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TO THE CREDITOR AS ADDRESSED

9 September 2019

Dear Sir/Madam,

Acquest Capital Pty Ltd (In Liquidation) ACN 149 170 927
Gage Management Ltd (In Liquidation) ACN 625 343 697
Rental Management Australia Developments Pty Ltd (In Liquidation) ACN 146 806 662
SHL Management Services Pty Ltd (In Liquidation) ACN 616 583 281
Silver Link Investment Company Pty Ltd (In Liquidation) ACN 623 500 407
Silverlink Securities Pty Ltd (In Liquidation) ACN 622 598 823
Sterling Corporate Services Pty Ltd (In Liquidation) ACN 158 361 507
Sterling First (Aust) Ltd (In Liquidation) ACN 610 352 826
Sterling First Projects Pty Ltd (In Liquidation) ACN 162 801 425
Sterling First Property Pty Ltd (In Liquidation) ACN 610 765 976

(collectively known as "the Companies")

Statutory Report by Liquidator

We refer to the appointment of Wayne Rushton and I, as joint and several Voluntary Administrators of the Companies on 3 May 2019 and our subsequent appointment as joint and Several Liquidators on 10 June 2019.

The purpose of this report is to:

- provide creditors with an update on the progress of the liquidation; and
- advise creditors of the likelihood of a dividend being paid in the liquidation.

This report should be read in conjunction with the information contained in the following documents, copies of which are available on the Ferrier Hodgson website at www.ferrierhodgson.com:

- Initial Notice to Creditors dated 6 May 2019
- Voluntary Administrators' Report (**VA Report**) dated 30 May 2019 issued pursuant to section 439A of the Corporations Act 2001 (**Act**); and
- Liquidators' Circular to Creditors dated 10 June 2019.

1 Update on the progress of the liquidation

1.1 Assets and liabilities

Attached at Appendix A is a summary of each of the Companies' assets and liabilities as per the Directors' Report on Company Activities and Property (**ROCAP**), provided to us as Administrators between 21 May 2019 and 23 May 2019.

Silver Link Securities Pty Ltd (SLS)

SLS is the registered owner of a residential property situated at 8 Riviera Brace, Dunsborough **(Property)**. We received and accepted an offer in the amount of $350,000 for this property on 22 August 2019.

The Property is mortgaged to La Trobe Financial and they will be paid in full from the sale proceeds.

We anticipate that the settlement will occur around mid-October 2019

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We confirm that no further realisations have been made in the Companies.

Secured Creditors

As at date of our appointment there were four (4) secured creditors with registrations on the PPSR, details of which are as follows:

Company	Secured Party	Date Created	Type of Security	Estimated debt ($)
Acquest Capital	Macquarie Bank Limited	10 Nov 2017	ALLPAAP	4,800,000
Silver Link Securities	The Trustee for the Sentinel Warehouse Trust No. 1	18 Jan 2019	ALLPAAP	953,000
Sterling First (Aust)	The Trustee for the Sentinel Warehouse Trust No. 1	18 Jan 2019	ALLPAAP	953,000
Sterling First Projects	De Lage Landen Pty Limited and Winc Australia Pty Ltd	4 Dec 2017	Other Goods – PMSI	6,565

Further there were a number of mortgages over real property owned by the Companies, details are outlined below.

a) Macquarie Bank Limited (Macquarie)

Macquarie has a registered AllPAAP over Acquest Capital in relation to a finance facility granted on or around December 2014.

Macquarie holds a General Security Agreement over Rental Management Australia Pty Ltd (**RMA**) and Acquest Capital as a guarantor with respect to funds advanced to the Income Trust, as a sub-trust to the Sterling Income Trust (a Managed Investment Scheme).

At this stage, we anticipate that Macquarie may be paid in full from the proceeds of the sale of RMA's business via a Deed of Company Arrangement process.

b) The Trustee for the Sentinel Warehouse Trust No. 1

The Trustee for the Sentinel Warehouse Trust No. 1 (La Trobe Financial) holds a registered AllPAAP over SLS and Sterling First (Aust) Pty Ltd (**SFAL**) in respect to finance facility granted on or around January 2019.

Based on our review of the documents available, we note that abovementioned security interests were registered during the following period:

- After borrowings were advances to SLS; and
- During the six months ending on the relation back day.

