

**VICAL N.S.W. Pty Ltd  
ACN 065 390 016**

**Arsonello Pty Ltd  
ACN 080 140 843**

Voluntary Administrators' Report

29 November 2018

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**Vical N.S.W. Pty Ltd (Administrators Appointed)**  
**ACN 065 390 016**

**Arsonello Pty Ltd (Administrators Appointed)**  
**ACN 080 140 843**

## Collectively referred to as 'the Group'

I refer to our report dated 26 September 2018 pursuant to Section 439A of the Corporations Act (**439A Report**). This report should be read in conjunction with our 439A Report. I confirm that the comments in that report have not changed as a result of this update, unless otherwise noted.

I take this opportunity to report to you on the progress of the Administration, in particular:

- An account of the acts and dealings in the Administration to date;
- The progress of the sale of business;
- The trading results of the Group to date;
- Our recommended course of action for the acts and dealings that remain to be carried out (statement by Administrators); and
- The date, time and location of the adjourned meeting of creditors.

## 1 Second meeting of creditors

The second meeting of creditors of the Group was held on 5 October 2018. At that meeting, I provided creditors with an update of the Administration to date. As the sale of business campaign was still ongoing and a proposal for a restructure via a Deed of Company Agreement (**DOCA**) had not been received, I adjourned the meeting for a period of 45 business days.

## 2 Conduct of the Administration to date

Since our 439A Report, the following matters have been attended to:

- Continued to trade the Group in the ordinary course
- Liaised with interested parties regarding the sale of business (see Section 3 below for further details)
- Liaised with suppliers
- Communications with employees
- Attendance to statutory requirements
- Carried out preliminary investigations into the Group's performance.

## 3 Sale of assets

Immediately following our appointment, we engaged AP Group to commence a sale campaign for both pharmacies. This process involved the Group's accountants preparing financial statements for the year ending 30 June 2018 and AP Group compiling an extensive information memorandum for potential interested parties.

AP Group have advised that they received a significant number of enquiries from both local and interstate interested parties. A deadline of 23 November 2018 was set for the receipt of indicative, conditional offers. We are currently in the process of assessing the offers received and will provide a further update to creditors during the upcoming meeting.

As at the date of this report, no formal or binding offers have been received. As this process is not complete, the offers and terms are commercially sensitive and cannot be disclosed. However, the interest from buyers appears to be at amounts well below the debt outstanding to the secured creditor.

## 4 Trading results of the Group during the administration period

A summary of the receipts and payments for the period 30 August 2018 to 16 November 2018 is set out in **Annexure A** to this report to creditors.

Creditors should note that there are costs incurred during the Voluntary Administration, such as inventory purchases, rent and utilities, that have not yet been paid. The balance of cash held will be used to meet costs of the administration prior to the payment of any creditor claims.

## 5 Return to creditors

At this stage, given that the sale campaign is still in progress, we are unable to provide creditors with an estimated return, however we note that in the event that a sale of the business is completed as expected:

- Funds received from the sale of the Group's assets will be applied to the registered security interest agreements held with the Group in the first instance
- There may be sufficient funds realised to meet any priority claims (i.e. employee entitlements)
- It is unlikely that any funds will be available to ordinary unsecured creditors.

Once settlement of the potential sale of business has been completed, we will be in a better position to determine whether there will be any funds available to meet unsecured creditor claims.

## 6 Statement by Administrators

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- Administration to end;
- Group to be wound up; and
- Group to execute a DOCA.

Each of these options is considered below. In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

### 6.1 Administration to end

The Group is insolvent and unable to pay its debts as and when they fall due. Accordingly, returning control of the Group to its Director would be inappropriate and is not recommended.

### 6.2 DOCA

As no DOCA has been proposed at this point in time, this option is not presently available to creditors. If a DOCA is proposed before the meeting we reserve the right to amend our report and recommendation.

### 6.3 Winding up of the Group

In the absence of a DOCA proposal, it is our opinion that the Group should be placed into liquidation.

A liquidator would be in a position to conduct detailed investigations into the conduct of the director and the financial affairs of the Group. A liquidator will also be empowered to:

- Complete the sale of assets in an orderly manner;
- Assist employees in applying for the Fair Entitlements Guarantee (**FEG**) for the payment of certain employee entitlements if they cannot otherwise be funded by the Group of the sale of the Business;
- Pursue various potential recoveries under the Act;
- Distribute recoveries made in accordance with the priority provisions of the Act; and
- Report to ASIC on the results of the investigations into the Group's affairs.

## 7 Adjourned meeting of creditors

Creditors are advised that the adjourned meeting of creditors will be held at 1:30 PM on Friday, 7 December 2018 at:

Belconnen Community Centre  
Meeting Room 2, 26 Chandler Street, Belconnen ACT 2616  
(access via Swanson Ct)

In preparation for the adjourned meeting, I now enclose:

- Notice of Meeting of Creditors (**Annexure B**)
- Form 532 – Appointment of Proxy (**Annexure C**)
- Informal Proof of Debt (**Annexure D**)

At this meeting, creditors will be asked to approve the remuneration of the Administrators as detailed in the attached Remuneration Approval Request Report (**Annexure E**).

