

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

**Arsonello Pty Ltd  
ACN 080 140 843**

Voluntary Administrators' Report

31 January 2019

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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 reports dated 26 September 2018 and 29 November 2018 pursuant to Section 439A of the Corporations Act (**439A Reports**). This report should be read in conjunction with our 439A Reports. I confirm that the comments in the reports 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 adjourned second meeting of creditors of the Group was held on 7 December 2018. At that meeting, I provided creditors with an update of the Administration to date including the progress of the sale of business process. Shortly prior to this meeting, a notice was issued to creditors regarding an application made to the Federal Court seeking an extension of the convening period. This extension was granted on 5 December 2018 and provided a further extension until 8 February 2019 to hold the second meeting of creditors. As a result of these orders, the meeting held on 7 December 2018 did not consider the resolutions regarding the future of the Group.

## 2 Conduct of the Administration to date

Since our report dated 29 November 2018, the following matters have been attended to:

- Continued to trade the Group in the ordinary course
- Continued to liaise with interested parties regarding the sale of business (see Section 3 below for further details)
- Continued to liaise with suppliers
- Attended to employee enquiries and staff resourcing issues
- Attendance to statutory requirements.

## 3 Sale of assets

Following an extensive sale campaign led by the Administrators and AP Group, a number of non-binding indicative offers were received. All indicative offers received were for an amount less than the debt outstanding to the secured creditor and would therefore not have resulted in a dividend to unsecured creditors.

The most favourable offer was brought to the secured creditor for consideration. Having reviewed the offer received, the secured creditor and Director were of the opinion that a greater outcome could be achieved by either:

- Further exploring a deed of company arrangement (**DOCA**); or
- Continuing to explore a potential buyer for the Group's business.

As the offer would not have resulted in a return to unsecured creditors, I was supportive of the Director's and secured creditor's strategy and hence decided to make an application to the Court to extend the convening period for the benefit of all creditors.

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

A summary of the receipts and payments for the period 30 August 2018 to 25 January 2019 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

### 5.1 Sale of business

Following the extension of the convening period, the Administrators and AP Group sought further expressions of interest for the sale of the Group's business as a going concern.

I have received a written offer to acquire the business and assets of the Group with key terms outlined below:

The offer has been made by a reputable pharmacy operator which operates many pharmacies across Australia. I believe that they are a suitable operator and capable of completing a sale of business.

If a sale of business is executed, funds received from the sale will be applied to the registered security interest agreement held by the Groups secured creditor Sigma Healthcare. There is expected to be sufficient funds to meet priority creditor claims (i.e. employee entitlements).

Based on the offer received, it is unlikely that there will be any return to unsecured creditors after funds have been allocated to the secured creditor and employees.

It is also my belief that an offer to acquire the business may be received before the reconvened meeting of creditors from the Director of the Group. It is my intention, should I receive an offer from the Director that is equally capable of acceptance, to deal with both parties and complete a sale with the party capable of settling a transaction first.

We will provide employees with further information regarding ongoing employment, including any employment opportunities with a new operator as it becomes available.

### 5.2 DOCA proposal

As at the date of this report, I have not received a DOCA proposal from any interested party.

## 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 business and 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 or assigned to a new operator following a sale of 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 Reconvened meeting of creditors

Creditors are advised that the reconvened meeting of creditors will be held at 11:30 AM on Friday, 8 February 2019 at:

Belconnen Library Community Room  
12 Chandler Street  
Belconnen ACT 2617

At this meeting, creditors will be asked to consider the options available to the Group, and also approve the remuneration of the Administrators. We note that additional remuneration has been incurred above our previous estimate, primarily due to the extended duration of the Administration. Further information regarding our remuneration is 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

In preparation for the reconvened meeting, I now enclose:

- Receipts and Payments (**Annexure A**)
- Notice of Meeting of Creditors (**Annexure B**)
- Form 532 – Appointment of Proxy (**Annexure C**)
- Informal Proof of Debt (**Annexure D**)
- Remuneration Approval Request Report (**Annexure E**)
- ARITA creditor information sheet (**Annexure F**)

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 31<sup>st</sup> day of January 2019

Yours faithfully  
**The Group**

A handwritten signature in blue ink, appearing to read 'GG', is positioned above the name of the signatory.