Whilst the security registrations may be void against SLS and SFAL, the secured party's position will not necessarily be affected as it also holds a security by a mortgage over the properties. The total debt is estimated to be $953k as detailed below:

Property	Estimated debt value ($)
7/22 Kwella Entrance, Greenfields	231,000
8 Riviera Brace, Dunsborough	339,000
Unit 6, 8 Observation, Craigie	384,000
Total	**$953,000**

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c) De Lage Landen Pty Limited (De Lage) and Winc Australia Pty Ltd (Winc)

A search on the PPSR disclosed two (2) PMSI claims registered against Sterling First Projects Pty Ltd (**SFProj**):

Registration date	Secured Party	Registration number
15 May 2017	De Lage Landen Pty Limited	201705150030691
4 December 2017	Winc Australia Pty Ltd	201712040061211

We advise the following in respect of the above security interests:

- De Lage have submitted a proof of debt dated 22 August 2019 in the amount of $6,565.27 in respect of the hire goods and equipment operating lease.

- Upon the appointment of Voluntary Administrators, Winc advised that the outstanding balance was nil. Subsequently, they discharged their security registration over SFP on 7 May 2019 and provided a discharge statement confirming same.

d) Sterling First Property Pty Ltd (SFProp) ATF Residential Property Trust (RPT) Mortgages

The following parties hold mortgages (either registered or unregistered) over real property owned by SFProp ATF RPT:

Mortgagee	Property	Estimated debt value ($)
Commco Super Pty Ltd	14 Sherwood Link, Ravenswood	350,000
Taberof Pty Ltd	10 Anhinga Trail, Dudley Park	350,000
Property Development Trust (PDT)	14 Sherwood Link, Ravenswood & 10 Anhinga Trail, Dudley Park	872,928
Total		**$1,572,928**

On our appointment we wrote to the private mortgagees requesting further information regarding their loan agreements and the amounts due. The key details of the amount owing provided include:

- Principal loan amount of $350,000 each;
- Interest accruing at $172.60 per day calculated at 18% per annum for both mortgages; and
- Subject to additional legal fees and disbursements.

The PDT holds a 2nd ranking unregistered mortgage over the two (2) properties with an estimated debt of $872,928. In the event surplus funds are available following payment of the 1st ranking mortgages, a distribution to PDT may be applicable (subject to formal adjudication).

We understand that Commco Super Pty Ltd has taken steps to enter into possession of 14 Sherwood Link, Ravenswood as Mortgagee in Possession.

Priority Creditors

We note that the following Companies had outstanding employee entitlements, as detailed below:

Entitlement	RMAD	Gage	SFAL
Unpaid wages	Nil	Nil	Nil
Unpaid annual leave	20,502	1,627	19,979
Unpaid PILN	13,688	5,264	60,738
Unpaid redundancy	27,981	Nil	87,923
Unpaid LSL	7,316	Nil	10,119
Unpaid Superannuation	35,052	7,947	49,461
Total	**104,539**	**14,838**	**228,220**

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Subsequent to the Companies being placed into liquidation, the employees of the abovementioned companies were terminated on 12 June 2019.

At this stage, we do not anticipate a return to priority creditors of the companies.

Accordingly, priority creditors have been directed to seek assistance from the Fair Entitlements Guarantee (**FEG**) scheme for their outstanding employee entitlements excluding superannuation.

FEG is currently reviewing the eligible employee claims and has been liaising with us in relation to their assessment and verification of each claim.

1.2 Receipts and payments to date

Attached at Appendix B is a summary of the receipts and payments for the period 31 May 2019 to 31 August 2019.

1.3 Investigations and recovery actions

1.3.1 Investigations undertaken

We are required to lodge a report to ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Companies will be able to pay its unsecured creditors more than 50 cent in the dollar.

Our reports pursuant to Section 533 of the Act on the outcome of our preliminary investigations into the affairs of the Companies was filed with ASIC between 12 August 2019 and 14 August 2019. ASIC has requested that a supplementary report for each entity be completed. We are currently finalising our application to the ASIC Assetless Fund for funds to proceed with further investigation work.