Creditors should ensure that the Proxy (and Proof of Debt if one has not already been lodged in the administration) is lodged prior to the meeting to be eligible to vote. Your attendance at this meeting by special proxy or via telephone (if convenient) would be greatly appreciated.

## 8 Further information and queries

ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at [www.asic.gov.au](http://www.asic.gov.au).

We will advise creditors in writing of any additional matters that come to our attention after the release of this report, which in our view is material to creditors' consideration.

Should you have any queries, please contact Dasol Kim on 02 9286 9931 or via email at [dasol.kim@fh.com.au](mailto:dasol.kim@fh.com.au).

Dated this 29<sup>th</sup> day of November 2018

Yours faithfully

**The Group**



**George Georges**  
Administrator



## A – Receipts & Payments

	Total \$
<b>Receipts</b>	
Sales	1,755,153.56
Interest	75.12
<b>Total receipts</b>	<b>1,755,228.68</b>
<b>Payments</b>	
Employee expenses	(275,735.96)
Stock purchases	(353,200.83)
Insurance	(20,278.22)
GST paid	(13,251.00)
Subscription	(8,095.07)
Other expenses	(8,466.79)
<b>Total payments</b>	<b>(679,027.87)</b>
<b>Cash at bank as at 16 November 2018</b>	<b>1,076,200.81</b>

## B – Notice of meeting of creditors

### Notice of meeting of creditors

*Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225*

**Vical N.S.W. Pty Ltd (Administrators Appointed)**  
**ACN 065 390 016**

**Arsonello Pty Ltd (Administrators Appointed)**  
**ACN 080 140 843**

### Collectively referred to as ‘the Group’

NOTICE is given that an adjourned meeting of creditors of the Company will be held on Friday, 7 December 2018 at 1:30 PM at Belconnen Community Centre, Meeting Room 2, 26 Chandler Street, Belconnen ACT 2616 (access via Swanson Ct).

### Agenda

1. To consider the report of the Administrators.
2. To resolve that:
  - The Company execute a Deed of Company Arrangement; or
  - The Administration should end; or
  - The Company be wound up.
3. If it is resolved that the Company be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
4. If it is resolved that the Company be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
5. If it is resolved that the Company be wound up, consider whether, pursuant to Section 477(2A) of the Corporations Act 2001 (**the Act**), creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of \$100,000.
6. If it is resolved that the Company be wound up, consider whether, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Company’s behalf where:
  - the term of the agreement may end; or
  - obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.
7. If it is resolved that the Company be wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.
8. To fix the remuneration of the Administrators.
9. If it is resolved that the Company execute a Deed of Company Arrangement, to fix the remuneration of the Deed Administrators.
10. If it is resolved that the Company be wound up, to fix the remuneration of the Liquidators.
11. Any other business that may be lawfully brought forward.

For a person to be eligible to attend and vote at the meeting on your behalf, a Form 532, Appointment of Proxy, is to be completed and submitted by no later than 4:00 PM on Thursday, 6 December 2018, to:



Vical N.S.W Pty Ltd and Arsonello Pty Ltd (Administrators Appointed)

c/- Ferrier Hodgson

GPO Box 4114, Sydney NSW 2001

Tel: 02 9286 9999

Fax: 02 9286 9888

Email: SydneyReception@fh.com.au

*Note:*

*A company may only be represented by proxy or by an attorney appointed pursuant to IPR Sections 75-25 and 75-150 or, by a representative appointed under Section 250D of the Act.*

Dated this 29<sup>th</sup> day of November 2018



**George Georges**

Administrator

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

## Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
  - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
4. A creditor must not vote in respect of:
  - (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
  - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
  - (b) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
  - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; andthe person is not an insolvent under administration or a person against whom a winding up order is in force.

## C – Appointment of proxy

**Form 532 - Appointment of Proxy**  
*Insolvency Practice Rules (Corporations) 2016, Section 75-25*

Return no later than 4:00 PM Thursday, 6 December 2018 to:  
Ferrier Hodgson GPO Box 4114, Sydney NSW 2001  
Tel: 02 9286 9999  
Fax: 02 9286 9888  
Email: Sydney.Reception@fh.com.au

Select the indebted company:

- VICAL N.S.W. Pty Ltd (ACN 065 390 016)  
 Arsonello Pty Ltd (ACN 080 140 843)

Date of Appointment: 30 August 2018

### A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

<sup>1</sup>

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

<sup>2</sup> of

(address)

<sup>3</sup> Tel:

<sup>4</sup> Email:

### B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

<sup>1</sup> I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

<sup>2</sup>

(name of person appointed as proxy)

<sup>3</sup>

<sup>4</sup> or in his / her absence

(address of person appointed as proxy)

<sup>5</sup>

(name of person appointed as alternate proxy)

<sup>6</sup>

<sup>7</sup> as \*my / \*our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on Friday, 7 December 2018 at 1:30 PM at Belconnen Community Centre, Meeting Room 2, 26 Chandler Street, Belconnen ACT 2616, or at any adjournment of that meeting in accordance with the instructions in Section C below.

