



Halifax Investment Services Pty Ltd (In Liquidation)

ACN 096 980 522

Halifax New Zealand Ltd (In Liquidation)

Company Number 2130897

Report to Investors and Creditors

17 March 2023

Contents

1	Executive summary	4
2	Introduction	8
3	Matters addressed during the Liquidations	11
4	Outcome of Client Moneys Proceedings	17
5	Status of distributions to Investors	22
6	Status of investigations and recovery actions	26
7	Assets held by Halifax AU and Halifax NZ	29
8	Total estimated return to Investors	31
9	Operations and cash flow	35
10	Liquidation costs	37
11	Questions	40
	Glossary	41
	Annexure A – remuneration by key activity	42



01

Executive summary

1 Executive summary

1.1 Key progress to date

The complexities of the Halifax liquidations have necessitated the Liquidators seeking judicial advice and directions from the courts in Australia and New Zealand to enable return of funds to Investors.

Whilst the Liquidations are still ongoing, we have made significant progress to date, and are pleased to have paid a combined total of **AU\$167.3 million** in the First and Second Interim Distributions to eligible Investors. Key actions taken to date include:

- Investigations and reconciliation of the assets of Halifax to determine the deficiency in client funds;
- Attending to complex court proceedings in Australia and New Zealand;
- Close out of portfolio assets held by Halifax on behalf of Investors;
- Managing the claims distribution process for over 8,000 Investor claims;
- Assessing over 150 claims for the in-specie distribution of shares;
- Responding to a large volume of Investor queries, including over 20,000 emails;
- Distributing funds to over 4,000 Investors located in over 40 countries;
- Issuing more than 50 Investor Updates and FAQ documents;
- Investigating misconduct and assessing recoveries on behalf of Investors; and
- Commencing proceedings against Halifax AU's former auditors and lawyers.

1.2 Distributions

The majority of client accounts were consolidated on 30 November 2021 to enable the Liquidators to realise the portfolio. This is therefore the last date at which the majority of Investors' trust entitlements can be determined.

However, in accordance with the Client Moneys Orders, the proportion of available funds to be distributed to each Investor in light of the deficiency is calculated by reference to Investor account balances as at 27 November 2018. For the majority of Investors, this is the amount verified on the Investor Portal.

As you consider this report, please bear in mind that all references to percentage distributions are made in reference to Investor account balances as at 27 November 2018. This is not reflective of each Investor's beneficial entitlement, but rather to provide an indication of the amount Investors can expect to receive.

It is important to note that the beneficial entitlement of Investors, or the amount to which Investors are entitled as a result of the Client Money Orders is not capped at their 27 November 2018 account balance.

A summary of distributions paid to date, as well as our revised future estimates is provided below:

Distribution	Amount as a % of Investor account balances as at 27 November 2018	Payment date
First Interim Distribution	50%	From May 2022
Second Interim Distribution	50%	From November 2022
Third Interim Distribution	10%	Estimated from June 2023
Final Distribution	2%	To be determined
Total estimated distributions	112%	

The Third Interim Distribution will commence once:

- remaining eligible Investors have received their First and Second Interim Distributions; and
- the Investor Portal has been closed to the submission of new claims.

We currently estimate that the Third Interim Distribution will commence in June 2023.

It is likely that a Final Distribution will be paid once the outcome of our recovery actions is known, and provisions held for unsubmitted claims and unresolved disputes have been unwound.

1.3 Investor Portal

We will be taking steps to close the Investor Portal prior to the commencement of the Third Interim Distribution. A notice will be published and issued to Investors that will provide 28 days' notice of closure. Once closed, the Investor Portal will become inaccessible to Investors. Closure of the Investor Portal will allow us to determine the total claim pool, which is necessary to determine the rate of the Final Distribution.

Pursuant to the current directions, funds will only be distributed to Investors who have submitted a claim via the Investor Portal by the closure date.

The Investor Portal currently remains open for submission of late claims and we request all investors to submit their claims **as soon as possible** and before the closure of the Investor Portal. Details of the claim submission process are as follows:

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-investor-portal-21-february-2022.pdf>

Subject to the Liquidators taking further legal advice, any undistributed funds remaining following the Final Distribution will be held by the Liquidators pending direction from the Courts on how these funds should be treated.

1.4 Eligible Category 3 and 5 distribution in-specie

In accordance with the Client Moneys Orders, Category 3 and Category 5 Investors were able to apply for an in-specie distribution of shares that met certain eligibility criteria.

In-specie distributions to eligible Investors have now been completed and shares valued at a combined total of **AU\$27.6 million** (at the time of transfer) have been transferred to eligible Category 3 and Category 5 Investors.

1.5 Estimated outcome

We currently estimate the total pool of funds available for distribution to eligible Investors (inclusive of the amounts distributed to date) to be at least **AU\$220.8 million**.

A contingency of funds has been set aside for unforeseen claims or legal disputes. If this contingency is ultimately not required, these funds will be distributed to Investors in the Final Distribution.

1.6 Status of recovery actions

We are progressing a recovery action in the Federal Court of Australia against Halifax AU's former auditors and lawyers.

We have obtained litigation funding to pursue these claims and these proceedings are ongoing.

We are continuing to pursue claims against other parties. We note that the Liquidators' role in legal recovery action is to recover funds for the benefit of Investors and creditors. We therefore consider the commercial merits of claims, including the costs involved, available funding options, duration of proceedings, and the prospects of recovery in determining whether to pursue any particular recovery actions.

1.7 Regulator investigations

ASIC is responsible for the investigation and regulation of director conduct in Australia. The FMA and Registrar of Companies are responsible for investigation and regulation of director conduct in New Zealand with their respective statutory remits.

ASIC has banned the Director and Former Director of Halifax AU from providing financial services for six years, effective from 29 April 2019 on the conduct in relation to a separate corporate entity.

We have submitted the detailed findings of our investigations to ASIC and we continue to respond to requests for information. ASIC does not share details of the progress of its confidential investigations.

We have provided regular updates to the FMA and continue to respond to requests for information. Similar to ASIC, the FMA does not share details of the progress of its confidential investigations.

1.8 Costs of the Liquidation

There are various aspects of the Halifax liquidations that have contributed to the complexity of the matter including dealing with assets held on trust across two jurisdictions and managing many stakeholders with competing interests. These complexities have contributed to the cost and duration of the Liquidations.

Total remuneration incurred and paid to the Voluntary Administrators and Liquidators of Halifax AU and Halifax NZ from 23 November 2018 to 31 December 2022 is AU\$10.6 million (excluding GST), with a further AU\$3.5 million (excluding GST) incurred and unpaid.

Remuneration incurred and paid to the Liquidators of Halifax AU and Halifax NZ is subject to:

- review by an independent third-party assessor who has been appointed by the Courts; and
- approval by order of the Courts.

Total legal fees and disbursements paid in the liquidation of Halifax AU and Halifax NZ from 23 November 2018 to 31 December 2022 is AU\$21.3 million (excluding GST), inclusive of representative defendants' legal costs.

1.9 Next steps

We are continuing to progress the following key tasks:

- Finalising payment of the remaining First and Second Interim Distributions to eligible Investors;
- Payment of a Third Interim Distribution to eligible Investors;
- Progressing and finalising claims against third parties to recover further funds for the benefit of Investors;
- Continuing to assist regulators with their confidential investigations;
- Realisation of the remaining largely illiquid investments; and
- Payment of a Final Distribution to eligible Investors.

