
Drew Forbes	Managing Director	\$ 660	0.40	\$ 264.00	0.40	\$ 264.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
Drew Forbes	Managing Director	\$ 625	54.70	\$ 34,187.50	0.00	\$ -	54.70	\$ 34,187.50	0.00	\$ -	0.00	\$ -
Paul Allen	Managing Director	\$ 625	0.20	\$ 125.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.20	\$ 125.00
Kieran Linton	Senior Director	\$ 580	30.70	\$ 17,806.00	23.40	\$ 13,572.00	4.40	\$ 2,552.00	0.00	\$ -	2.90	\$ 1,682.00
Nicolas Piastra	Senior Director	\$ 575	0.20	\$ 115.00	0.00	\$ -	0.20	\$ 115.00	0.00	\$ -	0.00	\$ -

Dennis Lee	Senior Director	\$ 575	7.50	\$ 4,312.50	0.00	\$ -	7.50	\$ 4,312.50	0.00	\$ -	0.00	\$ -
James Mazzone	Director	\$ 520	10.60	\$ 5,512.00	5.40	\$ 2,808.00	0.00	\$ -	5.20	\$ 2,704.00	0.00	\$ -
James Mazzone	Senior Consultant II	\$ 470	34.70	\$ 16,309.00	24.30	\$ 11,421.00	1.70	\$ 799.00	6.10	\$ 2,867.00	2.60	\$ 1,222.00
James Mazzone	Senior Consultant I	\$ 400	37.80	\$ 15,120.00	4.10	\$ 1,640.00	31.10	\$ 12,440.00		\$ -	2.60	\$ 1,040.00
Mei Xuan Lai	Consultant I	\$ 360	0.30	\$ 108.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$ 108.00
Mei Xuan Lai	Consultant I	\$ 335	0.70	\$ 234.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.70	\$ 234.50
Jaie Lilburne	Associate II	\$ 335	0.30	\$ 100.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$ 100.50
Asha Miles	Associate II	\$ 335	0.30	\$ 100.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$ 100.50
Zin Thaya Khin	Associate II	\$ 335	1.10	\$ 368.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	1.10	\$ 368.50
Tiffany Hatton	Associate II	\$ 335	1.00	\$ 335.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	1.00	\$ 335.00
Tiffany Hatton	Associate II	\$ 320	0.20	\$ 64.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.20	\$ 64.00
Gerald Tailud	Associate II	\$ 320	20.30	\$ 6,496.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	20.30	\$ 6,496.00

George Tansley	Associate II	\$ 335	28.00	\$ 9,380.00	16.60	\$ 5,561.00	0.00	\$ -	8.00	\$ 2,680.00	3.40	\$ 1,139.00
George Tansley	Associate I	\$ 300	158.80	\$ 47,640.00	43.40	\$ 13,020.00	\$ -	-	79.90	\$ 23,970.00	35.50	\$ 10,650.00
Adam Tomaro	Associate I	\$ 300	0.40	\$ 120.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.40	\$ 120.00
Erin Millard	Associate I	\$ 300	0.20	\$ 60.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.20	\$ 60.00
Christina Pelendage-Perera	Associate I	\$ 300	1.60	\$ 480.00	0.00	\$ -	0.00	\$ -	0.50	\$ 150.00	1.10	\$ 330.00
Ashleigh Ubank	Administration II	\$ 220	0.10	\$ 22.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.10	\$ 22.00
Talia Glover	Administration II	\$ 220	0.50	\$ 110.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$ 110.00
Talia Glover	Administration II	\$ 205	0.50	\$ 102.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$ 102.50
Tanya Kratz	Administration II	\$ 205	0.30	\$ 61.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$ 61.50
Caroline Halcoop	Administration II	\$ 205	0.50	\$ 102.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.50	\$ 102.50
Tomas Krauser	Junior Associate	\$ 195	5.60	\$ 1,092.00	0.00	\$ -	5.60	\$ 1,092.00	0.00	\$ -	0.00	\$ -
Selina Naylor	Administration I	\$ 185	0.20	\$ 37.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.20	\$ 37.00

Alyse Kent	Administration I	\$ 185	1.20	\$ 222.00	0.00	\$ 0.00	-	0.00	\$ -	1.20	\$ 222.00
Jessica Sayer	Administration I	\$ 165	0.40	\$ 66.00	0.00	\$ 0.00	-	0.00	\$ -	0.40	\$ 66.00
Grace Tupe	Administration I	\$ 165	0.27	\$ 44.55	0.00	\$ 0.00	-	0.00	\$ -	0.27	\$ 44.55
<b>Total (ex GST)</b>				<b>\$ 175,589.55</b>		<b>\$ 56,146.00</b>			<b>\$ 32,515.00</b>		<b>\$ 32,072.55</b>
<b>GST</b>				<b>\$ 17,558.96</b>							
<b>Total (Incl GST)</b>				<b>\$ 193,148.51</b>							
<b>Total hours</b>		<b>420.77</b>	<b>127.20</b>	<b>106.10</b>	<b>99.90</b>	<b>87.57</b>					
<b>Avg hourly rate (ex GST)</b>		<b>\$ 417.31</b>	<b>\$ 431.26</b>	<b>\$ 529.18</b>	<b>\$ 325.48</b>	<b>\$ 366.25</b>					

## **Schedule C – Resolution**

### **Resolution 1 – Retrospective Remuneration**

*“That the remuneration of the Liquidator, their partners and staff, for the period from 25 June 2019 to 30 June 2021 is approved for payment in the amount of \$175,589.55, exclusive of GST, to be drawn from available funds immediately or as funds become available. Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates dated 1 May 2019 and 1 April 2020”.*

### **Resolution 2 – Future Remuneration**

*“That the future remuneration of the Liquidator for the period from 1 July 2021 to finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidator and their partners and staff, calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates dated 1 July 2021, up to a capped amount of \$105,194.13, exclusive of GST, and that the Liquidator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.*

## Schedule D - Explanation where remuneration previously approved

At the creditors meeting of 11 May 2016, creditors approved our prospective remuneration of \$350,000.00. To date, we have drawn \$350,000.00 and applied it in payment of our remuneration. Our remuneration has exceeded this cap and in this report we are now seeking approval of \$175,589.55 plus GST for work already done and \$105,194.13 for work in order to finalise the Liquidation.