Our preliminary investigations carried out are detailed below:

Investigations by the Australian Securities and Investments Commissions

We note that ASIC had been carrying out investigations prior to our appointment and had issued the following notices pursuant to Section 19 and 33 of the Australian Securities and Investments Commissions Act 2001:

- ASIC Section 33 Notice issued to Silverlink Investment Company Limited (Simon Bell) on 17 December 2018;
- ASIC Section 33 Notice issued to Silver Link Securities Pty Ltd (Brian Ruzich) on 17 December 2018;
- ASIC Section 9 Notice issued to Simon Bell on 6 February 2019;
- ASIC Section 9 Notice issued to Andrew McBay on 21 February 2019; and
- ASIC Section 33 Notice issued to Sterling Corporate Services Pty Ltd on 27 February 2019.

We understand that investigations relate the directors as well as former directors of the Companies in respect of the following offences under the Act.

- Section 601FC - duties of responsible entity;
- Section 601FD - duties of officers of responsible entity;
- Section 727 - offering securities without a current disclosure document;
- Section 911A - need for an Australian financial services licence;
- Section s1018A - advertising or other promotional material for financial product must refer to Product Disclosure Statement; and
- Section 1041H - misleading or deceptive conduct (civil liability only).

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The above allegations and investigations may lead to a determination that the Directors have breached their duties under the Act.

Other investigations

There have been a number of allegations made against the Companies and its directors (these claims require further investigation). These allegations mainly relate to the SNL product and may include:

- misleading or deceptive conduct;
- fraudulent misrepresentation;
- undue influence;
- unconscionable conduct;
- unfair contract terms;
- breaches of contract;
- breaches of the Corporations Act,(including breaches of the financial services penalty); and
- breaches under various agreements between the Companies and the Sterling Income Trust.

We are continuing our investigations in relation to these allegations and any other claims that may arise.

Since our appointment we have:

- Paid the outstanding pre appointment insurance premiums to ensure continued coverage of the relevant policies of insurance held by the Companies;
- Reviewed documentation and information regarding claims made against the Companies and its directors in relation to events occurring prior to our appointment;
- Engaged Jackson McDonald to assist with a review of the policies and notification of any potential claims under insurance policies held by the Companies;
- Notified various insurers of potential claims under various insurance policies held by the Companies;
- Arranged extended reporting periods with those insurers willing to offer it;
- Instructed Jackson McDonald to communicate with insurers and their solicitors in relation to:
  - claims submitted to insurers prior to our appointment; and
  - our notification of potential claims;
- Attended a meeting with representatives of one of the interested insurers; and
- Responded to requests for information by one of the interested insurers.

1.3.2 Findings and possible recoveries

A liquidator is granted powers to investigate fully the conduct of the Companies, its directors, and related parties prior to the appointment of the Voluntary Administrators. Where a liquidator deems it appropriate to do so and where funding is available to do so, the liquidator may bring a number of actions in order to recover funds on behalf of unsecured creditors.

Unfair preference payments

As detailed in the VA Reports, we identified potential unfair preference payments made to the Australian Taxation Office from Sterling Corporate Services Pty Ltd and Rental Management Developments Pty Ltd during the relation back period, totalling $151,637. Depending on the availability of funding, we will investigate these transactions further and will make a commercial assessment whether to pursue these claims, bearing in mind the costs involved in doing so and the likely realisations that may be achieved. We will update creditors on the outcome of these investigations and potential claims in due course.

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Insolvent trading

Our preliminary view is the Companies may have been insolvent from as early as January 2019. The basis for this view was provided in the VA Reports to creditors.

As Liquidators, we are required to undertake further investigations into any potential insolvent trading claim and whether it may be in the creditors' interest to commence proceedings against the Companies' Directors, taking particular note of their current financial capacity to satisfy any claims.

Unfair loans

Our preliminary view is there are transactions which could constitute unfair loans to Sterling Fist Property, specifically the private first ranking mortgages.

Unlike other voidable transactions, it is not necessary for a borrower to establish that at the time of the loan it was insolvent nor is it necessary for the borrower to establish that the transaction took place within some specified period prior to the liquidation.

A transaction is voidable if it is an unfair loan, so long as that loan is made at any time before the day when the winding up began. Having regard to:

- whether interest on a loan was or became extortionate at a particular time,
- whether charges in relation to a loan were or became extortionate at a particular time;

Regard is to be had to the following matters as at that time:

- the risk to which the lender was exposed; and
- the value of any security in respect of the loan; and
- the schedule for payments of interest and charges and for payments of principal; and
- the amount of the loan; and
- any other relevant matter

Our investigations are continuing.