The background of the slide is a deep blue gradient. In the lower half, there are wavy, horizontal lines composed of small, glowing blue dots, creating a sense of motion and depth. A thin, vertical white line is positioned on the left side, just to the left of the page number.

02

Introduction

2 Introduction

2.1 Background

This report should be read in conjunction with the information contained on our website including:

- The VA Report for Halifax AU dated 12 March 2019;
- The VA Report for Halifax NZ dated 14 March 2019;
- The Report by the Liquidators to Investors and Creditors of Halifax AU and Halifax NZ dated 31 August 2020; and
- Other updates, reports, and FAQ documents issued to Investors and creditors.

2.2 Retirement and appointment of replacement joint and several Liquidator

Morgan Kelly resigned from the KPMG Australia partnership on 19 December 2022. As a result, Mr Kelly retired as joint and several Liquidator of Halifax AU on 13 December 2022, and resigned as joint and several Liquidator of Halifax NZ on 15 December 2022.

Peter Gothard, KPMG's Head of Restructuring for Asia Pacific, has been appointed as replacement joint and several Liquidator of Halifax AU and Halifax NZ along with Phil Quinlan who remains as Liquidator of both entities. The cost of replacing Morgan Kelly as liquidator was met by KPMG.

Notification of the replacement of one of the joint and several Liquidators was provided in an update to Investors on 15 December 2022, which attached an updated Declaration of Independence, Relevant Relationships and Indemnities.

A summary of the appointment mechanisms for the appointment of Mr Gothard is as follows:

Entity / role	Appointment mechanism
Halifax AU <i>Replacement liquidator</i>	<ul style="list-style-type: none"> ▪ On application to the Federal Court of Australia on 9 December 2022, with the resignation of Mr Kelly, and appointment of Mr Gothard to be affected upon order of the Court ▪ By order of the Federal Court of Australia dated 13 December 2022
Halifax NZ <i>Replacement liquidator</i>	<ul style="list-style-type: none"> ▪ By instrument of appointment dated 15 December 2022
Halifax NZ <i>Replacement trustee</i>	<ul style="list-style-type: none"> ▪ By instrument of appointment dated 19 December 2022, with effect from 20 December 2022

2.3 Declaration of independent, relevant relationships and indemnities (DIRRI)

The DIRRI discloses information regarding the Administrators' and Liquidators' independence, prior personal or professional relationships with Halifax or related parties and any indemnities received in relation to the appointment.

Updated DIRRI documents were provided within the update to Investors dated 15 December 2022, available via the following link:

<https://assets.kpmg.com/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-update-to-investors-15-december-2022.pdf>

This assessment identified no real or potential risks to the Administrators' or Liquidators' independence.

2.4 Information website

Following the time of our appointment, we established web facilities to host communications with Investors and creditors:

<https://home.kpmg/au/en/home/creditors/halifax-investment-services.html>

<https://home.kpmg/au/en/home/creditors/halifax-nz-limited.html>

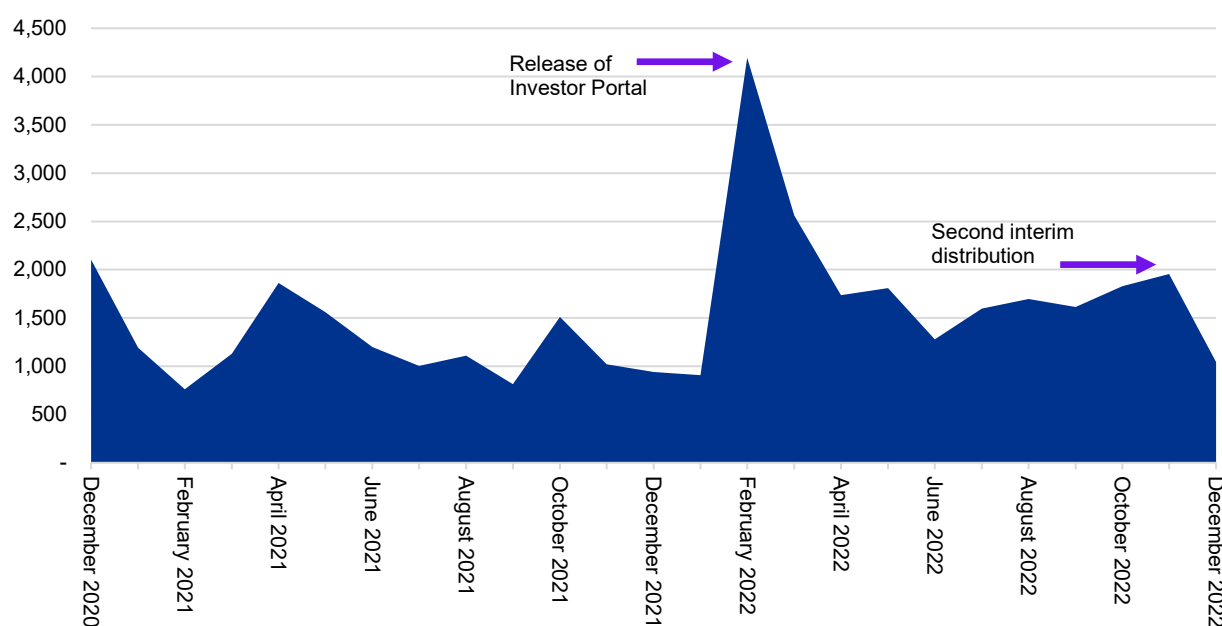
The websites contain copies of notices and reports to creditors, our initial and subsequent reports, key court documents, answers to frequently asked questions, webcast recordings of creditor meetings and other material. Key documents have also been translated in to Simplified Chinese.

The websites are updated on a periodic basis when there are key developments to communicate to Investors and creditors.

During the two years from December 2020 to December 2022 there have been over 38,000 page views, averaging over 1,500 views per month, and 24,000 document downloads.

The below chart illustrates the combined views of the Halifax AU and Halifax NZ webpages over the period.

Monthly page views of KPMG's Halifax webpages



The highest periods of views correlate with the release of the Investor Portal in February 2022, and the announcement of the Second Interim Distribution in November 2022.

The chart highlights the significance of our frequent communication with Investors and creditors, which we will continue to provide throughout the Liquidations.