Task	Fees already approved as at 11 May 2016 \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$ 905.00	\$ -	\$ -	\$ 905.00
Creditors	\$ 75,870.00	\$ 54,856.00	\$ 28,481.04	\$ 159,207.04
Employees	\$ -	\$ -	\$ -	\$ -
Trade on	\$ -	\$ -	\$ -	\$ -
Investigation	\$ 424,288.00	\$ 56,146.00	\$ -	\$ 480,434.00
Dividend	\$ 155,000.00	\$ 32,515.00	\$ 69,064.91	\$ 256,579.91
Administration	\$ 58,750.50	\$ 32,072.55	\$ 7,648.18	\$ 98,471.23
<b>Total (ex GST)</b>	<b>\$ 714,813.50</b>	<b>\$ 175,589.55</b>	<b>\$ 105,194.13</b>	<b>\$ 994,692.18</b>
<b>Total Remuneration previously approved</b>				<b>\$ 714,813.50</b>
<b>Difference (see below table for further breakdown)</b>				<b>\$ 279,878.68</b>

### Payment reconciliation

Total remuneration claimed	\$ 994,692.18
Amount paid to date	\$ 714,813.50
<b>Amount Outstanding</b>	<b>\$ 279,878.68</b>

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 11 May 2016 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$ 905.00	\$ -	\$- 905.00	N/A
Creditors	\$ 75,870.00	\$ 159,207.04	\$ 83,337.04	The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional reporting requirements. Further, preparation of creditor reports and remuneration reports outlining Liquidator's analysis of distribution methods was required.
Employees	\$ -	\$ -	\$ -	N/A
Trade on	\$ -	\$ -	\$ -	N/A
Investigation	\$ 424,288.00	\$ 480,434.00	\$ 56,146.00	Pursuit of insolvent trading claim, consideration of cross guarantee and seeking and reviewing legal advice on distribution methods
Dividend	\$ 155,000.00	\$ 256,579.91	\$ 101,579.91	A dividend to unsecured creditors was not foreseen. Adjudication of approximately 330 unsecured creditors during COVID-19
Administration	\$ 58,750.50	\$ 98,471.23	\$ 39,720.73	The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional meetings, statutory tasks and funds handling.
<b>Total (ex GST)</b>	<b>\$ 714,813.50</b>	<b>\$ 994,692.18</b>	<b>\$ 279,878.68</b>	

We also make the following general comments regarding the progress of the Liquidation that have affected our previous remuneration estimate:

- Determining the most just and efficient method of distributing the proceeds of the insolvent trading claim considering the number of Companies in the Group and the effect of the Deed of Cross Guarantee was not foreseen by the Liquidator.
- Similarly, making an application to the court under sections 90-15, 60-10(1)(c) and 65-45 of Schedule 2 – Insolvency Practice Schedule (Corporations) to the Act, seeking various orders and directions necessary to fairly and efficiently finalise the Liquidations was not foreseen by the Liquidator.
- Consideration as to whether a pooling determination or a pooling order would be appropriate in the circumstances was required.
- Additional time was required to adjudicate on approximately 330 unsecured creditors as the COVID-19 pandemic forced staff of this office to deal with physical and electronic records off site.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in this report and in Schedule A.



## Schedule E – Summary of receipts and payments 30 April 2018 to 30 June 2021

Receipts	\$
Interest Income	64,785.20
GST Refund	50,232.00
Insolvent Trading Claim	500,000.00
Total Receipts	615,017.20
Payments	
Legal Fees	346,772.96
Liquidator's Disbursements	1,945.23
Liquidator's Remuneration	177,271.76
Total Payments	525,989.95
Net Receipts	89,027.25

## Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	530	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	480	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	435	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	220	Typically, qualified accountant and/or bookkeeper working in a treasury function. Undertakes treasury activities and is skilled in all aspects of bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule G – FTI Consulting schedule of rates effective 1 April 2020

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule H – FTI Consulting schedule of rates effective 1 May 2019

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-12" now produced and shown to Ross Andrew Blakeley at the time of swearing his affidavit on 12 July 2021.

Before me:

  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
Ross Andrew Blakeley

**Exhibit "RAB-12"**  
**Copy of the Remuneration Approval Report for**  
**AMGH dated 8 July 2021**



8 July 2021



# Remuneration Approval Report

Australian Music Group Holdings Pty Ltd  
(In Liquidation)  
ACN 127 691 534

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## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 (Act) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (ARITA) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the the Liquidation of Australian Music Group Holdings Pty Ltd (In Liquidation) ACN 127 691 534.

We are asking the Court to approve the following remuneration and disbursements:

Liquidation Period	Remuneration (excl GST)	Disbursements (excl GST)
19 April 2017 to 30 June 2021	\$19,266.00	\$0.00

Creditors have previously approved our remuneration and disbursements as follows:

Voluntary Administration Period	Remuneration (excl GST)	Disbursements (excl GST)
23 August 2012 to 31 December 2012	\$15,909.85	\$1,420.91
1 January 2013 to 25 January 2013	\$5,000	\$0.00

Liquidation Period	Remuneration (excl GST)	Disbursements (excl GST)
From 25 January 2013 to Interim Period	\$15,000	\$0.00

We estimate that the total cost of this Liquidation will be \$34,266.00. This has increased from our previous estimate as further investigations were required into the financial affairs of a related company in the Group was required, adding to the length of the Liquidation. Further, a successful claim against the directors of the Company for insolvent trading in contravention of section 588G of the Corporations Act 2001 has resulted in an unsecured dividend of between 3 and 4 cents in the dollar.

Adjudicating on, declaring and paying a dividend to unsecured creditors was not contemplated at the second meeting of creditors on 25 January 2013.