### C. Voting Instructions

<sup>1</sup> \*My / \*Our proxy, as named in Section B above, is entitled to act as \*my / \*our :

- <sup>2</sup> **general proxy**, to vote on \*my / \*our behalf **and / or**  
 <sup>3</sup> **special proxy**, to vote on \*my / \*our behalf specifically as follows:

Resolution	For	Against	Abstain
1. <b>Vical N.S.W. Pty Ltd:</b> That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November, for the period from 5 October 2018 to 16 November 2018 be fixed in the amount of \$112,898.50, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. <b>Vical N.S.W. Pty Ltd:</b> That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 17 November 2018 to 6 December 2018 be fixed up to a maximum amount of \$35,055.00, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>Vical N.S.W. Pty Ltd:</b> That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>Arsonello Pty Ltd:</b> That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. <b>Vical N.S.W. Pty Ltd:</b> That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. <b>Arsonello Pty Ltd:</b> That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. <b>Vical N.S.W. Pty Ltd:</b> That in the event that the Company is wound up and an alternate Liquidator is proposed, that the existing Liquidators be replaced and ( <i>Alternative Appointee</i> ) be appointed in their stead.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. <b>Arsonello Pty Ltd:</b> That in the event that the Company is wound up and an alternate Liquidator is proposed, that the existing Liquidators be replaced and ( <i>Alternative Appointee</i> ) be appointed in their stead.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. <b>Vical N.S.W. Pty Ltd:</b> That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 7 December 2018 to the completion of the liquidation be fixed up to a maximum amount of \$100,176.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. <b>Arsonello Pty Ltd:</b> That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 7 December 2018 to the completion of the liquidation be fixed up to a maximum amount of \$18,160.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. <b>Vical N.S.W. Pty Ltd:</b> That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. <b>Arsonello Pty Ltd:</b> That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. <b>Vical N.S.W. Pty Ltd:</b> That, pursuant to Section 477(2A) of the Corporations Act 2001, creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of \$100,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. <b>Arsonello Pty Ltd:</b> That, pursuant to Section 477(2A) of the Corporations Act 2001, creditors authorise the Liquidators to compromise a debt owed to the Company up to a maximum limit of \$100,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. <b>Vical N.S.W. Pty Ltd:</b> That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Company's behalf where: a) the term of the agreement may end; or b) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
16. <b>Arsonello Pty Ltd:</b> That, pursuant to Section 477(2B) of the Corporations Act 2001, creditors authorise the Liquidators to enter into any agreement on the Company's behalf where: a) the term of the agreement may end; or b) obligations of a party to the agreement may, according to the terms of the agreement, be discharged by performance; more than three months after the agreement is entered into.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. <b>Vical N.S.W. Pty Ltd:</b> That, subject to obtaining the approval of the Australian Securities & Investments Commission ( <b>ASIC</b> ) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. <b>Arsonello Pty Ltd:</b> That, subject to obtaining the approval of the Australian Securities & Investments Commission ( <b>ASIC</b> ) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**D. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

<sup>3</sup> Name / Capacity:

## Creditor Assistance Sheet: Completing a Proxy Form

### Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

### Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out ‘\*eligible employee creditor’, ‘\*contributory’, ‘\*debenture holder’ and ‘\*member’.
2. Insert the name of the person who will be exercising the creditor’s vote at the meeting. If someone is attending the meeting in person, that person’s name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words ‘the Chairperson’ here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected ‘the Chairperson’ because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting ‘the Chairperson’.
6. Insert the address of the second person here. If you have elected ‘the Chairperson’, leave this row blank.
7. Cross out any wording that is not applicable.

### Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an ‘X’ in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the ‘Resolution’ table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an ‘X’ in the special proxy box and select ‘For’, ‘Against’ or ‘Abstain’ on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected ‘For’, ‘Against’ or ‘Abstain’.
3. Insert an ‘X’ in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select ‘For’, ‘Against’ or ‘Abstain’ for each of the resolutions in the ‘Resolution’ table. Do not tick more than one box for each resolution.

### Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

## D – Proof of debt

**Informal Proof of Debt for the Purposes of Voting**  
*Corporations Act 2001, Regulation 5.6.47*

Return no later than 4:00 PM Thursday, 6 December 2018 to:  
Ferrier Hodgson GPO Box 4114, Sydney NSW 2001  
Tel: 02 9286 9999  
Fax: 02 9286 9888  
Email: Sydney.Reception@fh.com.au

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**Select the indebted company:**

- VICAL N.S.W. Pty Ltd (ACN 065 390 016)**  
 **Arsonello Pty Ltd (ACN 080 140 843)**

**Date of Appointment: 30 August 2018**

Name of creditor

.....

Amount of debt claimed:

(see note)

.....

Consideration for debt:

.....

Whether debt secured or unsecured:

.....

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

.....

.....

Balance, if any, after deducting value of security (see note):

.....

.....

Creditor (or person authorised by creditor)

---

Note:

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

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

A secured creditor may vote (Regulation 5.6.24):

- a. for the whole of his debt provided that he surrenders his security;
- b. for the deficiency if the value of the security is less than the amount of the debt.

Proxies must be made available to the Liquidator

## **Creditor Assistance Sheet: Completing a Proof of Debt Form**

### **Section A – Name and Contact Details of Creditor**

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.



### Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate “refer attached” above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

### Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

## E – Remuneration approval request

*Schedule 2 to the Corporations Act 2001, Section 70-50  
Insolvency Practice Rules (Corporations) 2016, Section 70-45*

**Vical N.S.W. Pty Ltd (Administrators Appointed)**  
**ACN 065 390 016**

**Arsonello Pty Ltd (Administrators Appointed)**  
**ACN 080 140 843**

Collectively referred to as ‘the Group’

### Remuneration Approval Request

This report contains the following information:

- Part 1: Declaration
- Part 2: Executive summary
- Part 3: Remuneration
- Part 4: Disbursements
- Part 5: Report on progress of the administration
- Part 6: Summary of receipts and payments
- Part 7: Questions
- Part 8: Approval of remuneration and internal disbursements
- Schedule A: Resolution 1 details
- Schedule B: Resolution 2 details

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the meeting of creditors on 7 December 2018.
- Refer to section 7 of the Voluntary Administrator’s Report dated 27 November 2018 for details as to how you can attend the meeting of creditors in person or by proxy to vote on the resolutions contained in this report.

## 1 Declaration

We, George Georges and Ryan Eagle of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) 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 administration.

## 2 Executive summary

### 2.1 Summary of remuneration approval sought for the Company

To date, remuneration totalling \$176,912.50 has been approved and \$50,000.00 paid in the administration of the Group.

This report details approval sought for the following remuneration:

Period	Amount (ex GST) \$
<b>Past remuneration approved:</b>	
<b>Voluntary administration</b>	
<b>Vical N.S.W. Pty Ltd:</b>	
30 August 2018 to 23 September 2018	133,460.50
<b>Vical N.S.W. Pty Ltd:</b>	
24 September 2018 to 4 October 2018	34,358.00
<b># Arsonello Pty Ltd:</b>	
30 August 2018 to 23 September 2018	5,842.00
<b># Arsonello Pty Ltd:</b>	
24 September 2018 to 4 October 2018	3,252.00
<b>Total Group past remuneration approved</b>	<b>176,912.50</b>
<b>Current remuneration approval sought:</b>	
<b>Voluntary administration</b>	
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 1: 5 October 2018 to 16 November 2018</i>	112,898.50
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 2: 17 November 2018 to 6 December 2018</i>	35,055.00
<b>Total approval sought – voluntary administration*</b>	<b>147,953.50</b>
<b>Liquidation</b>	
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 9: 7 December 2018 to completion</i>	100,176.00
<b># Arsonello Pty Ltd:</b>	
<i>Resolution 10: 7 December 2018 to completion</i>	18,160.00
<b>Total approval sought – liquidation</b>	<b>118,336.00</b>

\* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

# Creditors should note that there are presently no funds available in the Voluntary Administration of Arsonello Pty Ltd to meet the costs of remuneration approved and requested.

Please refer to Part 3 for full details of the calculation and composition of the remuneration approval being sought. Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

The remuneration approval sought differs to the estimate of costs provided to creditors in the Initial Remuneration Notice included in our letter dated 31 August 2018 for the following reasons:

- Protracted discussions with the Landlord regarding existing tenancy arrangements;
- Additional time required in managing trade on processes than previously estimated, including set up and management of key supplier accounts; and
- Dealings with the Department of Human Services regarding the Group's licensing registrations.

## 3 Remuneration

### 3.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions with respect to remuneration. Details to support these resolutions are included in Part 3.2.

### 3.1.1 Voluntary Administration period

#### Vical N.S.W. Pty Ltd

##### Resolution 1:

*“That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November, for the period from 5 October 2018 to 16 November 2018 be fixed in the amount of \$112,898.50, plus any applicable GST, and may be paid.”*

##### Resolution 2:

*“That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 17 November 2018 to 6 December 2018 be fixed up to a maximum amount of \$35,055.00, plus any applicable GST, and may be paid.”*

### 3.1.2 Liquidation period (if applicable)

Please note that the below resolutions in relation to the potential liquidation period represent estimates only. Final costs depend heavily upon:

- The finalisation of all outstanding trading issues and accounts for the period of 7 December 2018 to completion of the liquidation;
- The level of work in completing a sale of the Group’s business;
- The level of work ultimately required to investigate and subsequently pursue any potential recoveries from voidable transactions available to the Liquidators; and
- The level of work required to adjudicate on unsecured creditor claims, particularly regarding landlord and supplier claims.

If costs exceed the estimate, creditors will be advised accordingly, and further approval of the Liquidators’ remuneration will be sought in the future.

#### Vical N.S.W. Pty Ltd

##### Resolution 9:

*“That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 7 December 2018 to the completion of the liquidation be fixed up to a maximum amount of \$100,176.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.”*

#### Arsonello Pty Ltd

##### Resolution 10:

*“That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 2018, for the period from 7 December 2018 to the completion of the liquidation be fixed up to a maximum amount of \$18,160.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.”*

## 3.2 Details of remuneration

The basis of calculating the remuneration claims are set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

### 3.2.1 Resolution 1: 5 October 2018 to 16 November 2018

The below table sets out time charged to each major task area performed by the Administrators and their staff for **Vical N.S.W. Pty Ltd (Administrators Appointed)** for the period 5 October 2018 to 16 November 2018. Please refer to Schedule A for further details with respect to the tasks performed.