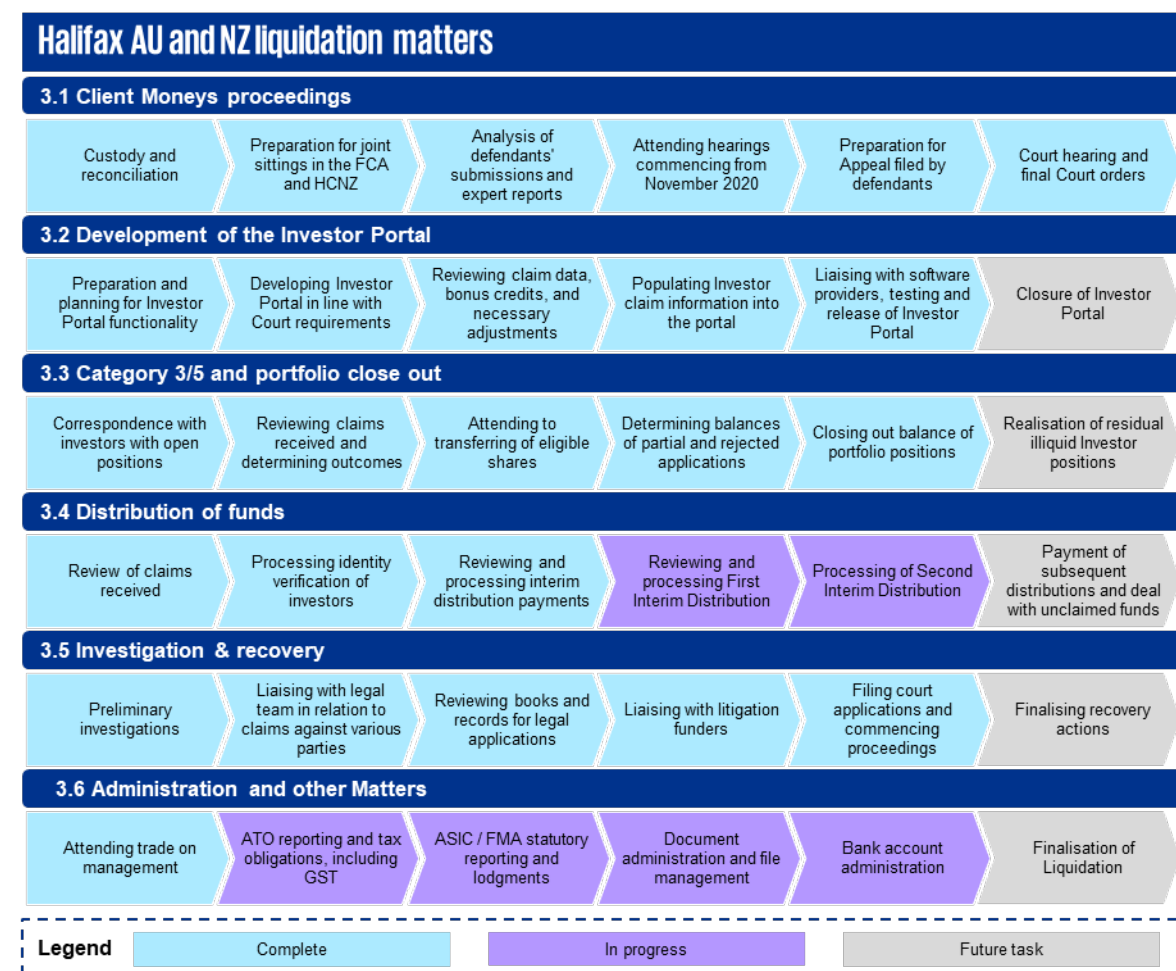
03

Matters addressed during the Liquidations



3 Matters addressed during the Liquidations

Set out below is a snapshot of the key workstreams undertaken during the Liquidations and the current stages of completion:



3.1 Client Moneys proceedings

Key tasks undertaken include:

- Liaising with our Australian and New Zealand legal representatives to prepare for the joint sittings in the Federal Court of Australia and the High Court of New Zealand including the preparation and review of submissions by all parties to the proceedings.
- Liaising with our legal representatives in relation to the preparation of evidence and other documentation required for case management hearings and the main hearing in December 2020.
- Detailed review and preparation of analysis in respect of submissions filed by the representative defendants.
- Extensive trial preparation sessions and meetings with legal representatives including Counsel.
- Review of expert report in relation to in-specie distribution.

- Liaising with the various defendants joined to the proceedings including in relation to submissions, the agreed statement of facts, costs, the confidentiality regime, and other matters.
- Review of submissions prepared by Counsel including matters on which various parties are permitted to file evidence, remuneration application and various other issues.
- Tasks associated with responding to the arguments propounded by Jeffrey Worboys and Hong Kong Capital Holdings Pty Ltd (Majority Shareholders) following their joinder to the proceedings and preparation of further evidence in this regard.
- Attendance at the hearing which commenced on 30 November 2020 and concluded on 9 December 2020.
- Attendance to matters regarding the Appeal filed by the First Defendant in respect of the date on which the proportionate entitlements of Investors to the assets of Halifax AU and Halifax NZ was to be calculated, including:
 - Assisting with the preparation of submissions;
 - Liaising with legal team regarding strategy; and
 - Corresponding with the representative defendants.

3.2 Development of Investor Portal

Key tasks undertaken include:

- Preparation and planning for the distribution of funds to Investors.
- Preparation of a detailed process map for the distribution, including a dispute resolution process and various pathways and workstreams to be employed in circumstances where Investors do not respond to the Liquidators' correspondence.
- Working with Insol6 (software provider) to develop the Investor Portal to reflect the procedures and information requirements including:
 - Creating secure log-in access with unique codes for registration
 - Allowing for the supply of supporting documentation based on the type of Investor account
 - Integration of an identity verification tool
- Review of all bonus credits applied to Investor accounts to determine whether Investor account balances should be reduced by the amount of any unearned bonus credits.
- Liaising with our legal team in relation to the bonus credit issue and issuing correspondence to Investors to whom bonus credit issues apply.
- Investigations into Investor account issues, and calculation of any adjustments required, which included:
 - Unallocated deposits of funds
 - Unallocated dividends
 - Incorrect valuation of Canadian listed shares held within the MT5 Platform
 - Unsuccessful transfers between Halifax platforms (i.e., Saxo to MT5)
- Preparing various instructional documents, FAQs and updates relating to the Investor Portal.
- Populating Investor claim information from the books and records of Halifax into the Investor Portal and processing various adjustments to account balances to correct known issues outlined above.
- Working with third party software providers to allow Investors to verify their identity and securely provide bank account information.
- Testing Investor Portal functionality prior to release.

3.3 Category 3 and 5 claims and portfolio close out

Key tasks undertaken include:

- Issue of correspondence to all Investors with open positions in respect of Category 3 and Category 5 application process.

- Responding to Investor queries regarding eligibility and the Category 3 and Category 5 application process.
- Review of over 150 claims received, including preparation of detailed tracing analysis of shares recorded within Investor accounts to determine if eligible or ineligible in accordance with the Court Orders.
- Issuing outcome statements to Investors and responding to subsequent queries regarding our determination.
- Attending to transfer of eligible shares between Interactive Brokers and other brokerage providers.
- Determining adjusted Investor account balances following the partial return of shares.
- Populating claims within the Investor Portal for Category 3 and Category 5 claims that had been partially accepted and rejected in full.
- Engagement of an external consultant to conduct a review of the Halifax portfolio and prepare a report on the most appropriate method of close-out.
- Identifying Investor accounts to be quarantined from the close-out process.
- Working with the Halifax employees and the external consultant to close out the majority of open positions during December 2021.
- Attending to subsequent close out of quarantined positions following transfer of eligible Category 3 and Category 5 in-specie distributions.
- Negotiating rates for currency conversion of cleared funds drawn down from the portfolios.
- Negotiating rates and placing funds on term deposit pending distribution.
- Reviewing and assessing realisation strategy for illiquid stocks.