This is my final remuneration approval request.

## Declaration

I, Ross Blakeley, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Liquidator of the Company 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 this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

The remuneration we are asking the Court to approve is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	19 April 2017 to 31 May 2021	\$19,266.00	As per the attached hourly rates	Immediately
<b>Total</b>		<b>\$19,266.00</b>		

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Resolutions to be put to the Court are included at **Schedule C** for your information.

## Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

We are not currently seeking approval for disbursements.

## Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
23 August 2012 to 31 December 2012	work already completed	Creditors	\$15,909.85	\$0.00
1 January 2013 to 25 January 2013	future work	Creditors	\$5,000.00	\$0.00
<b>Total Voluntary Administration Period previously approved</b>			<b>\$20,909.85</b>	<b>\$0.00</b>

Period	For	Approving body	Approved amount \$	Amount paid \$
From 25 January 2013 to Interim Period	work already completed	Creditors	\$15,000	\$9,670.50
<b>Total Liquidation Period previously approved</b>			<b>\$15,000</b>	<b>\$9,670.50</b>

We are now seeking approval of a further \$19,266.00 in remuneration which will bring total remuneration claimed in this Liquidation to \$34,266.00.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Liquidation to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidation receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations

- estimated remuneration to complete the Liquidation
- the estimated total of creditor claims based on the Company's records and claims lodged

I estimate that a dividend of between 3 and 4 cents in the dollar will be paid in the Liquidation. Please note that this estimate is subject to a range of variables, particularly the future realisations and creditor claims.

## Summary of receipts and payments

A summary of the receipts and payments for the Liquidation for the period 16 April 2018 to 30 June 2021 is enclosed at Schedule E to this report.

## Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

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

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for INFO 85)

If you have any queries in relation to the information in this report, please contact George Tansley of this office on (03) 9604 0631 or by email at [george.tansley@fticonsulting.com](mailto:george.tansley@fticonsulting.com).

Yours faithfully

**Australian Music Group Holdings**

**(In Liquidation)**

  
Ross Blakeley

**Liquidator**

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Explanation where remuneration previously approved

Schedule E – Summary of receipts and payments

Schedule F – FTI Consulting schedule of rates effective 1 April 2020

Schedule G – FTI Consulting schedule of rates effective 1 May 2019

Schedule H – FTI Consulting schedule of rates effective 1 March 2017

## Schedule A – Details of work

Task area/General description	Work already done	
Period	19 April 2017 to 30 June 2021	
<b>Amount \$ (excl GST)</b>		<b>\$19,266.00</b>
<b>Creditors</b>	<b>17.7 hours</b>	
	<b>\$6,748.00</b>	
Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> <li>▣ Receive and respond to creditor enquiries</li> <li>▣ Maintaining creditor request log</li> <li>▣ Documenting</li> <li>▣ Considering reasonableness of creditor requests</li> <li>▣ Compiling information requested by creditors</li> </ul>	
Creditor reports	<ul style="list-style-type: none"> <li>▣ Preparing Statutory Report by Liquidator, and meeting and general reports to creditors</li> </ul>	
<b>Investigations</b>	<b>9.2 hours</b>	
	<b>\$5,525.00</b>	
Insolvent Trading Claim	<ul style="list-style-type: none"> <li>▣ internal meetings to discuss status of litigation</li> <li>▣ Preparing brief to solicitors</li> <li>▣ Liaising with solicitors regarding insolvent trading claim</li> <li>▣ Attending to settlement matters</li> </ul>	
<b>Administration</b>	<b>19.3 hours</b>	
	<b>\$6,993.00</b>	
Correspondence	<ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> </ul>	
Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▣ Filing of documents</li> <li>▣ File reviews</li> <li>▣ Updating checklists</li> </ul>	
Funds handling	<ul style="list-style-type: none"> <li>▣ Entering receipts and payments into accounting system</li> <li>▣ Requesting bank statements</li> <li>▣ Bank account reconciliations</li> <li>▣ Correspondence with bank regarding specific transfers</li> </ul>	
ASIC Forms and lodgements	<ul style="list-style-type: none"> <li>▣ Preparing and lodging ASIC forms including 505, 5602/5603, 911 etc.</li> </ul>	



Task area/General description	Work already done
ATO and other statutory reporting	☑ Correspondence with ASIC regarding statutory forms
Planning / Review	☑ Preparing BAS
Books and records / storage	☑ Discussions regarding status of administration
	☑ Dealing with records in storage

**Schedule B – Time spent by staff on each major task (work already done)**

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$
Ross Blakeley	Appointee	\$ 695	9.00	\$ 6,255.00	1.20	\$ 834.00	7.00	\$ 4,865.00	0.80	\$ 556.00
Ross Blakeley	Appointee	\$ 625	1.20	\$ 750.00	0.00	-	0.00	\$ -	1.20	\$ 750.00
Paul Harford	Managing Director	\$ 660	1.60	\$ 1,056.00	0.60	\$ 396.00	0.00	\$ -	1.00	\$ 660.00
Kieran Linton	Senior Director	\$ 580	0.20	\$ 116.00	0.00	-	0.00	\$ -	0.20	\$ 116.00
James Mazzone	Director	\$ 520	0.40	\$ 208.00	0.40	\$ 208.00	0.00	\$ -	0.00	\$ -
Marie Baker	Senior Consultant I	\$ 400	5.00	\$ 2,000.00	5.00	\$ 2,000.00	0.00	\$ -	0.00	\$ -
Minyoung Park	Consultant I	\$ 360	0.40	\$ 144.00	0.40	\$ 144.00	0.00	\$ -	0.00	\$ -
Mei Xuan Lai	Consultant I	\$ 360	0.10	\$ 36.00	0.00	\$ -	0.00	\$ -	0.10	\$ 36.00

