

11 March 2020

Circular to Creditors

Dear Sir/Madam

A C H CONTRACTORS PTY LTD (in Liquidation) ACN 618 344 595 (the Company)

I was appointed Liquidator of the Company on 25 February 2020. I enclose my notice of appointment as lodged with the Australian Securities and Investments Commission (**ASIC**) for your information.

You have been sent this circular because the Company may owe you money. If that is the case, then you are a creditor of the Company.

If you are not a creditor, please advise me by sending an email to eswitka@aviorconsulting.com.au.

As Liquidator, I now control the Company's operations and I am in the process of assessing the Company's financial position. The Company's director has been requested to prepare a statement about the Company's business, property, affairs and financial circumstances as at the date of my appointment. I raise the following matters regarding the liquidation.

1 Information about the Company's affairs

I am required by section 497(1) of the Corporations Act 2001 (**the Act**) to send each creditor the following information:

- A summary of the affairs of the entity in the prescribed form; and
- A list setting out the names of all creditors, the addresses of those creditors and the estimated amounts of their claims, as shown in the records of the Company.

I am required by section 70-30 of the Insolvency Practice Rules (Corporations) 2016 to give each creditor information about their rights in a liquidation.

In this regard, I enclose the following documents:

Document	Description
Summary of affairs (form 509)	<ul style="list-style-type: none">• This form has been prepared by the Directors of the Company and discloses the estimated assets and liabilities of the Company.
Creditors listing	<ul style="list-style-type: none">• This schedule comprises the creditors according to the books and records of the Company. We have yet to verify these amounts.
Creditors Rights in Liquidations	<ul style="list-style-type: none">• A publication by ARITA containing information on creditors rights in a liquidation

Document	Description
Short guide to the Personal Property Securities Act	<ul style="list-style-type: none">Information to assist creditors.

2 Declaration of independence, relevant relationships and indemnities

Pursuant to section 506A(2) of the Act and the Australian Restructuring, Insolvency and Turnaround Association (**ARITA**) Code of Professional Practice, I enclose my 'Declaration of Independence, Relevant Relationships and Indemnities' for the Company.

3 Conduct of the liquidation to date

The Company operated a civil construction and haulage business near Albany, Western Australia. The business continued to trade up until the date of my appointment. It ceased trading after that date.

I am pursuing a transaction whereby a related company will purchase assets, including earth moving assets, of the Company for fair market value (as opposed to auction value). This transaction will increase the amount of assets available to the Company's creditors as opposed to selling the earth moving assets at auction. As part of this transaction, certain earth moving assets are to be temporarily hired to the related company.

Activities performed to date during the liquidation process include:

- meetings and correspondences with the directors regarding books and records and the Company's potential assets;
- attendance at the Company's business in Albany;
- attendances at various work sites around Albany and inspecting the Company's plant and equipment;
- meeting with employees;
- discussions with employees regarding cessation of employment;
- arranging for a valuation of the assets to be undertaken;
- numerous correspondences and discussions regarding the sale of the Company's plant and equipment and other assets and the terms of such sale;
- collection efforts regarding the Company's trade debtors'
- informing key agencies, service providers and utilities of the Company's liquidation;
- lodgements with ASIC regarding the liquidation;
- correspondences with holders of security interests appearing on the Personal Property Securities Register (PPSR);
- correspondences with finance companies holding purchase money security interests (PMSI);
- dealings with the Director regarding the prescribed forms to be provided to me;
- assembling and bringing in Company's books and records;
- liaising with the Company's accountant regarding books and records and Company's background;
- liaising with the Company's accountant regarding assisting with preparation of prescribed forms to be signed by the Director;

- obtaining access to Company's accounting data file;
- analysing employee entitlements and superannuation liability;
- reviewing books and records received to date;
- drafting reports and documents for creditors; and
- attending to creditor queries.

4 Trading

4.1 Trading accounts

The Company ceased trading on 26 February 2020, one day after my appointment.

Please note that I do not accept liability for the supply of any goods and services from the date of appointment.