3.4 Distribution of funds

Key tasks undertaken include:

- Review of claims received via the Investor Portal including:
 - Reviewing identity verification results, suspicious user behaviour, and sanction alerts
 - Cross referencing Investor information to document identify verification
 - Reviewing public corporate registers for corporate client accounts to verify information
 - Reviewing trust deeds to confirm trustee verification
 - Translation of identity documents in languages other than English
- Responding to disputes raised by Investors
- Providing assistance to Investors in using the Investor Portal
- Attending to payment processing including:
 - Batching payments for review
 - Review of bank account information for incorrect bank account data
 - Payment authorisation
 - Issue of remittance advice emails
- Assisting Investors with bank account queries such as payment bounce back investigations and payments to intermediary banks.

3.5 Investigation & recovery

Key tasks undertaken include:

- Liaising with legal team in relation to possible claims against the Halifax AU Director and Halifax AU Former Director.
- Review of books and records to substantiate claims against various parties.
- Detailed reporting of potential offences to ASIC and responding to requests for information.
- Liaising with litigation funders.

- Instructing legal team to file Court applications to obtain approval to execute a litigation funding agreement to pursue Halifax AU claims against the former auditor and lawyer.
- Instructing legal team in respect of preparation of statement of claim in respect of Halifax AU claims against its former auditor and lawyer.
- Issuing notices to Investors and FAQ document regarding claims being pursued and the proposed litigation funding.
- Ongoing preparation of evidence and document discovery to support the proceedings.

3.6 Administration and other matters

Key tasks undertaken include:

- Preparation of a large number of Investor Update and FAQ documents.
- Responding to a high volume of Investor queries via email and phone.
- Liaising with ASIC and the FMA in relation to various requests for information.
- Attendance to ongoing operational tasks:
 - Oversight of remaining Halifax employees
 - Liaising with software suppliers in relation to essential services
 - Maintenance of monthly cash flow forecast
 - Processing receipts and payments
 - Attending to statutory lodgements and taxation obligations.
- Tasks associated with obtaining a new licence in the name of Halifax AU to secure ongoing access to the MT5 platform.
- Tasks associated with the preservation and archive of electronic records.
- Other administration tasks including general correspondence, document maintenance, file review, insurance matters, internal meetings and bank account administration.

3.7 Ongoing tasks

Matters that are continuing to be progressed throughout the Liquidations include:

Key matters	Tasks to be actioned
First and Second Interim Distribution	<ul style="list-style-type: none"> ▪ Resolution of outstanding issues with Investor claims, such as: <ul style="list-style-type: none"> – Incorrect / incomplete bank details – Incomplete identity verifications – Review of disputes – Dealing with returned funds ▪ Processing of claims yet to be submitted by Investors. ▪ Closure of the Investor Portal.
Claims against third parties	<ul style="list-style-type: none"> ▪ Progressing claims against third parties including: <ul style="list-style-type: none"> – Liaising with legal team in relation to litigation strategy – Instructing legal team in relation to preparation of affidavits, evidence, and other legal documentation – Court attendance

Key matters	Tasks to be actioned
Payment of subsequent distributions	<ul style="list-style-type: none"> ▪ Calculation of the rate of distribution, having regard to the funds available and anticipated costs at the time of distribution. ▪ Realisation of non-marketable positions in the Halifax portfolio. ▪ Review and adjudication of any late claims eligible for distribution. ▪ Attending to payment processing tasks. ▪ Considering process for unclaimed monies, including obtaining directions from the Court as to the relevant jurisdiction and custodians of unclaimed monies.
Other matters	<ul style="list-style-type: none"> ▪ Responding to ongoing queries from Investors, including requests for account/transaction information. ▪ Reporting to creditors and Investors. ▪ Responding to information requests from regulators as required. ▪ Decommissioning of investor platforms and archiving of information. ▪ Termination of various software licences. ▪ Considering AUSTRAC compliance reporting. ▪ Ongoing statutory lodgements and reporting.



04

Outcome of Client Moneys Proceedings

4 Outcome of Client Moneys Proceedings

4.1 Outcome

Their Honours Justice Markovic and Justice Venning of the Federal Court of Australia and the High Court of New Zealand respectively, handed down their judgments and made consequential orders in the Client Moneys Proceedings on 19 May 2021.

The judgments and orders are available at the following links:

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-judgment-justice-markovic-19-may-2021.pdf>

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-nz-limited/halifax-nz-judgment-justice-venning-19-may-2021.pdf>

4.2 Key elements of the Orders

The purpose of the following table is to provide a high-level summary of the key elements of the Orders to assist Investors with understanding what the Orders mean for them.

The table below:

- is not intended to be a re-statement or interpretation of the Orders; and
- is not intended to be a complete record of the Orders in their entirety but rather summarises *some* of the Orders made by the Courts.

In circumstances where Investors consider that there are inconsistencies between the paraphrased descriptions below and the Orders themselves, the Orders should be relied on as the most accurate record.

Key element	Comments
Category 3 Shares (orders 2 – 6)	
The Liquidators are justified in organising for the shares of Investors of Halifax AU and Halifax NZ that were transferred from another broker to the IB AU, MT5 or the IB NZ platform, and were never traded (the Category 3 Shares) to be transferred to the Investor in whose account those shares are currently recorded.	Investors with open share positions on the IB AU, MT5 or IB NZ platform were issued with correspondence in relation to Category 3 and Category 5 eligibility criteria and the application process.
Category 5 Shares (orders 7-11)	
The Liquidators are justified in organising for the shares of the following categories to be returned. Investors who:	We received over 150 applications for Category 3 and Category 5. Client accounts were quarantined from the portfolio close out that took place throughout December 2021.
<ul style="list-style-type: none"> ▪ Transferred shares from another broker to the Saxo platform and never traded in those shares, which shares were transferred from the Saxo platform to the IB AU platform or the IB NZ platform and were recorded in a client account 	Eligible Category 3 and Category 5 shares with a combined market value of AU\$28 million (at the time of transfer) have been distributed in-specie to eligible Investors.
	The positions that were quarantined but found to be ineligible for Category 3 and Category 5 have been closed out.

Key element	Comments
<p>on the MT5 platform, the IB AU platform or the IB NZ platform;</p> <ul style="list-style-type: none"> ▪ Purchased shares through the IB NZ platform prior to 1 July 2013 and never traded in those shares; or ▪ Purchased shares through the IB AU platform, the IB NZ platform or the MT5 platform prior to 1 May 2012 and never trade in those shares. 	
Date of calculation (order 14)	
<p>The Liquidators are justified in adopting 27 November 2018 as the date at which the proportionate entitlements of Investors are to be calculated.</p>	<p>Please refer to paragraphs 325 to 339 of the judgment of Justice Markovic of the Federal Court of Australia for a useful summary as to the reasons for this decision.</p> <p>The decisions of the Full Federal Court of Australia and the New Zealand Court of Appeal also considered this issue. Links to these judgements are provided below:</p> <ul style="list-style-type: none"> - https://assets.kpmg.com/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-orders-middleton-beach-moshinsky-26-october-2021.pdf - https://assets.kpmg.com/content/dam/kpmg/au/pdf/creditors/halifax-nz-limited/halifax-nz-judgment-26-october-2021.pdf
Close out and distribution (orders 15-18)	
<p>Following the return of shares in accordance with the Category 3 and Category 5 Orders as well as the return of the pre and post-appointment deposits outlined below, the Liquidators are justified in calculating Investor entitlements using the pari passu approach and closing out all open positions currently held on the various platforms.</p> <p>The Liquidators are also justified in pooling the funds in the bank accounts operated by the Halifax Group.</p>	<p>With the exception of eligible Category 3 and Category 5 shares, all distributions are being paid to Investors by transfer of funds.</p>