Mei Xuan Lai	Consultant I	\$ 335	1.00	\$ 335.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	1.00	\$ 335.00
Jaie Libburne	Associate II	\$ 335	0.50	\$ 167.50	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.50	\$ 167.50
Zin Thaya Khin	Associate II	\$ 335	0.60	\$ 201.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.60	\$ 201.00
Tiffany Hatton	Associate II	\$ 335	0.80	\$ 268.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.80	\$ 268.00
George Tansley	Associate II	\$ 335	6.20	\$ 2,077.00	4.00	\$ 1,340.00	-	0.00	\$ 0.00	-	2.20	\$ 737.00
Gerald Tallud	Associate II	\$ 320	0.70	\$ 224.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.70	\$ 224.00
George Tansley	Associate I	\$ 300	10.90	\$ 3,270.00	5.90	\$ 1,770.00	-	0.00	\$ 0.00	-	5.00	\$ 1,500.00
Sandesh Pereira	Associate I	\$ 300	1.50	\$ 450.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	1.50	\$ 450.00
Christina Pelendage-Perera	Associate I	\$ 300	0.80	\$ 240.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.80	\$ 240.00
Erin Millard	Associate I	\$ 300	0.20	\$ 60.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	0.20	\$ 60.00
Adam Tomaro	Associate I	\$ 300	1.10	\$ 330.00	0.00	\$ 0.00	-	0.00	\$ 0.00	-	1.10	\$ 330.00
Jaymee Greenway	Associate I	\$ 300	2.20	\$ 660.00	0.00	\$ 0.00	-	2.20	\$ 660.00	-	0.00	\$ -

Maxine Allan	Associate II	\$ 280	0.20	\$ 56.00	0.20	\$ 56.00	0.00	\$ 0.00	0.00	\$ 0.00	-
Isabel Schoen	Associate II	\$ 280	0.70	\$ 196.00	0.00	\$ -	0.00	\$ 0.00	0.70	\$ 196.00	-
Ho Lam Trinh	Administration	\$ 185	0.20	\$ 37.00	0.00	\$ -	0.00	\$ 0.00	0.20	\$ 37.00	-
Alyse Kent	Administration	\$ 185	0.70	\$ 129.50	0.00	\$ -	0.00	\$ 0.00	0.70	\$ 129.50	-
<b>Total (ex GST)</b>				<b>\$ 19,266.00</b>		<b>\$ 6,748.00</b>		<b>\$ 5,525.00</b>		<b>\$ 6,993.00</b>	
<b>GST</b>				<b>\$ 1,926.60</b>							
<b>Total (incl GST)</b>				<b>\$ 21,192.60</b>							
<b>Total hours</b>			<b>46.20</b>		<b>17.70</b>		<b>9.20</b>		<b>19.30</b>		
<b>Avg hourly rate (ex GST)</b>				<b>\$ 417.01</b>		<b>\$ 381.24</b>		<b>\$ 600.54</b>		<b>\$ 362.33</b>	

## **Schedule C – Resolutions**

### **Resolution 1 – Retrospective Remuneration**

*“That the remuneration of the Liquidator, their partners and staff, for the period from 19 April 2017 to 30 June 2021 is approved for payment in the amount of \$19,266.00, exclusive of GST, to be drawn from available funds immediately or as funds become available. Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates dated 1 March 2017, 1 May 2019 and 1 April 2020”*

## Schedule D - Explanation where remuneration previously approved

At the creditors meeting of 25 January 2013, creditors approved our prospective remuneration of \$15,000.00. To date, we have drawn \$9,670.50 and applied it in payment of our remuneration. We will draw and apply a further \$5,329.50 after the distribution of the settlement sum from the insolvent trading claim, as detailed in the attached Report to Creditors.

Task	Fees already approved as at 25 January 2013 \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$ -	\$ -	\$ -	\$ -
Creditors	\$ 4,500.00	\$ 6,748.00	\$ -	\$ 11,248.00
Employees	\$ -	\$ -	\$ -	\$ -
Trade on	\$ -	\$ -	\$ -	\$ -
Investigation	\$ 6,000.00	\$ 5,525.00	\$ -	\$ 11,525.00
Dividend	\$ -	\$ -	\$ -	\$ -
Administration	\$ 4,500.00	\$ 6,993.00	\$ -	\$ 11,493.00
<b>Total (ex GST)</b>	<b>\$ 15,000.00</b>	<b>\$ 19,266.00</b>	<b>\$ -</b>	<b>\$ 34,266.00</b>
<b>Total Remuneration previously approved</b>				<b>\$ 15,000.00</b>
<b>Difference (see below table for further breakdown)</b>				<b>\$ 19,266.00</b>

### Payment reconciliation

Total remuneration claimed	\$ 34,266.00
Amount paid to date	\$ 9,670.50
<b>Amount Outstanding</b>	<b>\$ 24,595.50</b>

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 25 January 2013 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$ -	\$ -	\$ -	N/A
Creditors	\$ 4,500.00	\$ 11,248.00	\$ 6,748.00	The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional reporting requirements.
Employees	\$ -	\$ -	\$ -	N/A
Trade on	\$ -	\$ -	\$ -	N/A
Investigation	\$ 6,000.00	\$ 11,525.00	\$ 5,525.00	The commerciality of pursuing an insolvent trading claim, quantum and evidentiary requirements were not foreseen.
Dividend	\$ -	\$ -	\$ -	N/A
Administration	\$ 4,500.00	\$ 11,493.00	\$ 6,993.00	The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional meetings, statutory tasks and funds handling.
<b>Total (ex GST)</b>	<b>\$ 15,000.00</b>	<b>\$ 34,266.00</b>	<b>\$ 19,266.00</b>	

We also make the following general comments regarding the progress of the Liquidation that have affected our previous remuneration estimate:

- Determining the most just and efficient method of distributing the proceeds of the insolvent trading claim considering the number of Companies in the Group and the effect of the Deed of Cross Guarantee was not foreseen by the Liquidator.
- Similarly, making an application to the court under sections 90-15, 60-10(1)(c) and 65-45 of Schedule 2 – Insolvency Practice Schedule (Corporations) to the Act, seeking various orders and directions necessary to fairly and efficiently finalise the Liquidations was not foreseen by the Liquidator.
- Consideration as to whether a pooling determination or a pooling order would be appropriate in the circumstances was required.
- Additional time was required to adjudicate on approximately 330 unsecured creditors as the COVID-19 pandemic forced staff of this office to deal with physical and electronic records off site.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in this report and in Schedule A.