Other Breaches

Given the above, we have also identified potential directors' breaches of the act in relation to sections 180-184 of the Act. These duties include:

- Duty of care and diligence
- Duty of good faith;
- Duty not to make improper use of position; and
- Duty not to make improper use of information.

However, at this stage, there are insufficient funds available to the Liquidators to conduct further investigation and/or to pursue any claims. However, we intend to:

- Apply to the ASIC for funding from the Assetless Administration Fund to conduct further investigations on the Directors' potential beaches of the Act.
- Complete a supplementary Section 533 report detailing the findings of any possible breaches of the Act by the directors.
- Engage with solicitors to assess options for potential recovery actions.
- Seek funding from either an individual (or group) of creditors to pursue any recovery actions, the costs of which would rank in priority to other creditor claims.
- To seek further funding from the ASIC should funding from the abovementioned individual or creditor group is not successful.

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Given the risks attached to any litigation, external funding is often expensive, and involves creditors forgoing a degree of upside in order to generate the potential for a return from successful litigation (where the alternative return may be zero). If there are sufficient grounds to warrant pursuing such actions, we will consider this option.

2 Likelihood of a dividend

Based on our preliminary investigations to date, we note that at this stage, there will be insufficient funds in the liquidation of the Companies to permit a dividend to any class of creditor. We will advise creditors should this situation changes.

3 Cost of the liquidation

At the second creditors' meeting held on 10 June 2019, creditors approved our retrospective remuneration for the period 3 May 2019 to 24 May 2019 and our prospective remuneration for work to be completed during the remaining of the voluntary administration period, totalling $252,000.

We did not seek for a remuneration resolution from creditors for the liquidation period during the abovementioned meeting and as such will seek one in the near future.

4 What happens next with the liquidation?

We will progress all outstanding tasks for the liquidation of the Companies, including:

- Applying to the ASIC for funding from the Assetless Administration Fund to conduct further investigations.
- Conducting further investigations and completing our report pursuant to Section 533(2) (if funding from the ASIC is approved);
- Pursuing any recoveries available to us as Liquidators, where it is commercial to do so; and
- Attending to statutory obligations.

We may write to creditors again to provide progress of the liquidation. However, in the meantime if we receive a request for a meeting that complies with the guidelines set out in the initial information provided to you, we will hold a meeting of creditors.

We expect to have complete these liquidation administrations within eighteen (18) months from the date of this report.

5 What to do next

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

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

If you have any queries, please contact Omeed Rassoul of my office on okhomeini@kpmg.com.au or (08) 9263 7170.

Yours faithfully

Martin Jones
Joint and Several Liquidator

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APPENDIX A – STATEMENT OF ASSETS AND LIABILITIES

Acquest Capital Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		76	Nil
Debtors		Nil	Nil
Sterling Income Trust Units		10,000	Nil
Total assets		**10,076**	**Nil**
Liabilities			
Secured creditors	1	Nil	(4,800,000)
Priority creditors		Nil	Nil
Unsecured creditors	2	(551,783)	(551,783)
Total liabilities		**(551,783)**	**(5,351,783)**
Estimated (deficiency) / surplus		**(541,707)**	**(5,351,783)**

We provide the following comments:

1. *Secured creditors* – Please refer to our comments under Section 1.1.
2. *Unsecured creditors* – We estimate the Acquest Capital Pty Ltd (In Liquidation) liability to unsecured creditors to be $551,783 principally comprised of debts due to related party creditors in the amount of $574,912.

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Gage Management Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		114	Nil
Debtors		Nil	Nil
Total assets		**114**	**Nil**
Liabilities			
Secured creditors		Nil	
Priority creditors	1	Nil	(14,838)
Unsecured creditors	2	(179,027)	(272,000)
Total liabilities		**(179,027)**	**(286,838)**
Estimated (deficiency) / surplus		**(178,913)**	**(286,838)**

We provide the following comments:

1. *Priority creditors* - Please refer to our comments under Section 1.1.
2. *Unsecured creditors* – We estimate the Gage Management Ltd (In Liquidation) liability to unsecured creditors to be $272,000 predominantly comprised of debts due to related party creditors in the amount of $103,284.

