



Report to Creditors

Animal Supplies (Wholesale) Pty. Ltd. (In Liquidation)

ACN 058 258 870

10 June 2021

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1 Introduction

1.1 Details of appointment

David Lombe and Vaughan Strawbridge were appointed Joint and Several Liquidators of Animal Supplies (Wholesale) Pty. Ltd. (**the Company**) on 20 May 2016. David Lombe retired as Liquidator of the Company on 15 September 2017.

Following Vaughan Strawbridge's resignation from Deloitte, the Federal Court of Australia appointed Sam Marsden and I, Jason Tracy, of Deloitte as Joint and Several Liquidators of the Company on 27 May 2021 to replace Mr Strawbridge as Liquidator.

1.2 Purpose of this report

This report has been prepared to provide an update to Creditors in relation to the liquidation of the Company, which includes the following:

- An update on the Liquidator's actions
- The matters which remain outstanding in the Liquidation
- The estimated return to unsecured creditors
- Details of the current remuneration of the Liquidator (approval of the Liquidator's additional and future remuneration will be sought at the forthcoming meeting of creditors)
- The estimated timeframe for completion of the Liquidation

This report should be read in conjunction with previous reports and circulars to creditors. Please contact my office directly if you require a copy of these reports.

2 Meeting of Creditors

Pursuant to Section 75-10 of the Insolvency Practice Rules (Corporations) 2016, I intend to hold a meeting of Creditors for the purposes of providing an update on the progress of the liquidation and to obtain approval for remuneration.

Enclosed at **Appendix A** is a Notice of Meeting of Creditors of the Company to be held on **Monday, 28 June 2021 at 10:00AM (AEST)**.

In line with current Government guidelines on gatherings, a virtual meeting will be held. All creditors are expected to attend by electronic means, and no physical place of meeting will be made available.

Creditors may attend and vote in person (virtually), by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532 (copy attached as **Appendix E**).

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms or facsimiles thereof must be lodged with the Liquidator prior to the commencement of the meeting. Where a facsimile copy of a proxy is sent, the original must be lodged with the Liquidator within 72 hours after receipt of the facsimile. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairman of the meeting, prior to the commencement of the meeting.

Please note that a creditor is required to lodge a proof of debt or claim (copy attached as **Appendix D**) to be entitled to vote at the upcoming meeting of creditors if they have not already done so. A creditor will not be able to vote at the meeting unless a proof of debt or claim is lodged with us by **Friday, 25 June 2021 at 4:00PM (AEST)**.

3 Update on the Liquidator's actions

3.1 Update since our last report

Since the last report to creditors on 14 August 2018, the following tasks have been undertaken by the team working on the liquidation:

- Extensive analysis and investigations into potential recovery of unfair preference claims
- Instructed our lawyers to progress several unfair preference claims including:
 - Issued legal demands to three creditors in respect of unfair preference payment claims
 - Prepared draft pleadings to initiate legal proceedings in relation to same
 - Attended to settlement negotiations with creditors in relation to unfair preference claims
 - Finalised all outstanding unfair preference claims realising \$1.73m to the benefit of creditors
- Undertook the dividend process for two distributions to unsecured creditors, including the second interim dividend and catch-up dividends to creditors who were originally excluded from the initial distributions
- Attended to all statutory reporting matters and lodgements
- Received and responded to creditor enquiries

A detailed outline of tasks performed over the course of the liquidation is provided with the remuneration report in **Appendix B**.

3.2 Settlement of unfair preference claims

Over the course of the Liquidation, ten preference claims totalling \$1.73m have been successfully settled to the benefit of creditors.

These settlements remain subject to contractual and commercial confidentiality clauses, and therefore I cannot disclose the parties to these settlements. These funds have contributed significantly to the pool of funds which have been / will be distributed to creditors of the Company.

3.3 Dividends to unsecured creditors

Dividends totalling \$1,420,339 have been paid to date as follows:

1. First interim dividend to unsecured creditors was declared on 5 September 2017 at 8 c/\$. Funds totalling \$117,845.40 were distributed to creditors in this dividend
2. Second interim dividend to unsecured creditors was declared on 18 September 2018 at 35 c/\$. Funds totalling \$521,212.45 were distributed to creditors in this dividend
3. An Equalisation dividend was paid on 14 January 2020 totalling \$781,281.22. This was primarily paid to creditors who entitlement to the first and second dividend had been withheld pending the finalisation of their claims against the Company.

I anticipate declaring a third and final dividend shortly after the forthcoming meeting of creditors. I expect this to be paid at a rate of 1.2 c/\$ for all unsecured creditors with admitted claims in the Liquidation. **This will result in a total dividend paid to unsecured creditors of 44.2 c/\$. This exceeds the estimate provided in our report of 14 August 2018, which indicated a dividend range of 27 to 43 c/\$, and further exceeds the estimate provided in our report of 13 May 2016, which indicated a dividend range of 0 to 4 c/\$ to unsecured creditors.** The Liquidators consider this to be a very good outcome in the circumstances.

3.4 Form 5602

As required under the Corporations Act, the Form 5602 Annual administration return in relation to the Company was lodged with the Australian Securities & Investments Commission (**ASIC**) on 7 July 2020.

3.5 Completion

The winding-up of the Company is expected to be completed by late 2021. Below is a summary of the acts and dealings that remain to be carried out to complete the winding up process:

- Convene the meeting of the creditors of the Company to be held on **Monday, 28 June 2021 at 10:00AM (AEST)**
- Declare and pay a third and final dividend to unsecured creditors
- Send any unclaimed dividend payments to unclaimed monies 3 months after the third and final dividend is paid
- Receive and respond to future creditor enquiries
- Continue the administration and compliance requirements of the ASIC and the ATO
- Finalise the liquidation of the Company

3.6 Meeting of the Committee of Inspection

Prior to this report, my staff and I provided a report to the Committee of Inspection (**COI**) dated 6 April 2021. This report contained materially similar information to my current report and was provided before a meeting of the COI was called.