**Schedule E – Summary of receipts and payments – 16 April 2018 to 30 June 2021**

Receipts	\$
Interest Income	159.44
Total Receipts	159.44
Payments	
Liquidator's Remuneration	10,637.55
Total Payments	10,637.55
Net Receipts	(10,478.11)

## Schedule F – FTI Consulting schedule of rates effective 1 April 2020

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.

Classification	Standard rates \$/hour*	General guide to classifications
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

*\* All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule G – FTI Consulting schedule of rates effective 1 May 2019

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule H – FTI Consulting schedule of rates effective 1 March 2017

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	625	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	580	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	570	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	440	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	380	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	360	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	315	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	280	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	260	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	185	Undergraduate in the latter stage of their university degree.
Administration 2	185	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	155	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

IN THE SUPREME COURT OF VICTORIA  
AT MELBOURNE  
COMMERCIAL COURT  
CORPORATIONS LIST

S ECI 2021

IN THE MATTER OF AUSTRALIAN MUSIC GROUP PTY LTD (IN LIQUIDATION) ACN 127  
926 434

ROSS ANDREW BLAKELEY IN HIS CAPACITY AS LIQUIDATOR OF AUSTRALIAN  
MUSIC GROUP PTY LTD (IN LIQUIDATION) AND OTHERS (IN ACCORDANCE WITH  
THE SCHEDULE)

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 12 July 2021  
Filed on behalf of: The Plaintiffs  
Prepared by:  
**Maddocks**  
Lawyers  
Collins Square, Tower Two  
Level 25, 727 Collins Street  
Melbourne, Victoria 3008

Solicitor's Code: 230  
DX: 259 Melbourne  
Tel: (03) 9258 3555  
Fax: (03) 9258 3666  
Ref: M01H:MJER:6057887  
Attention: Marelda Hibberd  
Email: marelda.hibberd@maddocks.com.au

This is the exhibit marked "RAB-13" now produced and shown to Ross Andrew Blakeley at the  
time of swearing his affidavit on 12 July 2021.

Before me:

  
Signature of person taking affidavit

ISABELLA KESARA PIERRI  
727 Collins St, Melbourne 3008  
An Australian legal practitioner  
within the meaning of the Legal  
Profession Uniform Law (Victoria)

  
Ross Andrew Blakeley

**Exhibit "RAB-13"**  
**Copy of the Remuneration Approval Report for**  
**AMG dated 8 July 2021**



8 July 2021



# Remuneration Approval Report

Australian Music Group  
In Liquidation  
ACN 127 926 434

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## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 (Act) and the Code of Professional Practice published by the Australian Restructuring Insolvency and Turnaround Association (ARITA) requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Liquidation of Australian Music Group (In Liquidation) ACN 127 926 434 (the "Company").

We are asking the Court to approve the following remuneration and disbursements:

Appointment type/Period	Remuneration (excl GST)	Disbursements (excl GST)
Liquidation – 28 November 2017 to 30 June 2021	\$33,912.00	\$0.00
Liquidation – 1 July 2021 to Finalisation	\$45,182.84	\$0.00

Creditors have previously approved our remuneration and disbursements as follows:

Appointment type/Period	Remuneration (excl GST)	Disbursements (excl GST)
Voluntary Administration – 23 August 2012 to 31 December 2012	\$12,377.85	\$0.00
Voluntary Administration – 1 January 2013 to 25 January 2013	\$7,500.00	\$0.00
Liquidation – 25 January 2013 to Interim Period	\$15,000.00	\$0.00

We estimate that the total cost of this Liquidation will be \$94,094.84. This has increased from our previous estimate as further investigations were required into the financial affairs of a related company in the Group was required, adding to the length of the Liquidation. Further, a successful claim against the directors of the Company for insolvent trading in contravention of section 588G of the Corporations Act 2001 has resulted in an unsecured dividend of between 3 and 4 cents in the dollar.

Adjudicating on, declaring and paying a dividend to unsecured creditors was not contemplated at the second meeting of creditors on 25 January 2013.

This is my final remuneration approval request.

## Declaration

I, Ross Blakeley, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment.

## Remuneration sought

The remuneration we are asking the Court to approve is summarised as follows:

For	Period	Amount \$ (excl GST)	Applicable rates	Timing of payment
Work already completed	27 November 2017 to 30 June 2021	\$33,912.00	As per the attached hourly rates	When funds are available
Future work	1 June 2021 to Finalisation	\$45,182.84	As per the attached hourly rates	When funds are available
<b>Total</b>		<b>\$94,094.84</b>		

Details of the work already done and future work that we intend to do are **enclosed at Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Resolutions to be considered by the Court are included at **Schedule C** for your information.

## Disbursements

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of these amounts are included in the attached Receipts and Payments.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

We are not currently seeking approval for disbursements.

## Previous remuneration approvals

The following remuneration approvals have previously been provided by creditors:

Period	For	Approving body	Approved amount \$	Amount paid \$
23 August 2012 to 31 December 2012	work already completed	Creditors	\$12,377.85	\$0.00
1 January 2013 to 25 January 2013	work already completed	Creditors	\$7,500.00	\$0.00
<b>Total Voluntary Administration remuneration previously approved</b>			<b>\$19,877.85</b>	<b>\$0.00</b>

Period	For	Approving body	Approved amount \$	Amount paid \$
25 January 2013 to Interim Period	future work	Creditors	\$15,000.00	\$209.00
<b>Total Liquidation remuneration previously approved</b>			<b>\$15,000.00</b>	<b>\$0.00</b>

We are now seeking approval of a further \$45,182.84 in remuneration which will bring total remuneration claimed in this Liquidation to \$94,094.84.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- ▣ realisations to date
- ▣ estimated future realisations
- ▣ estimated remuneration to complete the Liquidation
- ▣ the estimated total of creditor claims based on the Company's records and claims lodged

We estimate that a dividend of between 3 and 4 cents in the dollar will be paid in the Liquidation to unsecured creditors. Please note that this estimate is subject to a range of variables, particularly the future realisations and creditor claims.