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area											
			Hrs	\$	Assets		Creditors		Employees		Trade On		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
GEORGES, George	Partner / Appointee	695.00	28.40	19,738	8.00	5,560	-	-	3.50	2,433	10.50	7,298	-	-	6.40	4,448
EAGLE, Ryan	Partner / Appointee	695.00	0.40	278	-	-	-	-	-	-	0.40	278	-	-	-	-
HOLLAND, Rachael	Senior Manager	575.00	1.70	978	0.30	172	-	-	-	-	1.40	805	-	-	-	-
CRABTREE- MORTON, James	Assistant Manager	475.00	82.70	39,282	2.90	1,378	5.40	2,565	6.00	2,850	43.60	20,710	7.60	3,610	17.20	8,170
BEAUMONT, Robert	Senior Analyst	425.00	0.50	212	-	-	-	-	-	-	0.50	212.00	-	-	-	-
FERREIRA, Candice	Senior Analyst	425.00	0.20	85	-	-	-	-	-	-	-	-	-	-	0.20	85
NICOLACI, Christopher	Analyst	375.00	12.0	4,500	-	-	-	-	-	-	12.00	4,500.00	-	-	-	-
MCCULLOUGH, Henry	Accountant	325.00	24.30	7,898	0.10	32.00	0.80	260.00	9.80	3,185	7.60	2,470	-	-	6.00	1,950
KIM, Dasol	Accountant	325.00	122.30	39,748	-	-	2.10	682.00	0.30	98.00	63.00	20,475	-	-	56.90	18,492
CHENG, Elena	Accounts Supervisor	180.00	0.80	180	-	-	-	-	-	-	0.80	180	-	-	-	-
<b>Total (excluding GST)</b>			<b>273.30</b>	<b>112,898.50</b>	<b>11.30</b>	<b>7,142.00</b>	<b>8.30</b>	<b>3,507.50</b>	<b>19.60</b>	<b>8,565.50</b>	<b>139.80</b>	<b>56,927.50</b>	<b>7.60</b>	<b>3,610.00</b>	<b>86.70</b>	<b>33,145.00</b>
<b>Total (including GST)</b>				<b>124,188.35</b>												
<b>Average Hourly Rate</b>				<b>413.09</b>		<b>632.04</b>		<b>422.59</b>		<b>437.02</b>		<b>407.21</b>		<b>475.00</b>		<b>382.30</b>

### 3.2.2 Resolution 2: 17 November 2018 to 6 December 2018

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **Vical N.S.W Pty Ltd (Administrators Appointed)** for the period 17 November 2018 to 6 December 2018. Please refer to Schedule B for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	10	6,320
Creditors	10	4,226
Employees	3	1,311
Trade on	30	12,216
Investigation	3	1,425
Administration	25	9,557
<b>Total</b>	<b>81</b>	<b>35,055</b>

### 3.2.3 Resolution 9: 7 December 2018 to completion of the liquidation

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **Vical N.S.W Pty Ltd (Administrators Appointed)** for the period 7 December 2018 to completion of the liquidation. Please refer to Schedule C for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Administration	56	21,409
Assets	52	32,866
Creditors	37	15,634
Employees	41	17,918
Investigations	26	12,350
<b>Total</b>	<b>212</b>	<b>100,176</b>

### 3.2.4 Resolution 10: 7 December 2018 to completion of the liquidation

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **Arsonello Pty Ltd (Administrators Appointed)** for the period 7 December 2018 to completion of the liquidation. Please refer to Schedule D for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Administration	22.0	9,543
Investigation	20.0	8,618
<b>Total</b>	<b>42.0</b>	<b>18,160</b>

## 3.3 Total remuneration reconciliation

### 3.3.1 Comparison between current total and previous estimates

At this point in time we estimate that the total remuneration for the voluntary administration will be \$324,866.00. This includes the current approval amount being sought of \$147,953.50 (excluding GST). We estimate that the Liquidator's remuneration (if appointed) will be \$118,336.00 (excluding GST).

The above estimate differs to the estimate of costs provided to creditors in the Initial Remuneration Notice included in our letter dated 31 August 2018 for the following reasons:

- Additional time required in managing trade on processes than previously estimated, including set up and management of key supplier accounts;
- Instruction to the Group's external accountant (Pitcher Partners) to prepare FY18c financial accounts required for sale of business Information Memorandum;
- Dealing with staffing issues; and
- Delays in the receipt of information required to prepare the business for sale.

### 3.3.2 Future remuneration requests

In preparing this report, we have made our best estimate at what we believe the administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the administration, include:

- Complications in completing a sale of business
- If the Group is placed into liquidation, factors affecting the estimate include:
  - Investigations into the Group's affairs;
  - Debtor recoveries

### 3.4 Likely impact on dividends

Any dividends paid to creditors is ultimately impacted by the net realisations achieved if the Group is placed into liquidation and the total value of all creditor claims. Net realisations represent the sale price of the assets or voidable transactions recovered, less remuneration, disbursements, direct selling costs and other costs incurred in the liquidation.