This meeting was first held on 21 April 2021 and was adjourned to be reconvened on 12 May 2021. The COI requested the meeting to be adjourned from 21 April 2021 to provide them time to engage with legal advisors and other professionals regarding specific items discussed in our report to the COI. During both meetings, the COI enquired as to the Liquidator's actions to date and additional remuneration sought. The Chairperson, Jason Tracy, then sought to conclude the meeting and convene a meeting of the full body of creditors, as he believed this information would benefit all creditors.

4 Estimated returns to creditors

Estimated statement of position (ESOP)	\$ (excl. GST)
Available cash at bank	
Cash at bank at 21 May 2021	745,502.67
Less:	
Liquidator's Additional Fee Approval Sought	209,175.50
Liquidator's Future Fee Approval Sought	23,630.00
Provision for Legal Fees	10,000.00
Funds available for distribution	502,697.17
Estimated third & final dividend (c/\$)	1.20
Dividends already paid (c/\$)	43.00
Total dividends paid to Unsecured Creditors	44.20

5 Receipts & payments

Attached to this report as **Appendix F** is a summary of the receipts and payments for the period 2]0 May 2016 to 21 May 2021. As at 21 May 2021, there was available cash of \$745,502.67.

6 Remuneration of the Liquidator

At the forthcoming meeting of creditors, we will be seeking approval for additional remuneration incurred to 21 May 2021 and for future professional fees to finalise the Liquidation of the Company. Attached at **Appendix B** to this report is our Remuneration Report dated 10 June 2021 for creditors' review.

6.1 Liquidator's additional remuneration for the period 27 August 2016 to 21 May 2021

The creditors are advised that the Liquidator's professional fees in the winding up of the Company for the period 27 August 2016 to 21 May 2021 totalled \$358,660.50 plus GST. At the meeting held on 29 September 2016, remuneration was approved for the period 27 August 2016 to completion of the liquidation in the amount of \$149,485.00 plus GST. At the forthcoming meeting of creditors, I will be seeking approval for the balance of the remuneration for this period, being \$209,175.50 plus GST.

The time taken to pursue and recover unfair preference claims has been the primary reason for the increase in my remuneration estimate to complete the liquidation. For the period mentioned above, I have successfully realised \$1.73m in relation to unfair preference claims which have significantly contributed to the pool of funds which have been distributed to creditors during this period (totalling \$1.42m). Additionally, further fees were incurred to hold and adjourn the meeting of the COI and respond to recent correspondence from the COI.

6.2 Liquidators' remuneration for the period 22 May 2021 to completion

At the forthcoming meeting of creditors, I will also be seeking approval for future professional fees for the period 22 May 2021 to completion of the winding up of the Company in the amount of \$23,630.00 plus GST.

Please refer to the Remuneration Report dated 10 June 2021 attached at **Appendix B** to this report. The Remuneration Report includes details of our remuneration which is based on the firm's hourly rates and *ASIC Information Sheet 85 – Approving Fees: a Guide for Creditors (Appendix E)*.

I trust creditors find this report informative and useful. In the event you have any queries regarding the contents of this report, or the liquidation in general, please do not hesitate to contact Zoe Grew on (02) 9322 3646 or by email at zgrew@deloitte.com.au.

Yours faithfully



Jason Tracy
Joint and Several Liquidator

Appendix A – Notice of Meeting

NOTICE OF MEETING OF CREDITORS

**Animal Supplies (Wholesale) Pty. Ltd.
(In Liquidation)
ACN 058 258 870
(the Company)**

NOTICE IS GIVEN that a virtual meeting of creditors of the Company will be held:

Date: Monday, 28 June 2021

Meeting time: 10:00am (AEST)

Due to the threat of COVID-19, and consistent with government policy on gatherings, a virtual meeting will be held. All creditors are expected to attend by electronic means, and no physical place of meeting will be made available.

Attendance at this meeting is not compulsory.

Should you wish to attend the meeting and you would like to vote, you must complete the relevant forms and return these to my office by 4:00pm (AEST) on Friday, 25 June 2021. Otherwise, you may be considered an observer and you will not be able to vote.

Details for the videoconference will be provided once we receive the completed relevant forms and you have registered online. The online registration form can be accessed from the below link:

ASWregistrationform.deloitte.com.au

Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with the approved form.

Agenda

1. To receive an update report from the Liquidator.
2. To consider and, if thought fit, approve the additional current remuneration of the Liquidator.
3. To consider and, if thought fit, approve the future remuneration of the Liquidator.
4. Any other business brought forward before the Liquidator.

DATED this 10th day of June 2021



Jason Tracy
Joint and Several Liquidator

Appendix B – Remuneration report

Remuneration Approval Request

Animal Supplies (Wholesale) Pty. Ltd.
ACN 058 258 870
(In Liquidation)
(‘the Company’)

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1 Declaration

We, Jason Tracy and Sam Marsden, of Deloitte Financial Advisory Pty Ltd have undertaken a proper assessment of this remuneration claim for our appointment as liquidators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

2 Executive summary

Remuneration currently claimed and previously approved is summarised below:

Period	Report Reference	\$ Excl. GST
Previous remuneration claimed and approved:		
21 May 2016 to 26 August 2016		107,379.00
27 August 2016 to the conclusion of the Liquidation		149,485.00
Total remuneration claimed and approved		256,864.00
Current remuneration approval sought:		
Resolution 1: 27 August 2016 to 21 May 2021	Schedules 1 & 2	209,175.50
Resolution 2: 22 May 2021 to the conclusion of the Liquidation	Schedules 3 & 4	23,630.00
Total remuneration to be approved		232,805.50
Total Liquidation		489,669.50

The total remuneration for the liquidation is estimated to be \$489,669.50 plus GST. This has increased compared to previous estimates due to the complexity in realising the unfair preference claims and the requirement to declare a catch-up dividend for creditors who were previously excluded.

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3 Remuneration

Remuneration claim resolutions

We will be seeking approval of the following resolution to approve the outstanding remuneration. Details to support these resolutions are included in the attached Schedules.