## Summary of receipts and payments

A summary of the receipts and payments for the Liquidation as at 30 June 2021 is **enclosed** at Schedule E to this report.

An annual administration return was lodged with ASIC on 9 April 2021 which also provides information on the conduct of the administration.

## Queries

Further supporting documentation for our remuneration claim can be provided to creditors on request.

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

- ▣ ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ▣ ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for INFO 85).

If you have any queries in relation to the information in this report, please contact George Tansley of this office on 03 9604 0631 or by email at [george.tansley@fticonsulting.com](mailto:george.tansley@fticonsulting.com).

Yours faithfully

**Australian Music Group**

**(In Liquidation)**



**Ross Blakeley**

**Liquidator**

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Explanation where remuneration previously approved

Schedule E – Summary of receipts and payments

Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Schedule H – FTI Consulting schedule of rates effective 1 April 2020

Schedule H – FTI Consulting schedule of rates effective 1 May 2019

Schedule I – FTI Consulting schedule of rates effective 1 March 2017

## Schedule A – Details of work

Task area/General description	Work already done	Future work
Period	27 November 2017 to 30 June 2021	1 July 2021 to Finalisation
Amount \$ (excl GST)	\$33,912.00	\$45,182.84
<b>Creditors</b>	<b>49.1 hours</b> <b>\$17,961.00</b> <ul style="list-style-type: none"> <li>▣ Receive and respond to creditor enquiries</li> <li>▣ Maintaining creditor request log</li> <li>▣ Review and prepare initial correspondence to creditors and their representatives</li> <li>▣ Documenting</li> <li>▣ Considering reasonableness of creditor requests</li> <li>▣ Compiling information requested by creditors</li> </ul>	<b>29.0 hours</b> <b>\$10,001.81</b> <ul style="list-style-type: none"> <li>▣ Receive and respond to creditor enquiries</li> <li>▣ Maintaining creditor request log</li> <li>▣ Documenting</li> <li>▣ Considering reasonableness of creditor requests</li> <li>▣ Compiling information requested by creditors</li> </ul>
Creditor Enquiries, Requests & Directions		
Creditor reports	<ul style="list-style-type: none"> <li>▣ Preparing annual Statutory Report by Liquidator and general reports to creditors</li> <li>▣ Receiving and filing POD when not related to a dividend</li> <li>▣ Corresponding with OSR and ATO regarding POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing annual Statutory Report by Liquidator and general reports to creditors</li> <li>▣ Receiving and filing POD when not related to a dividend</li> <li>▣ Corresponding with OSR and ATO regarding POD when not related to a dividend</li> </ul>
Dealing with proofs of debt		
Investigations	<b>1.4 hours</b> <b>\$804.00</b> <ul style="list-style-type: none"> <li>▣ Review of specific transactions evidencing insolvent trading and reviewing correspondence supporting same.</li> <li>▣ Review of affidavit, originating process and accompanying reports. Discussing same with counsel.</li> </ul>	<b>0.0 hours</b> <b>\$0.00</b>
Conducting investigation		
Court application		



Remuneration Approval Report

Task area/General description	Work already done	Future work
<b>Dividend</b>	<p><b>19.9 hours</b> <b>\$6,624.50</b></p> <ul style="list-style-type: none"> <li>▣ Preparation of correspondence to potential creditors inviting lodgement of POD</li> <li>▣ Receipt of POD</li> <li>▣ Maintain POD register</li> <li>▣ Adjudicating POD</li> <li>▣ Preparation of correspondence to claimant advising outcome of adjudication</li> </ul>	<p><b>90.0 hours</b> <b>\$29,955.60</b></p> <ul style="list-style-type: none"> <li>▣ Preparation of correspondence to potential creditors inviting lodgement of POD</li> <li>▣ Receipt of POD</li> <li>▣ Maintain POD register</li> <li>▣ Adjudicating POD</li> <li>▣ Request further information from claimants regarding POD</li> <li>▣ Preparation of correspondence to claimant advising outcome of adjudication</li> <li>▣ Preparation of correspondence to creditors advising of intention to declare dividend</li> <li>▣ Advertisement of intention to declare dividend</li> <li>▣ Obtain clearance from ATO to allow distribution of company's assets</li> <li>▣ Preparation of dividend calculation</li> <li>▣ Preparation of correspondence to creditors announcing declaration of dividend</li> <li>▣ Advertise announcement of dividend</li> <li>▣ Preparation of distribution</li> <li>▣ Preparation of dividend file</li> <li>▣ Preparation of payment vouchers to pay dividend</li> <li>▣ Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>
<b>Dividend procedures</b>	<p><b>17.4 hours</b> <b>\$8,522.50</b></p> <ul style="list-style-type: none"> <li>▣ Obtain clearance from ATO to allow distribution of company's assets</li> <li>▣ Preparation of dividend calculation</li> <li>▣ Preparation of correspondence to creditors announcing declaration of dividend</li> <li>▣ Preparation of distribution</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparation of dividend calculation</li> <li>▣ Preparation of correspondence to creditors announcing declaration of dividend</li> <li>▣ Advertise announcement of dividend</li> <li>▣ Preparation of distribution</li> <li>▣ Preparation of dividend file</li> <li>▣ Preparation of payment vouchers to pay dividend</li> <li>▣ Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>
<b>Administration</b>	<p><b>17.4 hours</b> <b>\$8,522.50</b></p> <ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> </ul>	<p><b>10.5 hours</b> <b>\$5,225.43</b></p> <ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> </ul>
<b>Correspondence</b>	<ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> </ul>	<ul style="list-style-type: none"> <li>▣ General correspondence with various parties</li> </ul>