Key element	Comments
Distribution process (order 19)	
<p>The Liquidators are justified in adopting the following process to distribute Investor entitlements:</p> <ul style="list-style-type: none"> ▪ The Liquidators will send via email to each Investor, a notification providing unique login details to a secure, web-based portal (the Investor Portal). Investors will be notified of the value of their entitlement for the purpose of the distribution via the Investor Portal. ▪ Investors will be required to verify their identity, confirm the value of their entitlement and provide bank details for the distribution of the entitlement. Investors will be given 21 days to complete this information. <p>The Orders also provide for a dispute process in circumstances where Investors do not agree with the account balance (as at 27 November 2018) shown in the Investor Portal.</p>	<p>An email containing login information was issued to the majority of Investors on 21 February 2022. A detailed Investor Portal guide was issued and published on the KPMG Halifax webpage on the same date.</p>
Offsetting balances (order 20)	
<p>The Liquidators are justified in doing the following:</p> <ul style="list-style-type: none"> ▪ Where an Investor has multiple accounts on the various platforms, combining the balances of those accounts to calculate the net position of the Investor; and ▪ Setting off positive account balances credited to a particular Investor against negative account balances incurred by the same Investor. 	<p>Investors have been notified of any claim adjustments to reflect combining of accounts and setting off negative balances.</p>
Credit balances of less than \$100 (order 21)	
<p>The Liquidators are justified in treating Investors who have a credit balance of AU\$100 or less as having no right to participate in the distribution of funds by the Liquidators.</p>	<p>This means that Investors with an account balance of less than AU\$100 as at 27 November 2018 will not receive a distribution of funds.</p>
Return of pre-appointment and post-appointment deposits (orders 12 -13)	
<p>Orders have been made in respect of the return of funds held in various accounts operated by the Halifax Group on the day prior to and shortly after the appointment of the Voluntary Administrators.</p>	<p>The quantum of the funds to be returned in accordance with these Orders is approximately AU\$165,000. Investors to which this relates have been contacted and deposits have been returned to those investors who have responded to our correspondence to date.</p>

Key element	Comments
Indemnity costs against Majority Holders (order 23)	
The Majority Shareholders (being Mr Worboys and Hong Kong Capital, an entity controlled by the Former Director) are required to pay costs on an indemnity basis in the amount of AU\$351,810 in respect of expenses incurred by the Liquidators by reason of the joinder of the Majority Shareholder to the proceedings and contentions raised by them.	To date, an amount of AU\$50,000 has been received from the amount paid into Court by the Majority Shareholders as security for those costs. Recovery of the balance is subject of our ongoing actions.

4.3 Appeal

On 15 and 16 June 2021, the solicitors for the First Defendant, Mr Loo, filed an Application for extension of time and leave to appeal in the Federal Court of Australia and a Notice of Appeal in the Court of Appeal of New Zealand.

The Appeal was heard on 23 September 2021 by way of a concurrent hearing of the Federal Court of Australia and the Court of Appeal of New Zealand via videoconference. On 26 October 2021, both Courts delivered their judgments in respect of the Appeal.

Both Courts ordered that the Appeal should be dismissed. As a result, the date on which the proportionate entitlements of Investors to the assets of Halifax AU and Halifax NZ is to be calculated, remains 27 November 2018.

Copies of the orders made by the Courts and the reasons are available at the following link:

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-orders-middleton-beach-moshinsky-26-october-2021.pdf>

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-nz-limited/halifax-nz-judgment-26-october-2021.pdf>

05

Status of distributions to Investors



5 Status of distributions to Investors

5.1 Distribution overview

The majority of client accounts were consolidated on 30 November 2021 to enable the Liquidators to realise the portfolio. This is therefore the last date at which the majority of Investors' trust entitlements can be determined.

However, in accordance with the Client Moneys Orders, the proportion of available funds to be distributed to each Investor in light of the deficiency is calculated by reference to Investor account balances as at 27 November 2018. For the majority of Investors, this is the amount verified on the Investor Portal.

As you consider this report, please bear in mind that all references to percentage distributions are made in reference to Investor account balances as at 27 November 2018. This is not reflective of each Investor's beneficial entitlement, but rather to provide an indication of the amount Investors can expect to receive.

It is important to note that the beneficial entitlement of Investors, or the amount to which Investors are entitled as a result of the Client Money Orders is not capped at their 27 November 2018 account balance. A summary of distributions paid to date, as well as our revised future estimates is provided below:

Distribution	Amount as a % of Investor account balances as at 27 November 2018	Payment date
First Interim Distribution	50%	From May 2022
Second Interim Distribution	50%	From November 2022
Third Interim Distribution	10%	Estimated from June 2023
Final Distribution	2%	To be determined
Total estimated distributions	112%	

5.2 First and Second Interim Distributions

As at 31 December 2022, we have paid a combined total of **AU\$167.3 million** in the First and Second Interim Distributions to eligible Investors, representing approximately 95% of verified submitted claims by value.

We are continuing to work through remaining review and verification tasks to finalise First and Second Interim Distribution payments.

As at the date of this report, approximately 374 distributions are pending payment for various reasons including:

- abandoned or incomplete Investor Portal claim submissions;
- supporting documentation (including trust deeds and identification documents) not provided; and
- legal and statutory matters including deceased estates and deregistered corporate accounts holders.

5.3 Third Interim and Final Distributions

The Third Interim Distribution will commence once:

- remaining eligible Investors have received their First and Second Interim Distributions; and
- the Investor Portal has been closed to the submission of new claims.

We currently estimate that the Third Interim Distribution will commence in June 2023.

It is likely that a Final Distribution will be paid once the outcome of our recovery actions is known, and provisions held for unsubmitted claims and unresolved disputes have been unwound.

5.4 Unsubmitted Investor claims

As of 31 December 2022, some 3,368 Investors had not submitted a claim via the Investor Portal. Any funds remaining following the Final Distribution will be held by the Liquidators pending direction from the Courts on how these funds should be treated.

A contingency of funds has been set-aside in an interest-bearing term deposit account to respond to late claims, disputes, and unforeseen costs. If this contingency is ultimately not required, these funds will be distributed to Investors in the Final Distribution.

5.5 Closure of the Investor Portal

We will be taking steps to close the Investor Portal prior to the commencement of the Third Interim Distribution.

A notice will be published and issued to Investors that will provide 28 days' notice of closure. Once closed, the Investor Portal will become inaccessible to Investors.

Pursuant to the current directions, funds will only be distributed to Investors who have submitted a claim via the Investor Portal by the closure date.

Once the Investor Portal has been closed, Investors will no longer be able to submit a claim. For Investors who **do not submit a claim**, the proportionate entitlements payable (had a claim been submitted), will be held by the Liquidators pending further direction of the Courts and/or legal advice.

The likely outcome is that unclaimed entitlements will be paid to government entities, such as ASIC/Revenue NSW and/or the New Zealand Inland Revenue Department. Our estimated return to Investors has therefore been prepared on this basis.