Resolution 1: Liquidator's additional remuneration for the period 27 August 2016 to 21 May 2021

"That the additional remuneration of the Liquidator for the period 27 August 2016 to 21 May 2021 calculated at hourly rates as detailed in the Remuneration Report dated 10 June 2021 is approved for payment in the sum of \$209,175.50 plus GST, and that the Liquidator can draw the remuneration immediately or as required."

Resolution 2: Liquidators' future remuneration for the period 22 May 2021 to the conclusion of the Liquidation

"That the future remuneration of the Liquidators from 22 May 2021 to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Report dated 10 June 2021, up to a capped amount of \$23,360.00 plus GST, and that the Liquidators can draw the remuneration on a monthly basis or as required."

Details of remuneration

The basis of calculating the remuneration claims are summarised in the attached schedules together with details of the major tasks performed and the costs associated with each of those major tasks.

Resolution 1: Liquidator's additional remuneration for the period 27 August 2016 to 21 May 2021

Schedule 1 sets out time charged to each major task area by staff members working on the liquidation for the period 27 August 2016 to 21 May 2021 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts in Resolution 1, are contained in **Schedule 2**.

Resolution 2: Liquidators' future remuneration for the period 22 May 2021 to the conclusion of the Liquidation

Schedule 3 sets out time charged to each major task area by staff members working on the liquidation for the period 22 May 2021 to the conclusion of the Liquidation which is the basis of the Resolution 2 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts in Resolution 2, are contained in **Schedule 4**.

Total remuneration reconciliation

On 29 September 2016, the COI approved prospective remuneration of \$149,485.00 plus GST for the period 27 August 2016 to the conclusion of the Liquidation. To date, \$149,485 has been drawn and applied in payment of remuneration incurred. Remuneration for the period has exceeded this cap, and in this report, approval is being sought of a further capped amount of \$209,175.50 plus GST for actual additional work performed to 21 May 2021 and a further capped amount of \$23,630.00 plus GST to enable finalisation of the liquidation.

The following table provides comparisons, on a task basis, of the estimates provided in the remuneration report of 14 September 2016, to actual costs incurred as at 21 May 2021, and provides an explanation for the difference in cost.

Task	Estimate (\$)	Actual (\$)	Difference (\$)	Reason for differences
Assets	10,470.00	8,176.50	(2,293.50)	The amount incurred is less than estimated.
Creditors	34,279.50	102,724.50	68,445.00	<p>Given the delay in finalisation, and the additional dividend, additional tasks were undertaken, such as:</p> <ul style="list-style-type: none"> • Responding to further creditor enquiries via phone and email • Preparing further annual reports, and update circulars to creditors and the committee • Preparing additional remuneration analysis and reports to creditors and the committee • Preparing for creditor and committee meetings
Employees	9,559.50	3,112.00	(6,447.50)	The amount incurred is less than estimated.
Trade on	2,902.50	2,585.00	(317.50)	The amount incurred is less than estimated.
Investigation	51,281.00	123,687.50	72,406.50	<p>Additional time has been required to conduct our investigations as follows:</p> <ul style="list-style-type: none"> • Compiling additional evidence and supporting documentation in relation to possible recovery actions such as preference payments and Director-related transactions • Prepare follow-up correspondence in relation to demands issued and negotiating settlements with respondents or their legal advisers • Preparing, negotiating and amending deeds of settlement • Obtaining further books and records and conducting a review of the additional information • Engaging lawyers to progress Liquidator's recovery actions and compilation of additional evidence to support our claims • Attending settlement negotiations with the ATO • Identifying further transactions forming potential recoveries and compiling evidence for consultation with our legal advisers • Obtaining legal advice regarding recovery actions • Meeting with and providing instructions to our legal advisers to pursue certain claims • Liaising with our advisers regarding responses to legal demands and considering whether to take further action
Dividend	22,789.00	42,955.50	20,166.50	Additional work was undertaken to pay an equalising dividend, for creditors who were not involved in the previous dividends for various reasons. This was paid in February 2020
Administration	18,203.50	75,419.50	57,216.00	<p>Given the delay in finalisation, additional administration work was undertaken, such as:</p> <ul style="list-style-type: none"> • ASIC lodgements such as the submission of periodic receipts and payments • ATO reporting such as Business Activity Statements <p>Additional time has also been required in undertaking the following tasks which are largely related to supporting the additional tasks described in the investigations and trade on categories:</p> <ul style="list-style-type: none"> • Tasks associated with analysing and initiating additional insurance requirements as a result of delays in lease assignments

- Preparing statutory investigation reports to ASIC including compiling supporting evidence
- Setting up data analytics platforms to assist with filtering the Companies' email accounts for investigations purposes
- Bank reconciliation work with respect to bank guarantees, and confirming transactions generally for recording and analysing trading receipts and payments
- Collecting and collating large volumes of books and records for trading and investigations purposes
- Planning tasks associated with conducting further investigations and strategy for proceeding with Liquidator recoveries
- Scenario and costing analysis regarding planning for Liquidator recovery actions

Total	149,485.00	358,660.50	209,175.50
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Likely impact on dividends

The Corporations Act provides for certain costs, expenses and claims to be paid in priority to all other unsecured claims against the company and this includes liquidator's fees and disbursements properly incurred in preserving, realizing or getting in the property of the company or in carrying on the company's business and generally undertaking the duties associated with conducting this liquidation.

The recoveries in the Liquidation of the Company are complete and a third and final dividend is to be declared. As a result of money received from Unfair Preference claim proceedings, the pool of funds for distribution amongst creditors have increased since our last Remuneration Approval Request from Creditors.

Whilst some of the fees have been incurred in relation to general administrative matters, much of the work performed has gone towards creating and maximizing the pool of funds available for distribution to creditors.

Remuneration recovered from external sources [FEG]

As you are aware in June 2016, the Liquidators received \$97,127.96 from the Department of Employment for advances made to five employees under the Fair Entitlements Guarantee of "FEG" Scheme in relation to unpaid employee entitlements. The Liquidators distributed these funds relevant to employees in 2016.

4 Report on progress of the administration

Please refer to the Liquidator's report to creditors attached herein.

5 Summary of receipts and payments

Please refer to **Appendix D** of the Liquidator's report to creditors attached herein.