**George Georges**  
Administrator



## A – Receipts & Payments

	Total (\$)
<b>Receipts</b>	
Sales	3,278,857.82
Interest	266.99
GST received	8,709.00
<b>Total receipts</b>	<b>3,287,833.81</b>
<b>Payments</b>	
Appointee fees	(146,807.10)
Appointee disbursements	(621.61)
Employee expenses	(536,135.88)
Stock purchases	(524,595.54)
Other expenses	(205,168.08)
Insurance	(24,056.41)
Subscriptions	(9,276.65)
Legal fees	(13,971.05)
GST paid	(11,384.00)
<b>Total payments</b>	<b>(1,472,016.32)</b>
<b>Cash at bank as at 25 January 2019</b>	<b>1,815,817.49</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 a meeting of creditors of the Group will be held on Friday, 8 February 2019 at 11:30 AM at Belconnen Library Community Room, 12 Chandler Street Belconnen ACT 2617.

### Agenda

1. To consider a statement by the Director about the Group’s business, property, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to the Group, details of the proposed Deed of Group Arrangement (if any) and the various options available to creditors.
3. To consider the report of the Administrators.
4. To resolve that:
  - The Group execute a Deed of Group Arrangement; or
  - The Administration should end; or
  - The Group be wound up.
5. If it is resolved that the Group be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
6. If it is resolved that the Group be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
7. If it is resolved that the Group 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 Group up to a maximum limit of \$100,000.00.
8. If it is resolved that the Group 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 Group’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.
9. If it is resolved that the Group 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 Group and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Group or earlier at the discretion of ASIC.
10. To fix the remuneration of the Administrators.
11. If it is resolved that the Group execute a Deed of Group Arrangement, to fix the remuneration of the Deed Administrators.
12. If it is resolved that the Group be wound up, to fix the remuneration of the Liquidators.
13. 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 4:00pm on 7 February 2019, 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 Group 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 31<sup>st</sup> day of January 2019



**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 Group directly, or may be liable to the Group 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, 7 February 2019 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 Group, 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 Group, 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, 8 February 2019 at 11:30 AM at Belconnen Library Community Room, 12 Chandler Street Belconnen ACT 2617, 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 31 January 2019, for the period from 17 November 2018 to 6 December 2018 be revised upward in the amount of \$15,640.50, 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 31 January 2019, for the period from 7 December 2018 to 25 January 2019 be fixed up to a maximum amount of \$69,709.50, plus any applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.			
3. <b>Vical N.S.W. Pty Ltd:</b> That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 26 January 2019 to 7 February 2019 be fixed up to a maximum amount of \$14,635.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. <b>Vical N.S.W. Pty Ltd:</b> That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. <b>Arsonello Pty Ltd:</b> That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. <b>Vical N.S.W. Pty Ltd:</b> That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. <b>Arsonello Pty Ltd:</b> That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. <b>Vical N.S.W. Pty Ltd:</b> That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 8 February 2019 to completion 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"/>
9. <b>Arsonello Pty Ltd:</b> That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 8 February 2019 to completion 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"/>
10. <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"/>
11. <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"/>
12. <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"/>
13. <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"/>
14. <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 Group up to a maximum limit of \$100,000.00.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. <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 Group up to a maximum limit of \$100,000.00.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. <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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.			

Resolution	For	Against	Abstain
17. <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"/>
18. <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 Group or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. <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 Group 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 Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group 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/Group 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 Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
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 Group, note their capacity as director or secretary, eg: “[Full name], director/secretary of the Group named in Section A above”]

## D – Informal 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, 7 February 2019 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)

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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 Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group 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 Group, 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 Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
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 Group, note their capacity as director or secretary, eg: "[Full name], director/secretary of the Group 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 8 February 2019.
- Refer to section 7 of the Voluntary Administrator’s Report dated 31 January 2019 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 Group 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 Group

To date, remuneration totalling \$324,866.00 has been approved and \$133,461.00 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>	

Period	Amount (ex GST) \$
<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>Vical N.S.W. Pty Ltd:</b>	
5 October 2018 to 16 November 2018	112,898.50
<b>Vical N.S.W. Pty Ltd:</b>	
17 November 2018 to 6 December 2018	35,055.00
<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>324,866.00</b>
<b>Current remuneration approval sought:</b>	
<b>Voluntary administration</b>	
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 1: Upwards revision for 17 November 2018 to 6 December 2018</i>	15,640.50
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 2: 7 December 2018 to 25 January 2019</i>	69,709.50
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 3: 26 January 2019 to 7 February 2019</i>	14,635.00
<b>Total approval sought – voluntary administration*</b>	<b>99,985.00</b>
<b>Liquidation</b>	
<b>Vical N.S.W. Pty Ltd:</b>	
<i>Resolution 8: 8 February 2019 to completion</i>	100,176.00
<b># Arsonello Pty Ltd:</b>	
<i>Resolution 9: 8 February 2019 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.