If you have not already done so, please immediately log into the Investor Portal via the following link to confirm the value of your entitlement and/or complete the ID verification process:

<https://creditors.accountants/Account/Login>

5.6 Category 3 and Category 5 Investors

Eligible Investors with open share positions on the IB AU, MT5 or IB NZ platform were issued with correspondence in relation to the Category 3 and Category 5 application processes and were provided 35 days in which to apply and pay a fee of AU\$1,500.

The process of reviewing Investor applications was a complex and time-consuming task which required detailed tracing exercises to be undertaken.

We received a total of 154 claims, of which 126 were accepted (in part or full) and 28 were rejected in full. Reasons for which applications were rejected, partially rejected, or subject to dispute include:

- Misinterpretation of the eligibility criteria.
- Disputing the volume calculation of eligible shares.
- The allocation of dividends received, where the Investor account contained a mix of eligible and non-eligible shares.

Shares totalling **AU\$27.6 million** (valued at the date of transfer) were distributed in-specie to eligible Category 3 and Category 5 Investors. This resulted in a reduction of total Investor account balances as at 27 November 2018 of **AU\$16.9 million**.

06

Status of investigations and recovery actions

6 Status of investigations and recovery actions

The following section provides an update on the progress of our investigations and provides an update on potential recovery actions identified by the Liquidators of Halifax AU and Halifax NZ.

Please note that:

- when considering the merits of pursuing any recovery action, a liquidator must have regard to the relative costs and benefits together with the prospects of success and the financial ability of defendants to meet claims; and
- litigation funding (where available) limits the risk associated with recovery actions and allows the Liquidators to pursue claims that may otherwise be unavailable.

6.1 Recovery action commenced – Halifax AU

Following the investigation and identification of claims against Halifax AU's former auditors and lawyers, the Liquidators obtained litigation funding to enable proceedings to be commenced.

The litigation funding agreement provides for the funder to meet all of the Liquidators' legal costs and disbursements as well as protecting Halifax AU and the Liquidators from any adverse cost orders, including orders for security for costs.

Orders were made by the Federal Court of Australia on 25 August 2022:

- granting approval for the Liquidators to enter into the proposed funding agreement; and
- for the costs incurred by the Liquidators in providing instructions and information to their legal representatives during the proceedings to be met from Halifax's commingled pool of funds.

Similar Orders were made by the High Court of New Zealand on 30 August 2022 in respect of the Liquidators' costs being met from Halifax's commingled pool of funds.

A litigation funding agreement was executed by the Liquidators on 31 August 2022, and subsequently a Statement of Claim was filed in the Federal Court of Australia against Halifax AU's former auditors and lawyers on 5 September 2022.

At a high level, the detail of the claims against Halifax AU's former auditors and lawyers are:

- that the work performed in auditing the accounts of Halifax AU did not meet the standard required by the Australian Auditing Standards;
- that the auditors failed to identify key issues with financial accounts, such as the deficiency in Client Money and the mixing of trust and non-trust money;
- that the former lawyers did not exercise due care and skill in the provision of advice and representations made to Halifax AU; and
- Halifax AU suffered loss or damage as a result of the conduct of the former auditors and lawyers.

In the event of a successful outcome, recoveries from these claims may contribute to the pool of funds of Halifax AU and Halifax NZ available for distribution to Investors, after payment of costs and expenses associated with the proceedings, including the funding of the proceedings by the litigation funder.

6.2 Other recovery actions – Halifax AU and NZ

We are continuing to pursue other potential recovery actions including recovery of Director loan accounts and other antecedent transactions, as well as claims against professional advisors of Halifax NZ. As these actions are ongoing, the details of claims remain confidential.

Whether or not these actions are pursued further will depend on several factors, including the evidence available to the Liquidators, the merits of any legal proceedings, the availability of funding to pursue litigation and the likely return if successful.

6.3 Regulator investigations

ASIC is responsible for the investigation and regulation of director conduct in Australia. The FMA and Registrar of Companies are responsible for investigation and regulation of director conduct in New Zealand within their respective statutory remits.

As previously advised, ASIC has banned the Director and Former Director of Halifax AU from providing financial services for six years, effective from 29 April 2019. The conduct on which ASIC made this decision was based on the conduct of the Director and Former Director in relation to a separate corporate entity.

We have submitted the detailed findings of our investigations to ASIC and we continue to respond to requests for information. ASIC does not share details of the progress of their confidential investigations.

We have provided regular updates to the FMA and continue to respond to requests for information. Similar to ASIC, the FMA does not share details of the progress of their confidential investigations.

07

Assets held by Halifax AU and Halifax NZ

7 Assets held by Halifax AU and Halifax NZ

7.1 Close out of Investor positions

The value of portfolio assets, after accounting for funds accessed by the Liquidators to fund the ongoing costs of the Voluntary Administrations and Liquidations, as at 30 November 2021 was **AU\$281.6 million**.

In December 2021, the Liquidators closed out most open positions recorded in Investor accounts on the Interactive Brokers platform. The close out was undertaken in accordance with the May 2021 Orders and in consultation with an equity market expert. Therefore, for the majority of Investors, the last date on which Investors are able to generate account statements showing their account balance is 30 November 2021.

Investor accounts subject to Category 3 and Category 5 claims were quarantined from the close out process to enable the transfer of eligible shares to Investors' nominated brokerage accounts.

A summary of the Interactive Brokers Portfolio immediately prior to close out (30 November 2021) is provided below:

	Portfolio Assets 30 November 2021 AU\$'000
Interactive Brokers AU – Options, Stocks & Warrants	150,176
Interactive Brokers NZ – Options, Stocks, Warrants & CFD's	35,502
Interactive Brokers AU – Funds	63,611
Interactive Brokers NZ – Funds	30,783
Subtotal (platforms)	280,073
*Shares transferred to Category 3 and 5 Investors	1,558
Total	281,631

**As at 30 November 2021*

Of the **AU\$281.6 million** position as at 31 November 2021, shares valued at **approximately AU\$27.6 million** (combined value at date of each transfer) were transferred to Category 3 and Category 5 Investors' nominated accounts.

Most of the portfolio has now been closed out and converted to funds.

We note that movement in the value of the portfolio from the date of appointment to the date of close out is attributable to a range of factors including:

- market fluctuations;
- varying valuation dates of positions transferred to Category 3 and Category 5 Investors;
- currency fluctuations; and
- corporate actions and dividends.

08

Total estimated return to Investors



8 Total estimated return to Investors

8.1 Assumptions

In preparing the estimated return to Investors we have adopted the following key assumptions:

- All cost estimates including legal fees and Liquidators' remuneration are calculated based on high level estimates only and are subject to variances depending on the extent of any future judicial advice required.
- The potential quantum of any future realisations resulting from recovery actions is currently unknown.
- A contingency of funds has been set aside for unforeseen claims or legal disputes. If this contingency is not required, these funds will become available for distribution to Investors.
- Distributions are to be made by applying the judicial advice or directions of the Courts to each Investor's account balance, noting that a small number of Investor disputes are currently unresolved.
- A small number of positions remain open (largely illiquid stocks) and may be impacted by market movements.
- Exchange rate fluctuations may exist.
- A portion of GST is not recoverable based on tax advice received by the Liquidators.

