

TO CREDITORS AND SUPPLIERS

18 April 2016

Dear Sir/Madam

Animal Supplies (Wholesale) Pty Ltd ACN 058 258 870
AS Consolidated Pty Limited ACN 167 361 604
Australian Supply and Distribution Solutions Pty Ltd ACN 167 361 775
Pet Brands Connect Pty Ltd ACN 094 221 913
(All Administrators Appointed)
("the Companies")

David Lombe and I were appointed Joint Administrators of the Companies on 14 April 2016 pursuant to Section 436A of the Corporations Act 2001 ("the Act").

Please be advised that at this stage, the Administrators are continuing to trade the business whilst we undertake an urgent assessment of the financial position of the Companies.

Your continued support of the business is appreciated during this period which is critical to achieving a successful outcome for all creditors.

Meeting of Creditors

I am required to convene a first meeting of creditors within 8 business days following my appointment. Accordingly, I enclose the following:

1. Notice of Meeting of Creditors to be held on **Tuesday, 26 April 2016 at 3:30 PM (AEST)** (the "first meeting") (**Annexure A**)
2. Informal Proof of Debt for Voting Purposes (**Annexure B**)
3. Instrument of Proxy (**Annexure C**)
4. A Declaration of Independence / Indemnities & Relevant Relationships for the purposes of Section 436DA of the Act (**Annexure D**)
5. ASIC Information Sheet (**Annexure E**)
6. Remuneration Proposal (**Annexure F**)
7. List of Authorised Signatories (**Annexure G**)

Creditors who wish to attend and vote at the first meeting are required to complete and return an Informal Proof of Debt Form. Individuals attending the meeting on behalf of a corporate creditor will also need to complete and return an Instrument of Proxy. Completed forms must be returned **by 10:00 AM (AEST) on Tuesday, 26 April 2016**. The relevant return addresses are detailed below:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited

Mail: Attention: Emma Henderson
[The relevant company/companies you are a creditor of]
c/- Deloitte Touche Tohmatsu
PO Box N250
Grosvenor Place
SYDNEY NSW 1220

Facsimile: (02) 9322 7001

Email: emmhenderson@deloitte.com.au

Trading

As noted above, the Administrators are continuing to trade the business whilst we undertake an urgent assessment of the financial position of the Companies. Would you please open new account(s) styled as follows, and charge future authorised orders to the appropriate account(s):

- “Animal Supplies (Wholesale) Pty Ltd (Administrators Appointed) ACN 058 258 870”
- “AS Consolidated Pty Limited (Administrators Appointed) ACN 167 361 604”
- “Australian Supply and Distribution Solutions Pty Ltd (Administrators Appointed) ACN 167 361 775”
- “Pet Brands Connect Pty Ltd (Administrators Appointed) ACN 094 221 913”

The abovementioned account(s) will be paid in accordance with your usual terms of credit. Please note any security interests you have with the Companies prior to our appointment will not apply to goods supplied as part of transactions on this new account unless specifically agreed to by us in writing and made the subject of a separate registration of the security interest on the Personal Property Security Register (“PPSR”).

The Administrators advise we will not accept liability for payment for any goods or services supplied without the authority of the specified authorised signatories, whose names and specimen signatures are shown on the schedule enclosed (as **Annexure G**).

If there are any outstanding or uncompleted orders placed by the Companies prior to our appointment, please contact Emma Henderson of this office at emmhenderson@deloitte.com.au, to obtain written instructions concerning your order.

Your Debt

The effect of our appointment is to place a moratorium on the payment of unsecured creditors' accounts in relation to trading and other debts incurred up to the date of our appointment, until creditors make a decision about each company's future. That decision will be made at a second meeting of creditors, which is scheduled to be held within 25 business days following our appointment. Creditors will receive notice of that meeting in due course. It is requested that creditors complete the Informal Proof of Debt Form attached at **Annexure B** with details of amounts owed to you by each company.

Creditors with security interests including retention of title creditors will have their entitlements determined in accordance with relevant processes under applicable law.