Task area/General description	Work already done	Future work
Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▣ Six-monthly administration reviews</li> <li>▣ Filing of documents</li> <li>▣ File reviews</li> <li>▣ Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>▣ First month, then six-monthly administration reviews</li> <li>▣ Filing of documents</li> <li>▣ File reviews</li> <li>▣ Updating checklists</li> </ul>
Funds handling	<ul style="list-style-type: none"> <li>▣ Preparing correspondence opening and closing accounts</li> <li>▣ Entering receipts and payments into accounting system</li> <li>▣ Requesting bank statements</li> <li>▣ Bank account reconciliations</li> <li>▣ Correspondence with bank regarding specific transfers</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing correspondence opening and closing accounts</li> <li>▣ Entering receipts and payments into accounting system</li> <li>▣ Requesting bank statements</li> <li>▣ Bank account reconciliations</li> <li>▣ Correspondence with bank regarding specific transfers</li> </ul>
ASIC Forms and lodgements	<ul style="list-style-type: none"> <li>▣ Preparing and lodging ASIC forms including Form 5602s</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing and lodging ASIC forms including 5602/5603.</li> <li>▣ Correspondence with ASIC regarding statutory forms</li> </ul>
ATO and other statutory reporting	<ul style="list-style-type: none"> <li>▣ Preparing BAS</li> </ul>	<ul style="list-style-type: none"> <li>▣ Preparing BAS</li> </ul>
Finalisation		<ul style="list-style-type: none"> <li>▣ Notifying ATO of finalisation</li> <li>▣ Cancelling ABN / GST / PAYG registration</li> <li>▣ Completing checklists</li> <li>▣ Finalising WIP</li> </ul>
Planning / Review	<ul style="list-style-type: none"> <li>▣ Discussions regarding status of administration</li> </ul>	<ul style="list-style-type: none"> <li>▣ Discussions regarding status of administration</li> </ul>
Books and records / storage	<ul style="list-style-type: none"> <li>▣ Dealing with records in storage</li> <li>▣ Sending job files to storage</li> </ul>	<ul style="list-style-type: none"> <li>▣ Dealing with records in storage</li> <li>▣ Sending job files to storage</li> </ul>

**Schedule B -- Time spent by staff on each major task (work already done)**

Employee	Position	\$/hour (excl GST)	Total actual hours	Total \$ (excl GST)	Task Area							
					Creditors	Investigation	Dividend	Administration	Hrs	\$	Hrs	\$
Ross Blakeley	Appointee	\$ 720	0.90	\$ 648.00	0.00	\$ -	0.80	\$ 576.00	0.00	\$ -	0.10	\$ 72.00
Ross Blakeley	Appointee	\$ 695	5.50	\$ 3,822.50	0.00	\$ -	0.00	\$ -	0.00	\$ -	5.50	\$ 3,822.50
Paul Harford	Managing Director	\$ 660	3.90	\$ 2,574.00	3.50	\$ 2,310.00	0.00	\$ -	0.00	\$ -	0.40	\$ 264.00
Kieran Linton	Senior Director	\$ 580	3.50	\$ 2,030.00	0.70	\$ 406.00	0.00	\$ -	0.00	\$ -	2.80	\$ 1,624.00
James Mazzone	Director	\$ 520	2.70	\$ 1,404.00	2.70	\$ 1,404.00	0.00	\$ -	0.00	\$ -	0.00	\$ -
Mei Xuan Lai	Consultant II	\$ 390	0.30	\$ 117.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.30	\$ 117.00
Mei Xuan Lai	Consultant II	\$ 375	0.20	\$ 75.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	0.20	\$ 75.00
Mei Lin Lee	Senior Consultant I	\$ 380	1.60	\$ 608.00	1.00	\$ 380.00	0.60	\$ 228.00	0.00	\$ -	0.00	\$ -

George Tansley	Associate II	\$ 335	58.50	\$ 19,597.50	34.20	\$ 11,457.00	0.00	\$	-	18.70	\$ 6,264.50	5.60	\$ 1,876.00
Jaie Lilburne	Associate II	\$ 335	0.30	\$ 100.50	0.00	\$	0.00	\$	-	0.00	\$	0.30	\$ 100.50
Tiffany Hatton	Associate II	\$ 335	0.10	\$ 33.50	0.00	\$	0.00	\$	-	0.00	\$	0.10	\$ 33.50
Maxine Allan	Consultant I	\$ 335	0.80	\$ 268.00	0.80	\$ 268.00	0.00	\$	-	0.00	\$	0.00	\$
Erin Millard	Associate I	\$ 300	0.70	\$ 210.00	0.00	\$	0.00	\$	-	0.00	\$	0.70	\$ 210.00
Christina Pelendage-Perera	Associate I	\$ 300	1.80	\$ 540.00	0.00	\$	0.00	\$	-	1.20	\$ 360.00	0.60	\$ 180.00
Maxine Allan	Associate II	\$ 280	6.20	\$ 1,736.00	6.20	\$ 1,736.00	0.00	\$	-	0.00	\$	0.00	\$
Alyse Kent	Administration I	\$ 185	0.20	\$ 37.00	0.00	\$	0.00	\$	-	0.00	\$	0.20	\$ 37.00
Selina Naylor	Administration I	\$ 185	0.60	\$ 111.00	0.00	\$	0.00	\$	-	0.00	\$	0.60	\$ 111.00
<b>Total (ex GST)</b>				<b>\$ 33,912.00</b>		<b>\$ 17,961.00</b>		<b>\$ 804.00</b>			<b>\$ 6,624.50</b>		<b>\$ 8,522.50</b>
<b>GST</b>				<b>\$ 3,391.20</b>									
<b>Total (Incl GST)</b>				<b>\$ 37,303.20</b>									
<b>Total hours</b>			<b>87.80</b>		<b>49.10</b>		<b>1.40</b>			<b>19.90</b>		<b>17.40</b>	
<b>Avg hourly rate (ex GST)</b>				<b>\$ 386.24</b>		<b>\$ 365.80</b>		<b>\$ 574.29</b>		<b>\$ 332.89</b>		<b>\$ 489.80</b>	