8.2 Estimated outcome statement

The estimated net trust assets available for distribution to eligible Investors of Halifax AU and Halifax NZ in a low case and high case has been calculated by:

- adding the total trust assets (net of costs) held by Halifax AU and Halifax NZ together as at 31 December 2022;
- adding the quantum of distributions paid to Investors as at 31 December 2022; and
- subtracting the total forecast future costs of the liquidation process.

A summary of the net trust assets available for distribution to Investors based on asset values at 31 December 2022 is outlined in the following table.

Estimated outcome	Note	Low AU\$'000	High AU\$'000
Trust assets – Australia			
Cash held in accounts operated by the Liquidators		67,373	67,373
Funds and stocks held by Interactive Brokers and third parties		2,714	2,714
Future recoveries	A	Unknown	Unknown
Estimated recorded value of illiquid stocks	B	(1,142)	(1,142)
Total trust assets – AU		68,945	68,945
Less: Future estimated costs			
Estimated Liquidators' incurred (unpaid) and future remuneration		(5,075)	(4,018)
Estimated Liquidators' incurred (unpaid) and future disbursements		(266)	(185)
Estimated future legal fees and disbursements		(1,380)	(1,185)
Estimated future operating costs	C	(430)	(315)
Total future estimated costs AU		(7,151)	(5,704)
Total Australian trust assets available for distribution		61,794	63,241
Trust assets – New Zealand			
Cash held in accounts operated by the Liquidators		3,987	3,987
Funds and stocks held by Interactive Brokers and third parties		797	797
Future recoveries		Unknown	Unknown
Total trust assets – NZ		4,784	4,784
Less: Future estimated costs (NZ)			
Estimated Liquidators' incurred (unpaid) and future remuneration		(2,068)	(1,561)
Estimated Liquidators' incurred (unpaid) and future disbursements		(75)	(61)
Estimated future legal fees and disbursements		(873)	(305)
Estimated future trading costs		Nil	Nil
Total future estimated costs – NZ		(3,016)	(1,927)
Total New Zealand trust assets available for distribution		1,768	2,857
Estimated trust assets available for distribution to eligible Investors		63,561	66,098
Less: Allowance for post-appointment / other deposits		(194)	(194)
Less: Provision for unsubmitted claims and unresolved disputes	D	(9,888)	(4,965)
Add: Distributions paid out as at 31 December 2022		167,324	167,324
*Estimated net trust assets available for distribution to eligible Investors		220,803	228,263

*Excludes in-specie distributions for eligible Category 3 and Category 5 Investors, valued at AU\$ 27.6 million at the respective date of transfer

A Future recoveries

Recovery actions being pursued by the Liquidators, including claims against former auditors and lawyers of Halifax AU, are subject to a range of uncertainties. It is not possible at this time to estimate the quantum of funds that may be recovered.

B Estimated recorded value of illiquid stock

There are a number of illiquid positions held within the Halifax portfolios that cannot be realised via the listed exchanges. The recorded value of these positions is AU\$1.1 million.

As the majority of these positions are not trading, there is unlikely to be any material movement in this exposure. For this analysis, we have assumed that no recoveries will be possible, however will continue to explore realisation options for these residual positions.

C Estimated future operating costs

Estimated future operating costs include various platform and operational costs. As at the date of this report, most of these costs have been progressively scaled back and discontinued as the close out and distribution process has progressed.

D Provision for unsubmitted claims and unresolved disputes

A provision for unsubmitted claims and unresolved disputes has been allowed in a low and high case scenario. If this provision is not required, these funds will become available for distribution to Investors in the subsequent distributions.

8.3 Return to creditors

Given that the Halifax Group was taken to hold all assets on trust, and there is a deficiency in investor funds, there is no prospect of a return to priority and unsecured creditors.

09

Operations and cash flow



9 Operations and cash flow

The costs incurred in the liquidations have included ongoing operational costs (including rent, wages, and platform costs), legal fees (including those of the Liquidators' lawyers, as well as representative defendants) and Liquidators' remuneration and disbursements.

Other than legal and professional fees, the most significant cost incurred by the Liquidators of Halifax AU and Halifax NZ has been the ongoing platform costs, however given that almost all investor positions have now been closed out we are terminating the agreements relating to these platforms.

9.1 Summary of receipts and payments

A summary of all receipts and payments as at 31 December 2022 (inclusive of GST where applicable), as well as our future estimate in a Low Case scenario is provided below:

Consolidated receipts and payments	To date	Future	Total
23 Nov 2018 to 31 December 2022	AU\$'000	AU\$'000	AU\$'000
Receipts			
Portfolio, trust and company funds realised	268,052	2,369	270,421
Funds from liquidity providers	9,055	-	9,055
Category 3/5 contributions	228	-	228
Litigation recoveries	-	Unknown	Unknown
GST and ATO receipts	1,935	696	2,631
FX gain / (loss) on consolidation	1,193	-	1,193
Total receipts	280,463	3,065	283,528
Payments			
Platform expenses	(3,035)	-	(3,035)
Employee expenses	(2,297)	-	(2,297)
Trade on and other expenses	(959)	(454)	(1,413)
Investor communications	(526)	-	(526)
Occupancy	(450)	-	(450)
Legal fees and disbursements*	(22,668)	(2,391)	(25,059)
VA/Liquidator remuneration	(11,338)	(7,651)	(18,989)
VA/Liquidator disbursements	(506)	(368)	(874)
Return of post-appointment deposits	-	(194)	(194)
Provision (unsubmitted claims, disputes)	-	(9,888)	(9,888)
Total payments	(41,779)	(20,946)	(62,725)
^Net trust assets available for distribution to eligible Investors	238,684	(17,881)	220,803

^Excluding in-specie distributions to Category 3 and Category 5 Investors of AU\$27.6 million (valued at the time of transfer)

**Including legal costs of representative defendants*

Receipts and payments made in NZ\$ have been converted to AU\$ as at 31 December 2022 for consolidation purposes



10

Liquidation costs

10 Liquidation costs

10.1 Voluntary Administrator and Liquidator costs

Remuneration incurred and paid to the Liquidators of Halifax AU and Halifax NZ is subject to:

- review by an independent third-party assessor who has been appointed by the Courts; and
- approval by order of the Courts.

A summary of total remuneration to finalisation of the Liquidations is as follows:

Remuneration	AU\$'000
Halifax AU	
Voluntary Administration: 23 November 2018 to 19 March 2019	1,701
Liquidation: 20 March 2019 to 31 December 2021	6,112
Liquidation: 1 January 2022 to 31 December 2022 (incurred and unpaid)^	2,609
*Liquidation: 1 January 2023 to 30 June 2024 (future estimate)^	1,409
Subtotal	11,831
Halifax NZ	
Voluntary Administration: 27 November 2018 to 21 March 2019	617
Liquidation: 22 March 2019 to 30 September 2021	2,139
Liquidation: 1 October 2021 to 31 December 2022 (incurred and unpaid)^	885
*Liquidation: 1 January 2023 to 30 June 2024 (future estimate)^	676
Subtotal	4,317
^Total remuneration estimate (ex GST)	16,148

[^] Remuneration from 1 July 2022 to date is yet to be reviewed by the third-party assessor or approved by the Courts

* The estimated future remuneration stated above is consistent with the High Case scenario provided in our estimated outcome statement in Section 8

There are various aspects of the Halifax liquidations that have contributed to the complexity of the matter including dealing with assets held on trust across two jurisdictions and managing many stakeholders with competing interests. These complexities have contributed to the cost and duration of the Liquidations.