Our remuneration and disbursements are priority expenses that rank ahead of payment of creditors. Our remuneration approval sought relates to work necessary, and properly performed, in accordance with our obligations.

## 4 Disbursements

### 4.1 Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by Ferrier Hodgson may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting). The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable

Disbursement type	Charges (excl GST)
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2019. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

#### 4.2 Disbursements paid from the administration to Ferrier Hodgson to date

We have undertaken a proper assessment of disbursements claimed for the administration of the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

## 5 Report on progress of the administration

The Remuneration Approval Request must be read in conjunction with the Voluntary Administrators' Reports to creditors dated 26 September 2018 and 29 November 2018 which outlines the progress of the administration.

## 6 Summary of receipts and payments

A summary of receipts and payments for the period 30 August 2018 to 16 November 2018 is set out in **Annexure A** to the Voluntary Administrators' Report to creditors dated 29 November 2018.

## 7 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section G of the Initial Circular to Creditors dated 31 August 2018.

## 8 Questions

If you require further information in respect of the above, or have other questions, please contact Dasol Kim of this office at [Dasol.Kim@fh.com.au](mailto:Dasol.Kim@fh.com.au) on 02 9286 9931.

The partners of Ferrier Hodgson are members of ARITA. Ferrier Hodgson follows the Code. A copy of the Code may be found on the ARITA website at [www.arita.com.au](http://www.arita.com.au).



An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at [www.asic.gov.au](http://www.asic.gov.au).

Dated this 29<sup>th</sup> day of November 2018



**George Georges**  
Administrator

**Schedule A – Resolution 1: 5 October 2018 to 16 November 2018**

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff for **Vical N.S.W. Pty Ltd (Administrators Appointed)** for the period 5 October 2018 to 16 November 2018, which is the basis of the Resolution 1 claim in section 3.2.1.

Task area	General description	Includes
	Sale of business as a going concern	<ul style="list-style-type: none"> <li>– Preparing an information memorandum</li> <li>– Liaising with valuers and interested parties</li> <li>– Liaising with potential purchasers</li> </ul>
<b>Assets</b>		
<b>11.3 hours</b> <b>\$7,142.00</b> <b>(excl GST)</b>	Stock	<ul style="list-style-type: none"> <li>– Organising for delivery of consignment stock</li> <li>– Reviewing stock values and levels</li> <li>– Liaising with purchasers</li> </ul>
	Other assets	<ul style="list-style-type: none"> <li>– Tasks associated with realising other assets</li> </ul>
	Leasing	<ul style="list-style-type: none"> <li>– Reviewing leasing documents</li> <li>– Liaising with owners / lessors</li> </ul>
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>– Receive and respond to creditor enquiries</li> <li>– Obtaining legal advice on requests</li> <li>– Compiling information requested by creditors</li> <li>– Responding to general enquiries</li> </ul>
	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation and convening meetings</li> <li>– General reports to creditors</li> </ul>
<b>Creditors</b>		
<b>8.3 hours</b> <b>\$3,507.50</b> <b>(excl GST)</b>	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– 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.</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> <li>– Respond to stakeholder queries and questions immediately following meeting</li> </ul>
<b>Employees</b>		
<b>19.6 hours</b> <b>\$8,565.50</b> <b>(excl GST)</b>	Employee enquiries	<ul style="list-style-type: none"> <li>– Receive and follow up employee enquiries via telephone</li> <li>– Preparation of update emails to creditors</li> <li>– Review and consider annual leave entitlements</li> </ul>

Task area	General description	Includes
	Workers compensation claims	<ul style="list-style-type: none"> <li>– Review insurance policies</li> <li>– Correspondence with insurer regarding initial and ongoing workers' compensation insurance requirements</li> <li>– Correspondence with previous brokers</li> </ul>
<b>Trade on</b> <b>139.8 hours</b> <b>\$56,927.50</b> <b>(excl GST)</b>	Trade-on management	<ul style="list-style-type: none"> <li>– Liaising with suppliers</li> <li>– Liaising with management and staff</li> <li>– Attendance on site</li> <li>– Authorising purchase orders</li> <li>– Maintaining purchase order registry</li> <li>– Preparing and authorising receipt vouchers</li> <li>– Preparing and authorising payment vouchers</li> <li>– Liaising with OSR regarding payroll tax issues</li> </ul>
	Processing receipts and payments	<ul style="list-style-type: none"> <li>– Entering receipts and payments into accounting system</li> </ul>
	Budgeting and financial reporting	<ul style="list-style-type: none"> <li>– Reviewing Company's budgets and financial statements</li> <li>– Preparing and maintaining cashflow forecast</li> <li>– Preparing weekly financial reports</li> </ul>
<b>Investigation</b> <b>7.6 hours</b> <b>\$3,610.00</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Reviewing Company's books and records</li> <li>– Preparation of comparative financial statements</li> <li>– Preparation of investigation file</li> </ul>
<b>Administration</b> <b>86.7 hours</b> <b>\$33,145.00</b> <b>(excl GST)</b>	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>– Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>– Reviewing insurance policies</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Requesting bank statements</li> <li>– Bank account reconciliations</li> <li>– Correspondence with bank regarding specific transfers</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> </ul>