6 Queries

Should you have any queries regarding the remuneration report, please contact Zoe Grew on (02) 9322 3646 or at zgrew@deloitte.com.au.

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

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

Schedule 1 Time charged to each major task

Resolution 1: Liquidator's additional remuneration for the period 27 August 2016 to 21 May 2021

Employee	Position	\$ / hr (ex GST)	Total actual hours	Total (\$)	Task Area														
					Asset		Creditors		Employees		Trade on		Investigations		Dividend		Admin		
					Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)	
Vaughan Strawbridge	Partner	615	37.9	23,308.50	1.3	799.50	3.7	2,275.50	1.0	615.00	-	-	6.5	3,997.50	5.3	3,259.50	20.1	12,361.50	
Jason Tracy	Partner	615	6.2	3,813.00	-	-	6.2	3,813.00	-	-	-	-	-	-	-	-	-	-	
Phil Hollinshead	Director	510	14.2	7,242.00	-	-	3.9	1,989.00	-	-	-	-	10.3	5,253.00	-	-	-	-	
Matthew Bor	Director	510	21.9	11,169.00	1.2	612.00	5.7	2,907.00	0.3	153.00	-	-	7.5	3,825.00	4.1	2,091.00	3.1	1,581.00	
Ian Niccol	Director	510	65.4	33,354.00	-	-	12.8	6,528.00	-	-	-	-	52.6	26,826.00	-	-	-	-	
Jacqueline Hermann	Director	510	21.5	10,965.00	-	-	6.5	3,315.00	-	-	-	-	-	-	15.0	7,650.00	-	-	
Jonathon Parker	Director	510	37.8	19,278.00	-	-	3.0	1,530.00	0.1	51.00	-	-	34.3	17,493.00	-	-	0.4	204.00	
Andrew Whittingham	Manager	440	49.0	21,560.00	-	-	-	-	-	-	-	-	39.5	17,380.00	9.5	4,180.00	-	-	
Tanya George	Manager	440	6.1	2,684.00	-	-	-	-	-	-	4.9	2,156.00	-	-	-	-	1.2	528.00	
George Simos	Manager	440	22.5	9,900.00	-	-	13.2	5,808.00	-	-	-	-	9.3	4,092.00	-	-	-	-	
Adam Stafford	Manager	440	15.7	6,908.00	-	-	-	-	-	-	-	-	15.0	6,600.00	-	-	0.7	308.00	
Carol Clark	Sr Analyst	330	41.9	13,827.00	-	-	-	-	-	-	-	-	-	-	-	-	41.9	13,827.00	
George Simos	Sr Analyst	330	5.1	1,683.00	-	-	0.3	99.00	-	-	-	-	4.5	1,485.00	-	-	0.3	99.00	
Andrew Whittingham	Sr Analyst	330	169.4	55,902.00	9.5	3,135.00	39.2	12,936.00	0.4	132.00	1.3	429.00	104.7	34,551.00	1.5	495.00	12.8	4,224.00	
Ancella Lim	Sr Analyst	330	4.6	1,518.00	-	-	0.3	99.00	-	-	-	-	-	-	-	-	4.3	1,419.00	
Kevin Thay	Analyst	220	206.1	45,342.00	-	-	69.6	15,312.00	4.7	1,034.00	-	-	4.6	1,012.00	75.1	16,522.00	52.1	11,462.00	
Zoe Grew	Analyst	220	52.2	11,484.00	0.4	88.00	39.1	8,602.00	-	-	-	-	-	-	0.5	110.00	12.2	2,684.00	
Barbara Kekatos	Analyst	220	150.1	33,022.00	-	-	87.6	19,272.00	-	-	-	-	-	-	-	-	62.5	13,750.00	
Zoe Grew	Graduate	115	76.7	8,820.50	9.4	1,081.00	18.9	2,173.50	-	-	-	-	-	-	28.6	3,289.00	19.8	2,277.00	
Loveneet Kaur	Graduate	115	13.3	1,529.50	2.0	230.00	-	-	-	-	-	-	-	-	-	-	11.3	1,299.50	
Kanika Raju	Graduate	115	1.0	115.00	-	-	-	-	-	-	-	-	-	-	-	-	1.0	115.00	
Barbara Kekatos	Graduate	115	72.5	8,337.50	-	-	72.5	8,337.50	-	-	-	-	-	-	-	-	-	-	
Xiaobo Fu	Graduate	115	12.4	1,426.00	-	-	-	-	0.4	46.00	-	-	-	-	-	-	12.0	1,380.00	
Emily Goodwin	Graduate	115	36.5	4,197.50	-	-	-	-	-	-	-	-	-	-	36.5	4,197.50	-	-	
Kevin Thay	Graduate	115	170.1	19,561.50	19.4	2,231.00	52.3	6,014.50	9.4	1,081.00	-	-	10.2	1,173.00	10.1	1,161.50	68.7	7,900.50	
Amy Chu	Graduate	115	2.7	310.50	-	-	2.7	310.50	-	-	-	-	-	-	-	-	-	-	
Kevin Geller	Graduate	115	12.2	1,403.00	-	-	12.2	1,403.00	-	-	-	-	-	-	-	-	-	-	
TOTAL			1325.0	358,660.50	43.2	8,176.50	449.7	102,724.50	16.3	3,112.00	6.2	2,585.00	299.0	123,687.50	186.2	42,955.50	324.4	75,419.50	
Less fee approval previously obtained				149,485.00															
Remaining fees to be approved				209,175.50															
GST				20,917.55															
Total (Including GST)				230,093.05															

Schedule 2 Detailed description of tasks performed

Resolution 1: Liquidator's additional remuneration for the period 27 August 2016 to 21 May 2021