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Rental Management Australia Developments Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		271	Nil
Debtors		Nil	Nil
Total assets		**271**	**Nil**
Liabilities			
Secured creditors		Nil	Nil
Priority creditors	1	(173,677)	(104,539)
Unsecured creditors	2	(2,276,690)	(10,800,000)
Total liabilities		**(2,450,367)**	**(10,904,539)**
Estimated (deficiency) / surplus		**(2,450,096)**	**(10,904,539)**

We provide the following comments:

1. *Priority creditors* - Please refer to our comments under Section 1.1.
2. *Unsecured creditors* – We estimate the Rental Management Australia Developments Pty Ltd (In Liquidation) liability to unsecured creditors to be $10,800,000 predominantly comprised of debts due to Theta Asset Management Limited in the amount of $4,989,201.

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SHL Management Services Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		367	Nil
Debtors		145,252	Nil
Total assets		**145,619**	**Nil**
Liabilities			
Secured creditors		Nil	Nil
Priority creditors		Nil	Nil
Unsecured creditors	1	(386,234)	(1,300,000)
Total liabilities		**(386,234)**	**(1,300,000)**
Estimated (deficiency) / surplus		**(240,615)**	**(1,300,000)**

We provide the following comment:

1. *Unsecured creditors* – We estimate the SHL Management Services Pty Ltd (In Liquidation) liability to unsecured creditors to be $1,300,000 primarily encompassed of debts due to various property owners for unpaid rent.

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Silver Link Investment Company Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		1,811	Nil
Debtors		3,981	Nil
Trust Units		544,977	Nil
Total assets		**550,769**	**Nil**
Liabilities			
Secured creditors		Nil	Nil
Priority creditors		Nil	Nil
Unsecured creditors	1	Nil	(1,020,000)
Unsecured creditors - Trust		(6,014)	Nil
Unsecured creditors - SNL	2	Nil	(2,080,000)
Total liabilities		**(6,014)**	**(3,100,000)**
Estimated (deficiency) / surplus		**544,755**	**(3,100,000)**

We provide the following comments:

1. *Unsecured creditors* – We estimate the Silver Link Investment Company Pty Ltd (In Liquidation) liability to unsecured creditors to be $1,020,000 principally comprised of debts due to various property owners for unpaid rent.
2. Unsecured creditors (SNL) – The Liquidator has received notification from a number of SNL tenants advising they have a claim against SLIC in relation to their financial arrangements associated with the SNL investments. The value of any claims will ultimately be subject to further investigation and the receipt and adjudication of final proofs of debt.

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Silverlink Securities Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		92	Nil
Debtors		Nil	Nil
Trust Units		981,000	Nil
Real property held on trust	1	2,595,120	TBC
Less: secured creditors	2	(951,000)	(613,000)
Total assets		**2,625,212**	**TBC**
Liabilities			
Priority creditors		Nil	Nil
Unsecured creditors	3	(231,051)	(1,800,000)
Unsecured creditors (Trust)		(636,543)	(636,000)
Unsecured creditors (SNL)	4	Nil	(4,900,000)
Total liabilities		**(867,594)**	**(7,336,000)**
Estimated (deficiency) / surplus		**1,757,618**	**(7,336,000)**

We provide the following comments:

1. Property held on Trust – The Liquidator has accepted an offer to purchase 8 Riviera Brace, Dunsborough for 350,000 the remaining 2 properties are yet to be realised.
2. *Secured creditors* – This amount relates to mortgages over the real property. We have assumed the mortgage (c$340,000) in relation to 8 Riviera Brace, Dunsborough will be paid out on settlement. Please refer to our comments under Section 1.1.
3. *Unsecured creditors* – We estimate the Silverlink Securities Pty Ltd (In Liquidation) liability to unsecured creditors to be $1,800,000 mainly comprised of debts due to various property owners for unpaid rent.
4. Unsecured creditors (SNL) - The Liquidator has received notification from a number of SNL tenants advising they have a claim against SLS in relation to their financial arrangements associated with the SNL investments. The value of any claims will ultimately be subject to further investigation and the receipt and adjudication of final proofs of debt.

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Sterling Corporate Services Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		561	Nil
Debtors		285,403	Nil
Total assets		**285,964**	**Nil**
Liabilities			
Secured creditors		Nil	Nil
Priority creditors		Nil	Nil
Unsecured creditors	1	(421,749)	(14,100,000)
Total liabilities		**(421,749)**	**(14,100,000)**
Estimated (deficiency) / surplus		**(135,785)**	**(14,100,000)**

We provide the following comment:

1. *Unsecured creditors* – We estimate the Sterling Corporate Services Pty Ltd (In Liquidation) liability to unsecured creditors to be $14,100,000 predominantly comprised of debts due to Theta Asset Management Limited in the amount of $7,651,959.