Task area	General description	Includes
		– Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Preparing BASs
	Planning / review	– Discussions regarding status / strategy of administration

**Schedule B – Resolution 2: 17 November 2018 to 6 December 2018**

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for **Vical N.S.W. Pty Ltd (Administrators Appointed)** the period 17 November 2018 to 6 December 2018, which is the basis of the Resolution 2 claim in section 3.2.2:

Task area	General description	Includes
<b>Assets</b>  <b>10.0 hours</b> <b>\$6,320.00</b> <b>(excl GST)</b>	Sale of business as a going concern	<ul style="list-style-type: none"> <li>– Preparing an information memorandum</li> <li>– Liaising with valuers and interested parties</li> <li>– Liaising with potential purchasers</li> </ul>
	Stock	<ul style="list-style-type: none"> <li>– Organising for delivery of consignment stock</li> <li>– Reviewing stock values and levels</li> <li>– Liaising with purchasers</li> </ul>
	Leasing	<ul style="list-style-type: none"> <li>– Reviewing leasing documents</li> <li>– Liaising with owners / lessors</li> </ul>
<b>Creditors</b>  <b>10.0 hours</b> <b>\$4,226.00</b> <b>(excl GST)</b>	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>– Receive and respond to creditor enquiries</li> <li>– Obtaining legal advice on requests</li> <li>– Compiling information requested by creditors</li> <li>– Responding to general enquiries</li> </ul>
	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation and convening meetings</li> <li>– General reports to creditors</li> </ul>
	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– 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.</li> <li>– Respond to stakeholder queries and questions immediately following meeting</li> </ul>
<b>Employees</b>  <b>3.0 hours</b> <b>\$1,311.00</b> <b>(excl GST)</b>	Employee enquiries	<ul style="list-style-type: none"> <li>– Receive and follow up employee enquiries via telephone</li> <li>– Review and consider annual leave entitlements</li> </ul>
<b>Trade on</b>  <b>30.0 hours</b> <b>\$12,216.00</b> <b>(excl GST)</b>	Trade-on management	<ul style="list-style-type: none"> <li>– Liaising with suppliers</li> <li>– Liaising with management and staff</li> <li>– Attendance on site</li> <li>– Authorising purchase orders</li> <li>– Maintaining purchase order registry</li> </ul>

Task area	General description	Includes
		<ul style="list-style-type: none"> <li>– Preparing and authorising receipt vouchers</li> <li>– Preparing and authorising payment vouchers</li> <li>– Liaising with OSR regarding payroll tax issues</li> </ul>
	Processing receipts and payments	<ul style="list-style-type: none"> <li>– Entering receipts and payments into accounting system</li> </ul>
	Budgeting and financial reporting	<ul style="list-style-type: none"> <li>– Reviewing Company's budgets and financial statements</li> <li>– Preparing and maintaining cashflow forecast</li> <li>– Preparing weekly financial reports</li> </ul>
<b>Investigation</b>		
<b>3.0 hours</b> <b>\$1,425.00</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Reviewing Company's books and records</li> <li>– Preparation of comparative financial statements</li> <li>– Preparation of investigation file</li> </ul>
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
<b>Administration</b>		
<b>25.0 hours</b> <b>\$9,557.00</b> <b>(excl GST)</b>	Bank account administration	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Requesting bank statements</li> <li>– Bank account reconciliations</li> <li>– Correspondence with bank regarding specific transfers</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> <li>– Correspondence with ASIC regarding statutory forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>– Preparing BASs</li> </ul>
	Planning / review	<ul style="list-style-type: none"> <li>– Discussions regarding status / strategy of administration</li> </ul>

**Schedule C – Resolution 9: 7 December 2018 to completion of the liquidation**

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for **Vical N.S.W. Pty Ltd (Administrators Appointed)** for the period from 7 December 2018 to completion of the liquidation, which is the basis of the Resolution 9 claim in section 3.2.3:

Task area	General description	Includes
<b>Assets</b>  <b>52.0 hours</b> <b>\$32,866.00</b> <b>(excl GST)</b>	Plant and equipment	<ul style="list-style-type: none"> <li>– Liaising with valuers, auctioneers and interested parties</li> <li>– Reviewing asset listings</li> </ul>
	Other assets	<ul style="list-style-type: none"> <li>– Tasks associated with realising other assets</li> </ul>
	Leasing	<ul style="list-style-type: none"> <li>– Reviewing leasing documents</li> <li>– Liaising with owners / lessors</li> </ul>
<b>Creditors</b>  <b>37.0 hours</b> <b>\$15,634.00</b> <b>(excl GST)</b>	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>– Receive and respond to creditor enquiries</li> <li>– Considering reasonableness of creditor requests</li> <li>– Compiling information requested by creditors</li> </ul>
	Retention of title claims	<ul style="list-style-type: none"> <li>– Maintain retention of title file</li> <li>– Adjudicate retention of title claim</li> <li>– Forward correspondence to claimant notifying outcome of adjudication</li> <li>– Preparation of payment vouchers to satisfy valid claim</li> <li>– Preparation of correspondence to claimant to accompany payment of claim (if valid)</li> </ul>
	Secured creditor reporting	<ul style="list-style-type: none"> <li>– Responding to secured creditor's queries</li> </ul>
	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation (including statutory reports) and convening meetings</li> <li>– General reports to creditors</li> </ul>
<b>Employees</b>  <b>41.0 hours</b> <b>\$17,918.00</b> <b>(excl GST)</b>	Employee enquiries	<ul style="list-style-type: none"> <li>– Receive and follow up employee enquiries via telephone</li> <li>– Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>– Preparation of letters to employees advising of their entitlements and options available</li> <li>– Receive and prepare correspondence in response to employees' objections to leave entitlements</li> </ul>