## 2.2 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:

- Prolonged duration of the Voluntary administration (due to the extension of the convening period by 90 business days) resulting in ongoing trade-on costs;
- Additional work undertaken to identify suitable purchaser for the Group's assets and exploring Deed of Company Arrangement proposals;
- Attending to unforeseen staffing issues, including resignations and rostering issues; and
- Facilitating negotiations with key suppliers and creditors in response to offers for the sale of the Group's business.

## 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 31 January 2019, for the period from 17 November 2018 to 6 December 2018 be revised upward in the amount of \$15,640.50, 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 31 January 2019, for the period from 7 December 2018 to 25 January 2019 be fixed up to a maximum amount of \$69,709.50, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

###### Resolution 3:

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 26 January 2019 to 7 February 2019 be fixed up to a maximum amount of \$14,635.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### 3.1.2 Liquidation period

Please note that the below resolution 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 8 February 2019 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 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 8:

*"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 8 February 2019 to completion 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 9:

*“That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 31 January 2019, for the period from 8 February 2019 to completion 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.”*

Creditors should note that there are unlikely to be funds available in a Liquidation of Arsonello Pty Ltd to meet the costs of remuneration requested.

### 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: 17 November 2018 to 6 December 2018

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 17 November 2018 to 6 December 2018, which is the basis of the Resolution 1 claim. Please refer to Schedule A for further details with respect to the tasks performed.

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area												
					Assets		Creditors		Employees		Trade On		Investigation		Administration		
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	Hrs	Hrs	\$	Hrs	\$	
GEORGES, George	Partner / Appointee	695.00	10.40	7,228.00	1.30	903.50	0.50	347.50	-	-	-	-	-	-	-	8.60	5,977.00
CRABTREE-MORTON, James	Assistant Manager	475.00	12.50	5,937.50	0.50	237.50	4.50	2,137.50	-	-	1.10	522.50	6.10	2,897.50	0.30	142.50	
NICOLACI, Christopher	Analyst	375.00	2.70	1,012.50	-	-	-	-	-	-	2.70	1,012.50	-	-	-	-	
MCCULLOUGH, Henry	Accountant	325.00	1.80	585.00	-	-	-	-	1.10	357.50	0.40	130.00	-	-	0.30	97.50	
BHARGAVA, Chirag	Accountant	325.00	2.70	877.50	-	-	-	-	-	-	-	-	-	-	2.70	877.50	
<b>Total (excluding GST)</b>			<b>30.10</b>	<b>15,640.50</b>	<b>1.80</b>	<b>1,141.00</b>	<b>5.00</b>	<b>2,485.00</b>	<b>1.10</b>	<b>357.50</b>	<b>4.20</b>	<b>1,665.00</b>	<b>6.10</b>	<b>2,897.50</b>	<b>11.90</b>	<b>7,094.50</b>	
<b>GST</b>				<b>1,564.05</b>													
<b>Total (including GST)</b>				<b>17,204.55</b>													
<b>Average Hourly Rate</b>				<b>571.58</b>		<b>633.89</b>		<b>497.00</b>		<b>325.00</b>		<b>396.43</b>		<b>475.00</b>		<b>596.18</b>	