Task Area	General Description	Includes
Assets 43.2 hours \$8,176.50	Debtors	<ul style="list-style-type: none"> Reviewing and assessing debtors ledger Liaise with debtors about payments Reconciliations of bank transactions to identify debtor payments Internal meetings regarding status updates on debtor payments, and potential debtor recovery action
Creditors 449.7 hours \$102,724.50	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Creditor reports	<ul style="list-style-type: none"> Preparing various circulars and reports to creditors and the committee, including update reports and circulars and AGM reports Preparing remuneration reports
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt (POD's) when not related to a dividend Corresponding with OSR regarding POD when not related to a dividend Preparing correspondence via email and phone to the ATO regarding their creditor claim
	Meeting of creditors	<ul style="list-style-type: none"> Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
Trade On 6.2 hours \$2,585.00	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipts and payments into accounting system Preparing and reviewing receipts and payments reports on a regular basis
	Budgeting and financial reporting	<ul style="list-style-type: none"> Reviewing company's budgets and financial statements Preparing budgets Preparing weekly financial reports Finalising trading profit or loss Meetings to discuss trading position
Investigation 299.0	Conducting investigation	<ul style="list-style-type: none"> Collection of company books and records Reviewing company's books and records

\$123,687.50

- Review and preparation of company nature and history
- Review loan accounts and bank statements to determine possible unreasonable director-related transactions
- Conducting and summarising statutory searches
- Preparation of comparative financial statements
- Review of specific transactions and liaising with directors regarding certain transactions
- Liaising with directors regarding certain transactions
- Preparation of investigation file
- Lodgement of investigation with the ASIC
- Internal meetings, and meetings with our legal advisers to discuss investigations and recovery strategy

Unfair preference recoveries

- Undertake extensive analysis of company books and records, including account software, bank statements and creditor ledgers to identify potential preference payments
- Collating all relevant documentation for potential claims, including creditor invoices, ageing analysis and payment history
- Analyse email correspondence between the company and potential unfair preference creditors to obtain evidence relating to a potential claim
- Liaising with solicitors regarding evidence of potential claims, and discussing draft demand letters
- Prepare and issue unfair preference demands
- Review and consider responses to demands issued and discuss claims with respondents and their legal advisers
- Engage legal advisers to provide advice on recovery actions
- Progressing various claims with legal advisers including settlement negotiations for unfair preference recoveries
- Discuss and prepare settlement deeds relating to unfair preference recoveries
- Monitor and track recovery actions

Employees
16.3 hours
\$3,112.00

Employees enquiries

- Compiling PAYG summaries
- Attending to employee enquiries about PAYG reports and superannuation balance

FEG assistance

- Correspondence with FEG regarding providing assistance to employees
- Completing verification spreadsheets and providing further data to FEG
- Distributing FEG payments to employees
- Preparing circular to employees regarding FEG distribution
- Responding to employee enquiries regarding FEG distribution

Dividend
186.2 hours
\$42,955.50

Processing proofs of debt

- Preparation of correspondence to potential creditors inviting lodgement of POD
 - Receipt of POD
-

		<ul style="list-style-type: none"> • Maintain POD register • Adjudicating POD • Request further information from claimants regarding POD • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend • Advertisement of intention to declare first and second dividends • Obtain clearance from ATO to allow distribution of company's assets • Preparation of dividend calculation for first, second and catch up dividends • Preparation of correspondence to creditors announcing declaration of first and second dividend • Advertise announcement of first and second dividend • Preparation of distribution • Preparation of dividend file • Preparation of payment vouchers to pay dividend • Preparation of correspondence to creditors enclosing payment of dividend • Undertaking extensive analysis of the creditor register and company books and records to identify creditors who may be eligible for a catch up dividend • Corresponding with creditors previously involved in unfair preference claims to announce the distribution of a catch up dividend
Administration	Correspondence	<ul style="list-style-type: none"> • Prepare general correspondence • Regular maintenance of the group inbox
324.4 hours	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists
\$75,419.50	Insurance	<ul style="list-style-type: none"> • Correspondence with insurer regarding initial and ongoing insurance requirements • Reviewing insurance policies
	Bank account administration	<ul style="list-style-type: none"> • Bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC reporting	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 5602, 5603, 5011 etc • Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Preparing monthly BAS' • Completing PAYG summaries • Finalising and reporting on PAYG position • General correspondence with the ATO regarding GST and other matters
	Planning / review	<ul style="list-style-type: none"> • Planning tasks associated with conducting further investigations and strategy for proceeding with Liquidator recoveries
	Books and records / storage	<ul style="list-style-type: none"> • Dealing with records in storage

-
- Sending job files to storage
-

TOTAL
1,325.0 hours
\$358,660.50

Schedule 3 Time charged to each major task

Resolution 2: Liquidators' future remuneration for the period 22 May 2021 to the conclusion of the Liquidation

Employee	Position	\$ /hr (ex GST)	Total actual hours	Total (\$)	Creditors		Dividend		Admin	
					Hrs	Total (\$)	Hrs	Total (\$)	Hrs	Total (\$)
					Jason Tracy	Partner	615	7.0	4,305.00	5.0
George Simos	Manager	440	15.0	6,600.00	10.0	4,400.00	5.0	2,200.00	-	-
Barbara Kekatos	Analyst	220	20.0	4,400.00	10.0	2,200.00	10.0	2,200.00	-	-
Zoe Grew	Analyst	220	30.0	6,600.00	15.0	3,300.00	10.0	2,200.00	5.0	1,100.00
Kevin Geller	Graduate	115	15.0	1,725.00	5.0	575.00	5.0	575.00	5.0	575.00
TOTAL			87.0	23,630.00	45.00	13,550.00	32.00	8,405.00	10.00	1,675.00
GST				2,363.00						
Total (Including GST)				25,993.00						

Schedule 4 Detailed description of tasks performed

Resolution 2: Liquidator's future remuneration for the period 22 May 2021 to the conclusion of the Liquidation