If you have supplied any goods or collateral in respect of which you have security interest(s) on the PPSR, please send an email detailing the aspects of your claim to Dominic Hayson of this office at dohayson@deloitte.com.au without delay.

Should you have any other queries, please contact Emma Henderson of this office on (02) 9322 5348 or at emmhenderson@deloitte.com.au.

Yours faithfully

A handwritten signature in blue ink, consisting of a stylized 'V' followed by a horizontal line and a loop.

Vaughan Neil Strawbridge
Joint & Several Administrator

Encl.

FORM 529A

subregulation 5.6.12 (6)

CORPORATIONS ACT 2001
Section 436E

NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION

ANIMAL SUPPLIES (WHOLESALE) PTY LTD ACN 058 258 870
AS CONSOLIDATED PTY LIMITED ACN 167 361 604
AUSTRALIAN SUPPLY AND DISTRIBUTION SOLUTIONS PTY LTD ACN 167 361 775
PET BRANDS CONNECT PTY LTD ACN 094 221 913
(ALL ADMINISTRATORS APPOINTED)
("the Companies")

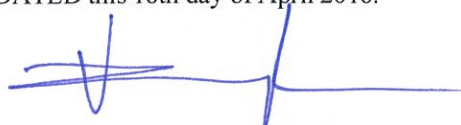
1. On 14 April 2016 the Companies under section 436A of the Corporations Act 2001 appointed Vaughan Neil Strawbridge and David Lombe of Deloitte Touche Tohmatsu, Grosvenor Place, 225 George Street, SYDNEY NSW 2000 as the Joint and Several Administrators of the Companies.
2. Notice is now given that a meeting of the creditors of the Companies will be held concurrently at the offices of on Deloitte Touche Tohmatsu on **Tuesday, 26 April 2016 at 3:30 PM (AEST)** at the following address:

Deloitte Touche Tohmatsu
Level 19
Eclipse Tower
60 Station Street
Parramatta NSW 2150

3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of creditors; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Joint Administrators from office; and
 - b. appoint someone else as Administrator of the Companies.
5. Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532.

A specific proxy can be lodged showing approval or rejection of each resolution. Proxy forms or facsimiles thereof must be lodged with our office **by 10:00 AM (AEST) on Tuesday, 26 April 2016**. Where a facsimile copy of a proxy is sent, the original must be lodged with my office 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.

DATED this 18th day of April 2016.



VAUGHAN NEIL STRAWBRIDGE
Joint & Several Administrator

INFORMAL PROOF OF DEBT FORM

Annexure B

Regulation 5.6.47

ANIMAL SUPPLIES (WHOLESALE) PTY LTD ACN 058 258 870
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(please tick)

☐
☐
☐
☐

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$ (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....

Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- his or her claim has been admitted, wholly or in part, by the Joint Administrators; or
- he or she has lodged with the Joint Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint Administrators.

FORM 532

Regulation 5.6.29

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

ANIMAL SUPPLIES (WHOLESALE) PTY LTD ACN 058 258 870
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 PET BRANDS CONNECT PTY LTD ACN 094 221 913
 (ALL ADMINISTRATORS APPOINTED)
 ("the Companies")

(please tick)

☐
☐
☐
☐

*I/*We (1).....
 of
 a creditor of the above selected company, appoint (2)

 or in his or her absence
 as *my/our *general/special proxy to vote at the meeting of creditors to be held on **Tuesday, 26 April 2016 at 3:30 PM (AEST)**, or at any adjournment of that meeting.(3)

DATED this day of 2016.

 Signature

CERTIFICATE OF WITNESS

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

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

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

Declaration of Independence, Relevant Relationships and Indemnities

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This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - (i) the circumstances of the appointment;
 - (ii) any relationships with the companies and others within the previous 24 months;
 - (iii) any prior professional services for the companies within the previous 24 months;
 - (iv) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and Deloitte Touche Tohmatsu (Deloitte).