### 3.2.2 Resolution 2: 7 December 2018 to 25 January 2019

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 7 December 2018 to 25 January 2019, which is the basis of the Resolution 2 claim. Please refer to Schedule B 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	\$	Hrs	\$
GEORGES, George	Partner / Appointee	695.00	19.10	13,274.50	1.50	1,042.50	0.50	347.50	-	-	-	-	-	-	17.10	11,884.50
HOLLAND, Rachael	Senior Manager	575.00	0.30	172.50	-	-	-	-	-	-	-	-	-	-	0.30	172.50
CRABTREE-MORTON, James	Assistant Manager	475.00	43.30	20,567.50	-	-	3.50	1,662.50	4.10	1,947.50	31.30	14,867.50	-	-	4.40	2,090.00
NICOLACI, Christopher	Analyst	375.00	31.60	11,850.00	-	-	-	-	-	-	31.60	11,850.00	-	-	-	-
MCCULLOUGH, Henry	Accountant	325.00	9.70	3,152.50	-	-	-	-	9.30	3,022.50	0.20	65.00	-	-	0.20	65.00
KIM, Dasol	Accountant	325.00	62.50	20,312.50	-	-	2.10	682.50	0.10	32.50	39.20	12,740.00	-	-	21.10	6,857.50
IMPERIAL, Regine	Accountant	325.00	0.20	65.00	-	-	-	-	-	-	-	-	-	-	0.20	65.00
CHENG, Elena	Accounts Supervisor	180.00	0.80	180.00	-	-	-	-	-	-	1.40	315.00	-	-	-	-
<b>Total (excluding GST)</b>			<b>168.10</b>	<b>69,709.50</b>	<b>1.50</b>	<b>1,042.50</b>	<b>6.10</b>	<b>2,692.50</b>	<b>13.50</b>	<b>5,002.50</b>	<b>103.70</b>	<b>39,837.50</b>	<b>-</b>	<b>-</b>	<b>43.30</b>	<b>21,134.50</b>
<b>GST</b>				<b>6,970.95</b>												
<b>Total (including GST)</b>				<b>76,680.45</b>												
<b>Average Hourly Rate</b>				<b>456.16</b>		<b>695.00</b>		<b>441.39</b>		<b>370.56</b>		<b>384.16</b>		<b>-</b>		<b>488.09</b>



### 3.2.3 Resolution 3: 26 January 2019 to 7 February 2019

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 26 January 2019 to 7 February 2019, which is the basis of the Resolution 3 claim. Please refer to Schedule C for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Administration	3.50	1,138
Assets	6.00	4,170
Creditors	11.90	5,653
Employees	-	-
Trade on	10.00	3,675
Investigation	-	-
<b>Total</b>	<b>31.40</b>	<b>14,635</b>

### 3.2.4 Resolution 8: 8 February 2019 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 8 February 2019 to completion of the liquidation, which is the basis of the Resolution 8 claim. Please refer to Schedule D for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Administration	56.00	21,409
Assets	52.00	32,866
Creditors	37.00	15,634
Employees	41.00	17,918
Investigation	26.00	12,350
<b>Total</b>	<b>212.00</b>	<b>100,176</b>

### 3.2.5 Resolution 9: 8 February 2019 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 8 February 2019 to completion of the liquidation, which is the basis of the Resolution 9 claim. Please refer to Schedule D for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Administration	22.00	9,543
Investigation	20.00	8,618
<b>Total</b>	<b>42.00</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 this administration will be \$424,851.00 (excluding GST). This includes the current approval amount being sought of \$99,985.00 (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:

- Prolonged duration of the Voluntary administration (due to the extension of the convening period by 90 business days) resulting in ongoing trade-on costs;
- Additional work undertaken to identify suitable purchaser for the Group's assets and exploring Deed of Company Arrangement proposals;
- Attending to unforeseen staffing issues, including resignations and rostering issues; and
- Facilitating negotiations with key suppliers and creditors in response to offers for the sale of the Group's business.

### 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

Disbursement type	Charges (excl GST)
eDiscovery services	Variable
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 Group, 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' Report to creditors dated 31 January 2019 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 25 January 2019 is set out in **Annexure A** to the Voluntary Administrators' Report to creditors dated 31 January 2019.

## 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 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 31<sup>st</sup> day of January 2019

**George Georges**  
Administrator

**Schedule A – Resolution 1: 17 November 2018 to 6 December 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 17 November 2018 to 6 December 2018, which is the basis of the Resolution 1 claim in section 3.2.1.