In our report to Investors and creditors dated 31 August 2020, we estimated total remuneration and disbursements of AU\$12.9 million.

The remuneration incurred by the Liquidators of Halifax AU and Halifax NZ will exceed the estimate provided in the 31 August 2020 report for the following reasons:

- As at 31 August 2020, the Client Moneys Proceedings were ongoing, with the substantive hearing yet to be held.
- The findings of the Court on matters including calculation of Investor claims, Investor categories, portfolio closure and distribution processes were not known.
- It was not possible to accurately estimate the level of complexity and duration of the Court proceedings.
- Our previous estimate did not forecast that an appeal would be made in the Client Moneys proceedings.
- Category 3 and Category 5 Investor classes were not determined as at 31 August 2020.

- Our previous estimate did not forecast the complexity and duration of analysis involved, as well as administrative processing required to assess and process in-specie Category 3 and Category 5 distributions.

We note that a portion of our remuneration (AU\$228,000) has been met by Category 3 and Category 5 Investors, who were required to contribute AU\$1,500 for consideration of their application for an in-specie distribution.

A breakdown of Administrator/Liquidator remuneration by key activity is outlined in **Annexure A**.

10.2 Legal fees

A summary of legal fees and disbursements (including counsel costs) incurred by the Liquidators and paid to 31 December 2022 is as follows:

Legal firm	Halifax AU AU\$'000	Halifax NZ AU\$'000	Total AU\$'000
Chapman Tripp	-	651	651
Johnson Winter Slattery	932	-	932
K&L Gates	11,854	653	12,507
Russell McVeagh	-	2,964	2,964
Total legal costs to 31 December 2022 (ex GST)	12,786	4,269	17,055

A summary of the legal costs incurred by the representative defendant in the Client Moneys Proceedings is as follows:

Legal firm / party	Investor Category	Halifax AU AU\$'000	Halifax NZ AU\$'000	Total AU\$'000
Maddocks	1	893	-	893
Turks Legal	2	1,477	-	1,477
Murdoch Clark	3	469	-	469
Gilbert & Tobin	4	699	-	699
Simpson Grierson	4	131	-	131
Anderson Lloyd	5	533	41	574
Total rep def legal costs (ex GST)		4,203	41	4,244

11 Questions

The background of the slide is a deep blue gradient. In the lower half, there are several wavy, horizontal lines that resemble a digital signal or a particle trail. These lines are composed of many small, bright blue dots that fade out as they move away from the right side of the frame. The overall effect is a sense of motion and technology.

11 Questions

Questions regarding the Liquidations should be directed to KPMG via email at:

halifax@kpmg.com.au.

Questions regarding the Investor Portal or distributions should be directed to KPMG via email at:

au-fmhalifaxportal@kpmg.com.au.

Please visit the links to the following websites for a copy of all correspondence issued to Investors:

Halifax AU: <https://home.kpmg/au/en/home/creditors/halifax-investment-services.html>

Halifax NZ: <https://home.kpmg/au/en/home/creditors/halifax-nz-limited.html>

Dated this 17th day of March 2023



Phil Quinlan

Liquidator



Peter Gothard

Liquidator

Glossary

Abbreviation	Description
Appeal	The appeal lodged by the First Defendant, Mr Loo on 15 and 16 June 2021
ASIC	Australian Securities & Investments Commission
Client Moneys	Funds invested by Investors into Halifax
Client Moneys Orders / Proceedings	The Proceedings and Orders of The Federal Court of Australia and the High Court of New Zealand issued on 19 May 2021
Corporations Act	Corporations Act 2001 (Cth)
Courts	The Federal Court of Australia and the High Court of New Zealand
Director	Jeffery Worboys, the director of Halifax AU
Final Distribution	The final distribution to Investors as the conclusion of the Liquidations
First Interim Distribution	The first interim distribution to Investors commencing in June 2022
Former Director	Matthew Barnett, the former director of Halifax AU
FMA	Financial Markets Authority
Halifax AU	Halifax Investment Services Pty Ltd (In Liquidation)
Halifax Group	Halifax AU and Halifax NZ
Halifax NZ	Halifax New Zealand Limited (in Liquidation)
Investors	Investors who traded through the platforms
IB	Interactive Brokers
Joint Proceedings	Proceedings in Federal Court of Australia and High Court of New Zealand in relation to the distribution of Client Moneys to Investors of Halifax AU and Halifax NZ
Liquidators	Formally Morgan Kelly, Phil Quinlan, and Stewart McCallum. Peter Gothard and Phil Quinlan are the current joint and several liquidators as of the Halifax Group
Liquidation(s)	Liquidation of Halifax Investment Services Pty Limited and Halifax New Zealand Ltd
Second Interim Distribution	The second interim distribution to Investors commencing in November 2022
Third Interim Distribution	The third interim distribution to Investors, estimated to commence in June 2023

Annexure A – remuneration by key activity

A summary of total Administrator/Liquidator remuneration (incurred and future estimate) by key task area is as follows:

	Halifax AU AU\$'000	Halifax NZ AU\$'000	Total AU\$'000
Investigation (Client Money Proceedings)	3,201	1,196	4,397
Recoveries	1,157	313	1,470
Creditors	2,383	1,128	3,511
Trade on	1,054	338	1,392
Assets	300	58	358
Employees	106	7	113
Administration	1,055	517	1,572
Dividend	2,386	698	3,084
Other prof services	190	35	225
FMA trust	-	26	26
Total (ex GST)	11,831	4,317	16,148

Investigation (Client Money Proceedings)

Tasks associated with client moneys court proceedings (i.e., preparing/reviewing affidavits) and other various court applications, funds trading, analysis of data, investigations relating to misconduct, reporting to regulatory authorities.

Recoveries

Tasks associated with investigations for the purpose of recovery action and pursuing claims against third parties, including antecedent transactions, solvency analysis, and court proceedings relating to recovery action.

Creditors

Responding to Investor and creditor queries, preparing communications with Investors and creditors regarding the status of the Liquidations, attendance at meetings.

Trade on

Trading tasks relating to the management of platforms and assets, preparing and maintaining cash flow and an accounting of receipts and payments, and completion of statutory lodgements including business activity statements.

Assets

Tasks associated with the recovery of trust assets including portfolio positions, funds held by third-parties and the collection of debtors.

Employees

Tasks associated with the calculation of employee entitlements and payment of claims.

Administration

Administrative tasks include planning meetings, task allocation, reconciliation of bank accounts, and document management.

Dividend

Task associated with the calculation and verification of Investor claims, Investor Portal management, tracing analysis and distribution of in-specie shares to Category 3 and Category 5 Investors, and distribution of funds to Investors.

Other professional services

Professional services engaged by the Voluntary Administrators and Liquidators from other KPMG divisions, including legal, capital markets, data analytics, forensic IT, and taxation.

FMA Trust

Tasks associated with investigations and meetings with the FMA regarding Halifax NZ, including discussions regarding company and client monies.



KPMG.com.au



The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

©2023 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. The KPMG name and logo are registered trademarks or trademarks of KPMG International.