A. Independence

We, Vaughan Neil Strawbridge and David John Frank Lombe of Deloitte have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Companies in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

On 12 April 2016, Andrew Sallway of Grant Thornton Australia (GTA) contacted Vaughan Strawbridge of Deloitte advising that GTA had a client that was seeking to appoint an Administrator and enquired whether Deloitte had any conflicts to act. The relevant conflict checks were subsequently conducted and confirmed that Vaughan Neil Strawbridge and David John Frank Lombe of Deloitte did not have any conflicts and were able to take the appointment.

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Member of Deloitte Touche Tohmatsu Limited

On 13 April 2016, Andrew Sallway advised Vaughan Strawbridge that there may be additional companies in the group of companies seeking to appoint an Administrator and enquired whether Deloitte had any conflicts to act with regard to the remaining companies in the group. The relevant conflict checks were subsequently conducted and confirmed that Vaughan Neil Strawbridge and David John Frank Lombe of Deloitte did not have any conflicts and were able to take the appointment.

At approximately 9:00am on 14 April 2016 there was a meeting between Andrew Sallway of GTA, and Vaughan Strawbridge and Phil Hollinshead both of Deloitte, where the financial position of the Companies was discussed and Vaughan Strawbridge confirmed that he and David Lombe would provide consents to act as Voluntary Administrators. This was followed by a call with the Directors of the Companies to discuss the potential appointment and arrange a meeting for later that day.

At approximately 1:15pm on 14 April 2016 there was a meeting between the Directors of the Companies, Vaughan Strawbridge and Phil Hollinshead wherein the Directors provided background on the Companies' operations and a high level summary of the events leading to the Companies' financial position. The Directors further indicated that the Companies were or were likely to become insolvent and therefore were seeking to appoint an Administrator.

At this meeting, Vaughan Strawbridge confirmed that he and David Lombe were available to act as Administrators.

In our opinion these discussions and meetings do not affect our independence as the meetings were in the nature of pre-appointment discussions and were limited to introducing ourselves, an explanation of the voluntary administration process and initial discussions on the financial position of the Companies. During these meetings, no advice was provided to the Directors or the Companies and we received no remuneration.

It is our opinion that these meetings do not present a conflict or impediment as we do not consider ourselves to be bound to provide services to the Companies in relation to this matter or in any way obligated to deliver a favourable outcome to any party, nor will the advice provided be subject to review and challenge during the course of the voluntary administration. The Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.

We have provided no other information or advice to the Companies, the Directors, and their legal advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Companies)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why not an impediment or conflict
Andrew Sallway, Partner at Grant Thornton Australia (GTA)	Referrer of the appointment	We do not have any referral arrangement with Mr Sallway of GTA. No commissions, inducements or benefits have been obtained by Mr Sallway or GTA in respect to this appointment. There is no arrangement with Mr Sallway or GTA that we will provide any referral work to him. There is no relationship with Mr Sallway or GTA which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.
Australia and New Zealand Banking Group Limited (ANZ)	<p>ANZ holds a registered security interest over substantially the whole of the property of the Companies.</p> <p>We have undertaken a number of formal insolvency and advisory engagements for ANZ in the usual course of business.</p> <p>Deloitte has provided and continues to provide Accounting, Advisory, Assurance, Consulting, Forensic, Risk Services and Tax services to ANZ.</p>	<p>We have never undertaken any work for ANZ in respect of the Companies.</p> <p>We do not consider previous formal insolvency and advisory engagements accepted for ANZ to present a conflict as there is no connection between these engagements and the Companies.</p> <p>The provision of Accounting, Advisory, Assurance, Consulting, Forensic, Risk Services and Tax services to ANZ brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with ANZ and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with ANZ which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
GE Commercial Corporation (Australia) Pty Ltd (GE)	GE holds a security interest over substantially the whole of the debtors of Animal Supplies (Wholesale) Pty Ltd (Administrators Appointed) (ASW).	<p>We do not consider previous engagements for GE to present a conflict as there is no arrangement between us that we will give any work arising out of the administration to them.</p> <p>The provision of Advisory and Formal</p>