## Schedule C – Resolutions

### Resolution 1 – Retrospective Remuneration

*“That the remuneration of the Liquidator, their partners and staff, for the period from 28 November 2017 to 30 June 2021 is approved for payment in the amount of \$33,912.00, exclusive of GST, to be drawn from available funds immediately or as funds become available. Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates dated 1 March 2017, 1 May 2019 and 1 April 2020”.*

### Resolution 2 – Future Remuneration

*“That the future remuneration of the Liquidation for the period from 1 July 2021 to finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidator and their partners and staff, calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates dated 1 July 2021, up to a capped amount of \$45,182.84, exclusive of GST, and that the Liquidator can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available”.*

## Schedule D - Explanation where remuneration previously approved

At the creditors meeting of 25 January 2013, creditors approved our prospective remuneration of \$15,000.00. We have drawn and applied \$209.00 in payment of our remuneration. We will draw and apply a further \$14,789.91 after the distribution of the settlement sum from the insolvent trading claim, as detailed in the attached Report to Creditors. Our remuneration has exceeded this interim amount and we are now seeking approval of a further capped amount of \$45,182.84 to enable us to complete the Liquidation.

Task	Fees already approved as at 25 January 2013 \$	Approval sought for work already done \$	Approval sought for future work \$	Total fees sought per task \$
Assets	\$ -	\$ -	\$ -	\$ -
Creditors	\$ 5,474.50	\$ 17,961.00	\$ 10,001.81	\$ 33,437.31
Employees	\$ -	\$ -	\$ -	\$ -
Trade on	\$ -	\$ -	\$ -	\$ -
Investigation	\$ 4,308.11	\$ 804.00	\$ -	\$ 5,112.11
Dividend	\$ -	\$ 6,624.50	\$ 29,955.60	\$ 36,580.10
Administration	\$ 5,216.30	\$ 8,522.50	\$ 5,225.43	\$ 18,964.23
<b>Total (ex GST)</b>	<b>\$ 14,998.91</b>	<b>\$ 33,912.00</b>	<b>\$ 45,182.84</b>	<b>\$ 94,093.75</b>
<b>Total Remuneration previously approved</b>				<b>\$ 15,000.00</b>
<b>Difference (see below table for further breakdown)</b>				<b>\$ 79,093.75</b>

### Payment reconciliation

Total remuneration claimed	\$ 94,093.75
Amount paid to date	\$ 209.00
<b>Amount Outstanding</b>	<b>\$ 93,884.75</b>

In the below table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 25 January 2013 \$	Total per task (from previous table) \$	Difference	Reasons for difference
Assets	\$ -	\$ -	\$ -	N/A
Creditors	\$ 5,474.50	\$ 33,437.31	\$ 27,962.81	The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional reporting requirements.
Employees	\$ -	\$ -	\$ -	N/A
Trade on	\$ -	\$ -	\$ -	N/A
Investigation	\$ 4,308.11	\$ 5,112.11	\$ 804.00	N/A
Dividend	\$ -	\$ 36,580.10	\$ 36,580.10	A dividend to unsecured creditors was not foreseen. The length of the administration as a result of investigations into the financial affairs of the companies in the group was not foreseen, contributing to additional meetings, statutory tasks and funds handling.
Administration	\$ 5,216.30	\$ 18,964.23	\$ 13,747.93	
<b>Total (ex GST)</b>	<b>\$ 14,998.91</b>	<b>\$ 94,093.75</b>	<b>\$ 79,094.84</b>	

We also make the following general comments regarding the progress of the Liquidation that have affected our previous remuneration estimate:

- ▣ Determining the most just and efficient method of distributing the proceeds of the insolvent trading claim considering the number of Companies in the Group and the effect of the Deed of Cross Guarantee was not foreseen by the Liquidator.
- ▣ Similarly, making an application to the court under sections 90-15, 60-10(1)(c) and 65-45 of Schedule 2 – Insolvency Practice Schedule (Corporations) to the Act, seeking various orders and directions necessary to fairly and efficiently finalise the Liquidations was not foreseen by the Liquidator.
- ▣ Consideration as to whether a pooling determination or a pooling order would be appropriate in the circumstances was required.
- ▣ Additional time was required to adjudicate on approximately 330 unsecured creditors as the COVID-19 pandemic forced staff of this office to deal with physical and electronic records off site.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in this report and in Schedule A.

## Schedule E – Summary of receipts and payments 30 April 2018 to 30 June 2021

Receipts		\$
Total Receipts		0.00
Payments		
<b>Bank Charges</b>		<b>0.37</b>
Total Payments		0.37
Net Receipts		(0.37)



## Schedule F – FTI Consulting schedule of rates effective 1 July 2021

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	530	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	480	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	435	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Treasury	220	Typically, qualified accountant and/or bookkeeper working in a treasury function. Undertakes treasury activities and is skilled in all aspects of bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule G – FTI Consulting schedule of rates effective 1 April 2020

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	720	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	660	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	580	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	520	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	470	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	430	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	390	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	360	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	335	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	220	Undergraduate in the latter stage of their university degree.
Administration 2	220	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	170	Undergraduate in the early stage of their university degree.
Administration 1	185	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

*\* All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule H – FTI Consulting schedule of rates effective 1 May 2019

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	165	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

*\* All rates listed above are exclusive of GST*

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

## Schedule I – FTI Consulting schedule of rates effective 1 March 2017

Classification	Standard rates \$/hour*	General guide to classifications
Senior Managing Director/Appointee	625	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	580	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	570	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	440	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	380	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations.

Classification	Standard rates \$/hour*	General guide to classifications
		Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	360	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	315	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	280	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	260	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	185	Undergraduate in the latter stage of their university degree.
Administration 2	185	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.
Administration 1	155	Has appropriate skills and experience to support professional staff in an administrative capacity. May also have appropriate bookkeeping, accounting support services or similar skills.

\* All rates listed above are exclusive of GST

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.