<b>Task area</b>	<b>General description</b>	<b>Includes</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>
<b>Assets</b>		
<b>1.80 hours</b> <b>\$1,141.00</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>5.00 hours</b> <b>\$2,485.00</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>1.10 hours</b> <b>\$357.50</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 employees</li> <li>– Receive and consider annual leave entitlements</li> </ul>

Task area	General description	Includes
<b>Trade On</b>  <b>4.20 hours</b> <b>\$1,665.00</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> <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 Group's budgets and financial statements</li> <li>– Preparing and maintaining cashflow forecast</li> <li>– Preparing weekly financial reports</li> </ul>
<b>Investigation</b>  <b>6.10 hours</b> <b>\$2,897.50</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Reviewing Group's books and records</li> <li>– Preparation of comparative financial statements</li> <li>– Preparation of investigation file</li> </ul>
<b>Administration</b>  <b>11.90 hours</b> <b>\$7,094.50</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> <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 B – Resolution 2: 7 December 2018 to 25 January 2019**

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 7 December 2018 to 25 January 2019, which is the basis of the Resolution 2 claim in section 2.

Task area	General description	Includes
<b>Assets</b>  <b>1.50 hours</b> <b>\$1,042.50</b> <b>(excl GST)</b>	Sale of business as a going concern	<ul style="list-style-type: none"> <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> </ul>
	Leasing	<ul style="list-style-type: none"> <li>– Reviewing leasing documents</li> <li>– Liaising with owners / lessors</li> </ul>
<b>Creditors</b>  <b>6.10 hours</b> <b>\$2,692.50</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>– 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>– 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>13.50 hours</b> <b>\$5,002.50</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 employees</li> <li>– Receive and consider annual leave entitlements</li> </ul>
	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>

Task area	General description	Includes
<b>Trade on</b>  <b>103.70 hours</b> <b>\$39,837.50</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 Group's budgets and financial statements</li> <li>– Preparing and maintaining cashflow forecast</li> <li>– Preparing weekly financial reports</li> </ul>
<b>Administration</b>  <b>43.30 hours</b> <b>\$21,134.50</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> <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 3: 26 January 2019 to 7 February 2019**

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 26 January 2019 to 7 February 2019, which is the basis of the Resolution 3 claim in section 3.2.3:

<b>Task area</b>	<b>General description</b>	<b>Includes</b>
<b>Assets</b>  <b>6.0 hours</b> <b>\$4,170.00</b> <b>(excl GST)</b>	Sale of business as a going concern	<ul style="list-style-type: none"> <li>– Liaising with valuers and interested parties</li> <li>– Liaising with potential 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>11.9 hours</b> <b>\$5,653.00</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>
	Creditor reports	<ul style="list-style-type: none"> <li>– General reports to creditors</li> </ul>
<b>Administration</b>  <b>3.5 hours</b> <b>\$1,138.00</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>– 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>
	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>– 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>



Task area	General description	Includes
	Planning / review	– Discussions regarding status / strategy of administration
	Books and records / storage	– Dealing with records in storage – Sending job files to storage

**Schedule D – Resolution 8: 8 February 2019 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 8 February 2019 to completion of the liquidation, which is the basis of the Resolution 8 claim in section 3.2.4:

Task area	General description	Includes
<b>Assets</b>	Sale of business as a going concern	<ul style="list-style-type: none"> <li>– Liaising with valuers and interested parties</li> <li>– Liaising with potential purchasers</li> </ul>
	<b>52.0 hours</b> <b>\$32,866.00</b> <b>(excl GST)</b>	<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>	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>
	<b>37.0 hours</b> <b>\$15,634.00</b> <b>(excl GST)</b>	<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>	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>
	<b>41.0 hours</b> <b>\$17,918.00</b> <b>(excl GST)</b>	<ul style="list-style-type: none"> <li>– Correspondence with Department of Education</li> </ul>
	Fair Entitlements Guarantee ( <b>FEG</b> )	<ul style="list-style-type: none"> <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 Group's books and records</li> <li>– Reconciling superannuation accounts</li> </ul>

Task area	General description	Includes
		<ul style="list-style-type: none"> <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>Investigation</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</b> <b>\$12,350.00</b> <b>(excl GST)</b>		
	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>	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>
<b>56.0 hours</b> <b>\$21,409.00</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> </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> </ul>

Task area	General description	Includes
		<ul style="list-style-type: none"> <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 E – Resolution 9: 8 February 2019 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 8 February 2019 to completion of the liquidation, which is the basis of the Resolution 9 claim in section 3.2.5:

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.