Task Area	General Description	Includes
Creditors 45.0 hours \$13,550.00	Creditor enquiries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone • Maintaining creditor enquiry register • Review and prepare correspondence to creditors and their representatives via facsimile, email and post • Correspondence with committee of creditors members • Correspondence with creditors via phone and email regarding meeting of creditors
	Creditor reports	<ul style="list-style-type: none"> • Preparing update report to creditors including final update on progress of Liquidation and details of upcoming meeting of creditors • Preparing remuneration report
	Meeting of creditors	<ul style="list-style-type: none"> • Preparation of meeting notices, proxies and advertisements • Forward notice of meeting to all creditors • Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting • Preparation and lodgement of minutes of meeting with ASIC
Dividend 32.0 hours \$8,405.00	Processing proofs of debt	<ul style="list-style-type: none"> • Maintain POD register • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend • Advertisement of intention to declare third and final dividend • Preparation of correspondence to creditors announcing declaration of first and second dividend • Advertise announcement of third and final • Preparation of distribution • Preparation of dividend file • Preparation of correspondence to creditors enclosing payment of dividend
Administration 10.0 hours \$1,675.00	Correspondence	<ul style="list-style-type: none"> • Prepare general correspondence • Regular maintenance of the group inbox
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> • Filing of documents • File reviews • Updating checklists
	Bank account administration	<ul style="list-style-type: none"> • Bank account reconciliations • Closure of bank accounts

ASIC reporting

- Preparing and lodging ASIC forms including 505, 5602, 5603, 5011 etc
- Correspondence with ASIC regarding statutory forms

ATO and other statutory reporting

- Preparing monthly and final BAS'
- General correspondence with the ATO regarding GST and other matters

TOTAL
87.0 hours
\$23,630.00

Appendix C – Formal Proof of Debt

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 058 258 870

To the Liquidator of Animal Supplies (Wholesale) Pty Ltd (In Liquidation)

1. This is to state that the company was, on 20 May 2016 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾

 for
 dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount \$	GST included \$	Remarks ⁽⁴⁾

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾
- 3.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.^{(6)*} I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2021

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per RATA	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

(6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:

"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Appendix D – Proxy Form

CERTIFICATE OF WITNESS

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

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

Appendix E – ASIC Information Sheet 85 – Approving Fees: A Guide for Creditors



ASIC

Australian Securities & Investments Commission

ASIC Guide for

INFORMATION SHEET 85

Approving fees: A guide for creditors

If a company is in financial difficulty, it can be put under the control of an independent external administrator.

This information sheet (INFO 85) gives general information for creditors on the approval of an external administrator's fees in a liquidation of an insolvent company, voluntary administration or deed of company arrangement (the fees of a receiver are fixed by the secured creditor that appoints the receiver and are not discussed in this information sheet). It outlines the rights that creditors have in the approval process.

It covers:

- entitlement to fees and costs
- who may approve fees
- calculation of fees
- initial remuneration notice
- report on proposed fees
- deciding if fees are reasonable
- reimbursement of out-of-pocket costs
- queries and complaints

Entitlement to fees and costs

A liquidator, voluntary administrator or deed administrator (i.e. an 'external administrator') is entitled to be:

- paid reasonable fees, or remuneration, for the necessary work they properly perform, once these fees have been approved by creditors, a committee of inspection or a court
- reimbursed for out-of-pocket costs incurred in performing their role.

External administrators are only entitled to an amount of fees that is reasonable for the necessary work that they and their staff properly perform in the external administration. What is reasonable will depend on the type of external administration and the issues that need to be resolved. Some are straightforward, while others are more complex.

External administrators must undertake some tasks that may not directly benefit creditors. These include reporting potential breaches of the law and lodging with ASIC a detailed listing of receipts and payments,

known as an annual administration return, annually on the anniversary of their appointment and at the end of their administration.

The external administrator is entitled to be paid for completing these statutory tasks.

Note: If the external administration commenced prior to 1 September 2017, the external administrator will continue to lodge the six-monthly Form 524 Presentation of accounts and statement until the six-month period ending on the first anniversary of their appointment date. Thereafter, they will lodge the annual administration return (AAR Form 5602).

Out-of-pocket costs that are commonly reimbursed include:

- legal fees
- valuer's, real estate agent's and auctioneer's fees
- stationery, photocopying, telephone and postage costs
- retrieval costs for recovering the company's computer records
- storage costs for the company's books and records.

Creditors have a direct interest in the level of fees and costs, as the external administrator will generally be paid from the company's available assets before any payments to creditors. If there are not enough assets, the external administrator may have arranged for a third party to pay any shortfall. As a creditor, you should receive details of such an arrangement. If there are not enough assets to pay the fees and costs, and there is no third party payment arrangement, any shortfall is not paid.

Who may approve fees

An external administrator's fees must be approved by one of the following ways:

- by resolution of creditors
- by a committee of inspection (if there is a committee of inspection) if no resolution has been passed by creditors
- by the court if neither the creditors nor a committee of inspection have passed a resolution.

Note: An external administrator in a members' voluntary winding up must have fees approved by a resolution of the company, or the court.

The external administrator must provide sufficient information to enable the relevant decision-making body to assess whether the fees are reasonable.

If fees are not approved by the relevant decision-making body, the liquidator is entitled to be paid reasonable fees up to a maximum of \$5,000 excluding GST (indexed annually).

Creditors' approval at a creditors' meeting

Creditors can approve fees by passing a resolution at a creditors' meeting. Unless creditors call for a poll, the resolution passes if a simple majority of creditors present and voting, in person or by proxy, indicates that they agree to the resolution.

If a poll is taken, rather than a vote being decided on the voices, a majority in number and value of creditors present and voting must agree. A poll requires the votes of each creditor to be recorded.

A separate resolution of creditors is required for approving fees for an administrator in a voluntary administration and an administrator of a deed of company arrangement, even if the administrator is the same person in both administrations.

A proxy is where a creditor appoints someone else to represent them at a creditors' meeting and to vote on their behalf. A proxy can be either a general proxy or a special proxy. A general proxy allows the person holding the proxy to vote as they wish on a resolution, while a special proxy directs the proxy holder to vote in a particular way.

A creditor will sometimes appoint the external administrator as a proxy to vote on the creditor's behalf. An external administrator, their partners or staff must not use a general proxy to vote on approval of their fees; they must hold a special proxy in order to do this. They must vote all special proxies as directed, even those against approval of their fees.

Creditors' approval without a creditors' meeting

Instead of convening a creditors' meeting, the external administrator can put proposals to creditors by giving notice in writing.