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Sterling First (Aust) Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		Nil	Nil
Debtors (Intercompany)		Nil	Nil
Investments - SIT Income Units		50,000	Nil
Investments - Shares in subsidiaries		Nil	Nil
Total assets		**50,000**	**NIL**
Liabilities			
Secured creditors	1	Nil	(953,000)
Priority creditors	2	Nil	(228,219)
Unsecured creditors	3	(4,158,230)	(4,100,000)
Total liabilities		**(4,108,230)**	**(5,281,219)**
Estimated (deficiency) / surplus		**(4,108,230)**	**(5,281,219)**

We provide the following comments:

1. *Secured creditors* – Please refer to our comments under Section 1.1.
2. *Priority creditors* – Please refer to our comments under Section 1.1
3. *Unsecured creditors* - We estimate the Sterling First (Aust) Ltd (In Liquidation) liability to unsecured creditors to be $4,100,000 largely comprised of debts due to related party creditors in the amount of $4,060,000.

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Sterling First Projects Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		762	Nil
Debtors		24,714	Nil
Total assets		**25,476**	**Nil**
Liabilities			
Secured creditors	1	Nil	(6,565)
Priority creditors		Nil	Nil
Unsecured creditors	2	(4,141,485)	(4,500,000)
Total liabilities		**(4,116,009)**	**(4,506,565)**
Estimated (deficiency) / surplus		**(4,116,009)**	**(4,506,565)**

We provide the following comments:

1. *Secured creditors* – Please refer to our comments under Section 1.1.
2. *Unsecured creditors* - We estimate the Sterling First Projects Pty Ltd (In Liquidation) liability to unsecured creditors to be $4,500,000 principally encompassed of debts due to related party creditors in the amount of $4,010,000.

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Sterling First Property Pty Ltd (In Liquidation)

	Reference	Directors' ERV $	Liquidators' ERV $
Assets			
Cash at bank		5	Nil
Property on trust		898,000	Nil
Total assets		**898,005**	**Nil**
Liabilities			
Secured creditors	1	(1,572,928)	(1,572,928)
Priority creditors		Nil	Nil
Unsecured creditors	2	(69)	(72,000)
Unsecured creditors - RPT		(72,154)	Nil
Total liabilities		**(1,645,151)**	**(1,644,928)**
Estimated (deficiency) / surplus		**(747,146)**	**(1,644,928)**

We provide the following comments:

1. *Secured creditors* – Please refer to our comments under Section 1.1.
2. *Unsecured creditors* - We estimate the Sterling First Property Pty Ltd (In Liquidation) liability to unsecured creditors to be $72,000 mainly comprised of debts due to related party creditors in the amount of $70,000.

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APPENDIX B – RECEIPTS AND PAYMENTS

Rental Management Australia Developments Pty Ltd (In Liquidation)

Receipts and Payments 31 May 2019 to 31 August 2019	Total ($)
Receipts	
Advance form Rental Management Australia Pty Ltd to meet immediate payroll liability	41,683
	41,683
Payments	
Wages	(41,683)
	(41,683)
Cash at Bank as at 31 August 2019	**Nil**

Sterling First (AUST) Ltd (In Liquidation)

Receipts and Payments 31 May 2019 to 31 August 2019	Total ($)
Receipts	
Advance form Rental Management Australia Pty Ltd to meet immediate payroll liability	58,528
	58,528
Payments	
Wages	(58,528)
	(58,258)
Cash at Bank as at 31 August 2019	**Nil**

Gage Management Limited (In Liquidation)

Receipts and Payments 31 May 2019 to 31 August 2019	Total ($)
Receipts	
Advance form Rental Management Australia Pty Ltd to meet immediate payroll liability	18,508
	18,508
Payments	
Wages	(18,580)
	(18,580)
Cash at Bank as at 31 August 2019	**Nil**

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Sterling First Projects Pty Ltd (In Liquidation)

Receipts and Payments 31 May 2019 to 31 August 2019	Total ($)
Receipts	
Rental funds	3,593
	3,593
Payments	
Transfer of rental funds to property owner	(1,985)
Bank charges	(1)
	(1,986)
Cash at Bank as at 31 August 2019	**1,607**

There are no receipts and payments recorded for the period for the remaining companies.

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