Task area	General description	Includes
	Fair Entitlements Guarantee (FEG)	<ul style="list-style-type: none"> <li>– Correspondence with Department of Education</li> <li>– Preparing notification spreadsheet</li> <li>– Preparing FEG quotations</li> <li>– Preparing FEG verifications and distributions</li> <li>– Completing FEG questionnaires</li> </ul>
	Calculation of entitlements	<ul style="list-style-type: none"> <li>– Calculating employee entitlements</li> <li>– Reviewing employee files and Company's books and records</li> <li>– Reconciling superannuation accounts</li> <li>– Reviewing awards</li> <li>– Liaising with solicitors regarding entitlements</li> </ul>
	Workers compensation claims	<ul style="list-style-type: none"> <li>– Review insurance policies</li> <li>– Receipt of claim</li> <li>– Liaising with claimant</li> <li>– Liaising with insurers and solicitors regarding claims</li> <li>– Identification of potential issues requiring attention of insurance specialists</li> <li>– Correspondence with insurer regarding initial and ongoing workers' compensation insurance requirements</li> <li>– Correspondence with previous brokers</li> </ul>
<b>Investigations</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Review of specific transactions and liaising with directors regarding certain transactions</li> <li>– Preparation of investigation file</li> <li>– Lodgement of investigation with ASIC</li> <li>– Preparation and lodgement of supplementary report if required</li> </ul>
<b>26.0 hours \$12,350.00 (excl GST)</b>		
	ASIC reporting	<ul style="list-style-type: none"> <li>– Preparing statutory investigation reports</li> <li>– Liaising with ASIC</li> </ul>
<b>Administration</b>	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
<b>56.0 hours \$21,409.00 (excl GST)</b>		
	Insurance	<ul style="list-style-type: none"> <li>– Identification of potential issues requiring attention of insurance specialists</li> <li>– Correspondence with insurer regarding ongoing insurance requirements</li> <li>– Reviewing insurance policies</li> </ul>



Task area	General description	Includes
	Bank account administration	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Requesting bank statements</li> <li>– Bank account reconciliations</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> <li>– Correspondence with ASIC regarding statutory forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>– Notification of appointment</li> <li>– Preparing BASs</li> <li>– Completing group certificates</li> </ul>
	Finalisation	<ul style="list-style-type: none"> <li>– Notifying ATO of finalisation</li> <li>– Cancelling ABN / GST / PAYG registration</li> <li>– Completing checklists</li> <li>– Finalising WIP</li> </ul>
	Planning / review	<ul style="list-style-type: none"> <li>– Discussions regarding status / strategy of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>– Dealing with records in storage</li> <li>– Sending job files to storage</li> </ul>

**Schedule D – Resolution 10: 7 December 2018 to completion of the liquidation**

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for **Arsonello Pty Ltd (Administrators Appointed)** for the period from 7 December 2018 to completion of the liquidation, which is the basis of the Resolution 10 claim in section 3.2.4:

Task area	General description	Includes
<b>Investigations</b>  <b>20.0 hours</b> <b>\$8,618.00</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Review of specific transactions and liaising with directors regarding certain transactions</li> <li>– Preparation of investigation file</li> <li>– Lodgement of investigation with ASIC</li> <li>– Preparation and lodgement of supplementary report if required</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>– Preparing statutory investigation reports</li> <li>– Liaising with ASIC</li> </ul>
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
<b>Administration</b>  <b>22.0 hours</b> <b>\$9,543.00</b> <b>(excl GST)</b>	Insurance	<ul style="list-style-type: none"> <li>– Identification of potential issues requiring attention of insurance specialists</li> <li>– Correspondence with insurer regarding ongoing insurance requirements</li> <li>– Reviewing insurance policies</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> <li>– Correspondence with ASIC regarding statutory forms</li> </ul>
	Finalisation	<ul style="list-style-type: none"> <li>– Notifying ATO of finalisation</li> <li>– Cancelling ABN / GST / PAYG registration</li> <li>– Completing checklists</li> <li>– Finalising WIP</li> </ul>
	Planning / review	<ul style="list-style-type: none"> <li>– Discussions regarding status / strategy of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>– Dealing with records in storage</li> <li>– Sending job files to storage</li> </ul>

## Creditor Information Sheet

### Offences, Recoverable transactions and Insolvent Trading



#### Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

#### Voidable Transactions

##### Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

##### Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.



The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

#### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

#### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

#### *Unreasonable payments to directors*

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

#### *Voidable charges*

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

#### *Insolvent Trading*

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains 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. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.