This notice must be given to each creditor who would be entitled to receive notice of a meeting and:

- include a statement of the reasons for the proposal and the likely impact the proposal will have on creditors
 - invite the creditor to either:
 - vote 'yes' or 'no' for the proposal
- object to the proposal being resolved without a meeting
- specify a reasonable time for creditors' replies to be received by the external administrator.

To vote on the proposal, a creditor must lodge details of your debt or claim with the external administrator and complete the voting documents provided by the external administrator.

Creditors can vote 'yes' or 'no' on the proposal or object to the proposal being resolved without a creditors' meeting. You should return your response to the external administrator within the time specified in the notice which must be at least 15 business days after the notice is given to creditors.

A resolution is passed if the majority of creditors in number and value who responded to the notice voted 'yes' and if not more than 25% in value of the creditors who responded objected to the proposal being resolved without a creditors' meeting.

The external administrator should provide creditors enough information to allow them to make an informed decision about the proposal. A creditor should contact the external administrator to obtain further information if they think it necessary for them to make a decision.

The external administrator must lodge with ASIC the outcome of the proposal. A copy of the outcome of the proposal may be obtained by searching the ASIC registers and paying the relevant fee.

Committee of inspection approval

If there is a committee of inspection, the committee of inspection can approve an external administrator's fees. In approving the fees, the members represent the interests of all creditors or employees, not just their own individual interests.

A committee of inspection makes its decision by a majority in number of its members present at a meeting, but it can only act if a majority of its members attend.

To find out more about committees of inspection and how they are formed, see Information Sheet 45 Liquidation: A guide for creditors (INFO 45), Information Sheet 74 Voluntary administration: A guide for creditors (INFO 74) and Information Sheet 41 Insolvency: A glossary of terms (INFO 41).

Calculation of fees

Fees may be calculated using one of a number of different methods, such as:

- on the basis of time spent by the external administrator and their staff

- a quoted fixed fee, based on an upfront estimate
- a percentage of asset realisations.

Charging on a time basis is the most common method. If an external administrator seeks approval for charging wholly or partly on a time basis, and the work is yet to be carried out, the approval sought must include a maximum limit ('cap') on the amount of remuneration the external administrator is entitled to receive. For example, future fees calculated according to time spent may be approved on the basis of the number of hours worked at the rates charged (as set out in the provided rate scale) up to a cap of \$X. If the work involved then exceeds this figure, the external administrator will have to ask the creditors/committee to approve a further amount of fees, after accounting for the fees already incurred.

The external administrator and their staff will record the time taken for the various tasks involved, and a record will be kept of the nature of the work performed.

External administrators have a scale of hourly rates, with different rates for each category of staff working on the external administration, including the external administrator. If the external administrator intends to charge on a time basis, you should receive a copy of these hourly rates soon after their appointment and before you are asked to approve the fees. It is important to note that the hourly rates do not represent an hourly wage for the external administrator and their staff. The external administrator is running a business – an insolvency practice – and the hourly rates will be based on the cost of running the business, including overheads such as rent for business premises, utilities, wages and superannuation for staff who are not charged out at an hourly rate (such as personal assistants), information technology support, office equipment and supplies, insurances, taxes, and a profit.

External administrators are professionals who are required to have qualifications and experience, be independent and maintain up-to-date skills. Many of the costs of running an insolvency practice are fixed costs that must be paid, even if there are insufficient assets available to pay the external administrator for their services. External administrators compete for work and their rates should reflect this.

These are all matters that committee members or creditors should be aware of when considering the fees presented. However, regardless of these matters, creditors have a right to question the external administrator about the fees and whether the rates are negotiable.

It is up to the external administrator to justify why the method chosen for calculating fees is an appropriate method for the particular external administration. As a creditor, you also have a right to question the external administrator about the calculation method used and how the calculation was made.

Initial remuneration notice

The external administrator must send creditors a notice setting out the following information if they propose to seek fee approval for the external administration:

- the method by which they seek to be paid
- the rate of fees
- an estimate of the expected amount of total fees
- the method how out-of-pocket costs will be calculated
- a brief explanation of the different methods to calculate fees
- an explanation why they chose the particular fee method by which they seek to be paid
- if a time-cost basis was chosen, the hourly rates of the external administrator and other staff who will work on the external administration.

This initial remuneration notice must be sent to creditors:

- in a voluntary administration – at the same time as the notice of the first meeting of creditors is sent
- in a court liquidation – within 20 business days after the liquidator's appointment
- in a voluntary liquidation – within 10 business days after the day of the meeting at which the resolution to wind up the company is passed.

Report on proposed fees

When seeking approval of fees, the external administrator must send creditors/committee members a report setting out:

- a summary description of the major tasks performed, or likely to be performed
- the costs associated with each of these tasks and the method of calculation of the costs
- the periods when funds will be drawn to pay the fees
- an estimated total amount, or range of amounts, of total fees
- an explanation of the likely impact the fees will have on any dividends to creditors
- such other information that will assist in assessing the reasonableness of the fees claimed.

Creditors/committee members may be asked to approve fees for work already performed or an estimate of work yet to be carried out. For more on the tasks involved, see INFO 45 and INFO 74.

Deciding if fees are reasonable

If asked to approve an amount of fees, your task is to decide if that amount of fees is reasonable, given the work carried out in the external administration and the results of that work.

In addition to the information the external administrator must provide to you before seeking approval of fees, you may find the following additional information from the external administrator useful in deciding if the fees claimed are for necessary work properly performed and reasonable:

- an explanation of why the work performed was necessary
- the size and complexity (or otherwise) of the external administration
- the value and nature of the property dealt with
- the level of risk or responsibility involved with the external administration
- whether there are any extraordinary issues that were required to be dealt with
- the amount of fees (if any) that have previously been approved
- if the fees are calculated, in whole or in part, on a time basis:
 - the period over which the work was or is likely to be performed
 - the time spent by each level of staff on each of the major tasks performed or likely to be performed
 - if the fees are for work that is yet to be carried out, whether the fees are capped.

If you need more information about fees than is provided in the external administrator's report, you should let them know before the meeting at which fees will be voted on.

What can you do if you think the fees are not reasonable?