Name	Nature of relationship	Reasons why not an impediment or conflict
	We have undertaken a number of formal insolvency and advisory engagements for GE and/or GE related entities in the usual course of business.	<p>Insolvency services to GE brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with GE and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>Therefore there is no relationship with GE which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

iii. Prior Professional services to the Company

Neither we, nor our firm, have provided any professional services to the Company in the previous 24 months.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 18 April 2016



Vaughan Neil Strawbridge



David John Frankcombe

Note:

1. If circumstances change, or new information is identified, we are required under the Corporations Act and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.



ASIC

Australian Securities & Investments Commission

ASIC/ARITA Information sheet for

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Australian Restructuring Insolvency & Turnaround Association (ARITA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 Insolvency: a glossary of terms
- INFO 74 Voluntary administration: a guide for creditors
- INFO 75 Voluntary administration: a guide for employees
- INFO 45 Liquidation: a guide for creditors
- INFO 46 Liquidation: a guide for employees
- INFO 54 Receivership: a guide for creditors
- INFO 55 Receivership: a guide for employees
- INFO 43 Insolvency: a guide for shareholders
- INFO 42 Insolvency: a guide for directors
- INFO 84 Independence of external administrators: a guide for creditors
- INFO 85 Approving fees: a guide for creditors

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the ARITA website at www.arita.com.au. The ARITA website also contains the ARITA's Code of Professional Practice for Insolvency Professionals, which applies to ARITA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

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Remuneration Proposal

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. They are:

1. **Time based / hourly rates**
This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
2. **Fixed Fee**
The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.
3. **Percentage**
The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
4. **Contingency**
The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on Time based / hourly rates. This is because:

- We will only be paid for work done, subject to sufficient realisations of the Company's assets.
- It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, e.g. responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly Rate (excl GST)
Appointee	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$ 615.00
Partner	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$ 615.00
Principal/ Director/ Consultant	Typically CA or CPA qualified with in excess of 8 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	\$ 510.00
Manager	Typically CA or CPA qualified with 6 to 8 years experience working on insolvency matters. Will have experience conducting administrations and directing a number of staff.	\$ 440.00
Senior Analyst	Typically completed or near completion of CA or CPA qualifications with 4 to 6 years insolvency experience. Assists in planning and control of smaller matters as well as performing some more difficult tasks on larger matters.	\$ 330.00
Analyst	Typically studying towards CA or CPA qualification with 2 to 4 years insolvency experience. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$ 220.00
Graduate	Junior staff member who has completed a university degree with less than one year's experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork.	\$ 115.00
Secretary	Advanced secretarial skills	\$ 170.00

Our best estimate for our remuneration of the cost of the administration to the second meeting of creditors is \$50,000 to \$60,000 per week for the three trading entities (combined), being Animal Supplies (Wholesale) Pty Ltd, Australian Supply and Distribution Solutions Pty Ltd and Pet Brands Connect Pty Ltd. We estimate that limited costs will be incurred in undertaking the statutory obligations for AS Consolidated Pty Ltd.

Dated this 18th day of April 2016.



Vaughan Strawbridge
Joint and Several Administrator

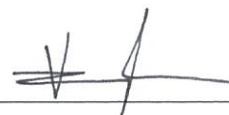
**ANIMAL SUPPLIES (WHOLESALE) PTY LTD ACN 058 258 870
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AUTHORISED SIGNATORIES

SPECIMEN SIGNATURES

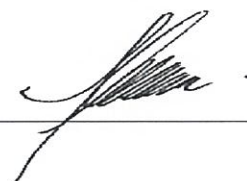
NAME: VAUGHAN STRAWBRIDGE

SIGNATURE: _____



NAME: DAVID LOMBE

SIGNATURE: _____



NAME: PHIL HOLLINSHEAD

SIGNATURE: _____



NAME: PAUL BENNETT

SIGNATURE: _____