If you do not think the fees claimed are reasonable, you should raise your concerns with the external administrator. It is your decision whether to vote in favour of, or against, a resolution to approve fees.

Generally, if creditors or a committee of inspection approves fees and you wish to challenge this decision, you may apply to the court and ask the court to review the fees.

You may wish to seek your own legal advice if you are considering applying for a court review of the fees.

As well as a court review of the external administrator's fees, creditors (by resolution of creditors) or one or more creditors (with the external administrator's consent) can appoint a registered liquidator to carry out a review of fees and/or costs incurred by the external administrator of the company.

Note: A creditor can also apply to ASIC in the approved form for it to appoint a reviewing liquidator (see Form 5605 Application for ASIC to appoint a reviewing liquidator).

This review is limited to:

- remuneration approved within the six months before the reviewing liquidator is appointed
- costs or expenses incurred during the 12-month period before the reviewing liquidator is appointed (unless the external administrator agrees to a longer period).

The reviewing liquidator must be a registered liquidator. A creditor who wishes to appoint a reviewing liquidator must approach a registered liquidator to get a written consent from that person that they would be prepared to act as reviewing liquidator. The person must also make a written declaration about any relationships they or their firm may have that might affect their independence to act as reviewing liquidator.

The external administrator and their staff, must cooperate with the reviewing liquidator.

If creditors pass a resolution to appoint the reviewing liquidator, the reviewing liquidator's costs form part of the expenses of the external administration of the company. If one or more of the creditors appoint the reviewing liquidator with the consent of the external administrator, the reviewing liquidator's costs are borne by the creditor(s) appointing the reviewing liquidator.

Reimbursement of out-of-pocket costs

An external administrator should be very careful incurring costs that must be paid from the external administration – as careful as if they were dealing with their own money. Their report on fees must also include information on the out-of-pocket costs of the external administration.

Out of pocket expenses (or disbursements) can be categorised into:

- external services or costs such as legal fees, valuation fees, travel, accommodation and search fees
- internal services or costs such as photocopying, printing and postage.

External costs are usually charged at cost and do not require prior approval of creditors.

Internal costs may be charged at a rate higher than actual cost in order to recover overheads and similar costs. In instances where costs are charged at a rate higher than cost, the external administrator will need to obtain creditor approval before being reimbursed.

When seeking approval of out-of-pocket expenses, the external administrator must send creditors/committee members a report setting out:

- a summary description of the out-of-pocket expenses
- how they were calculated
- the total amount the external administrator is seeking reimbursement for
- why the expenses were necessary.

Creditors/committee members may be asked to approve reimbursement of out-of-pocket expenses for expenses already incurred or an estimate of expenses to be incurred.

If the expenses are yet to be incurred, a maximum limit ('cap') should be placed on the amount that the external administrator may incur and reimbursed for.

Queries and complaints

You should first raise any queries or complaints with the external administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a report of misconduct with ASIC – see How to complain.

Lodging your report of misconduct online ensures the quickest response from ASIC to your concerns.

ASIC usually does not become involved in matters of an external administrator's commercial judgement.

Reports of misconduct against Company and their officers can also be made to ASIC.
If you cannot report misconduct online to ASIC, you can contact us on 1300 300 630.

Where can I get more information?

For an explanation of terms used in this information sheet, see Information Sheet 41 Insolvency: A glossary of terms (INFO 41). For more on external administration, see the related information sheets listed in Information Sheet 39 Insolvency information for directors, employees, creditors and shareholders (INFO 39).

Further information is available from the Australian Restructuring Insolvency & Turnaround Association (ARITA) website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

This is Information Sheet 85 (INFO 85), updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Appendix F – Receipts and payments

Summary of Receipts & Payments
20 May 2016 to 21 May 2021

RECEIPTS	Total (AUD)
Sales	69,203.66
Credit Card Merchant Fee	97.15
Refunds	7,531.43
Sundry Debtors	733,731.47
Cash at Bank	557,811.95
Stock	63,984.88
Plant & Equipment	39,772.73
Other Assets (GST Free)	1,026.38
Bank Interest	58.90
FEG Funds Received	97,127.96
Settlement of Preferences	1,731,817.93
Settlement of PPSR Claim	115,000.00
Dividend Reversals	3,632.04
Total Receipts	3,420,796.48
PAYMENTS	
Bank Charges	141.96
Electricity	3,895.83
Insurance	1,910.10
Rental Outgoings	1,686.56
Postage	4,032.63
Professional Fees	38,822.05
Rent Paid (Commercial)	8,796.95
Sundry Expenses	993.16
Superannuation	2,202.93
Wages & Salaries	2,760.14
Stamp Duty	131.33
Payment to Secured Creditor	30,017.50
Agents/Valuers Fees (Taxable)	1,375.76
Bank Charges	334.94
Commission Paid	3,646.52
Legal Disbursements (Insolvent Trading)	16.80
FEG Distribution	97,127.96
Legal Fees (Taxable)	183,165.35
Legal Fees (Non Taxable)	30.00
Legal Disbursements (Taxable)	996.70
Legal Fees (Insolvent Trading)	4,113.68
Administrator's Remuneration	137,735.50
Administrator's Disbursements	5,594.13
Postage	554.96
Stationery & Printing	1,730.91
Liquidators Remuneration	256,864.00
Liquidators Expenses	4,434.90
Payroll Tax	429.87
Legal Fees (debtor recoveries)	5,667.00
Legal Disbursements (debtor recoveries)	170.45
Legal Disb. (debtor recoveries) no GST	1,126.00
Legal Fees (Preferences)	80,610.87
Legal Disbursements (Preferences)	53.60
Legal Disbursements (Preferences no GST)	272.40
Transfer of Debtors to GE	172,871.58
Dividend Preferential Creditors	174,114.99
Dividend to Unsecured Creditors	1,429,428.76
Suspense Acct Wk 1 Wages Funding	6,504.25
Total Payments	\$2,664,363.02
Net Receipts/(Payments)	\$756,433.46
GST Receivable/(Payable)	\$10,930.79
Cash on Hand	\$745,502.67



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