If there are any outstanding or unfulfilled orders placed by the Company prior to my appointment, including those under which there are goods in transit, please contact Eve Switka of this office on 08 6145 0700 or eswitka@aviorconsulting.com.au to obtain written confirmation that the order should proceed.

You may be aware that creditors are entitled to claim for dividend in the liquidation for debts owed by the Company as at 25 February 2020. I will write to you again once I have completed my investigations into the Company's affairs and determined whether or not there are sufficient funds to pay a dividend to creditors.

4.2 Consignment stock, goods subject to purchase money security interests and liens / pledges

If you supplied consignment stock to the Company, or believe you provided stock subject to a purchase money security interest (formerly a retention of title clause), or claim a lien / pledge over any of the Company's assets, please contact Eve Switka of this office as a matter of urgency. Please see the attached short guide to the Personal Property Securities Act for your information.

4.3 Contracts / agreements

As Liquidator, I expressly refrain from personally adopting any of the Company's contracts existing at the date of his appointment. All contracts are currently under review and I will advise the parties directly about the status of their contracts as soon as practicable.

5 Legal proceedings

The appointment of a liquidator stays proceedings in a court against the Company. You cannot commence or continue a proceeding against the Company without leave of the Court. Please contact my office if you are party to any proceedings against the Company.

6 Employees

The Company's employees were terminated on 26 February 2020.

7 Investigations

An investigation of the Company's affairs will be conducted. Creditors who have any information which would assist my investigation are requested to write to me setting out full particulars. Specifically, please provide details on the following issues:

- any demands, writs, judgements or other legal action taken by you against the Company;
- copies of correspondence sent to and received from the Company regarding unpaid accounts; and
- advise when trading first commenced with the Company.

8 Remuneration Proposal

I wish to have my remuneration approved by the Company's creditors. To avoid the costs of convening a creditors' meeting I am requesting approval by way of a proposal. In this regard, I enclose the following documents:

Document	Description
Remuneration Approval Request Report	<ul style="list-style-type: none"> • To cover the Liquidator's costs in relation to completing the winding up of the Company, for the period 25 February 2020 to finalisation of the liquidation, in the estimated amount of \$89,593 plus GST.
Notice of Proposal 1 to Creditors	<ul style="list-style-type: none"> • This form contains the details of the proposal to creditors relating to the Liquidator's remuneration for the period 25 February 2020 to 11 March 2020, in the sum of \$53,833 plus GST.
Notice of Proposal 2 to Creditors	<ul style="list-style-type: none"> • This form contains the details of the proposal to creditors relating to the Liquidator's remuneration for the period 12 March 2020 to finalisation, in the sum of \$35,760 plus GST.
Notice of Proposal 3 to Creditors	<ul style="list-style-type: none"> • This form contains the details of the proposal to creditors relating to the Company's books and records.
Informal Proof of Debt for Voting Purposes	<ul style="list-style-type: none"> • This form is used to document a creditor's claim and must be provided in order to vote on the proposal.
Information sheet: Proposals without meetings	<ul style="list-style-type: none"> • A publication by the ARITA containing information on approving remuneration without a meeting.

I request that you return the three Notice of Proposals to Creditors forms to my office by **5pm on Wednesday, 1 April 2020**.

9 Electronic notification

You may elect to receive future notices or other documents, including circulars and reports regarding the liquidation, via email. Should you wish to do so, please provide a contact name and email address for this purpose to Eve Switka at eswitka@aviorconsulting.com.au.

Should you have any questions, please contact Eve Switka of this office via the email address above or on 08 6145 0700.

Yours faithfully
For the Company



Dermott McVeigh
Liquidator

Encl.

Form 505

Corporations Act 2001
**415(1), 427(2), 427(4), 450A(1)(a),
499(2C)(a) & (b), 537(1) & (2),**
Insolvency Practice Rules (Corporations) 2016
s70-60(2)

External Administration or Controllorship Appointment of an administrator or controller

Liquidator details

Registered liquidator number

342611

Registered liquidator name

DERMOTT JOSEPH MCVEIGH

Company details

Company name

A C H CONTRACTORS PTY LTD

ACN

618 344 595

Company industry type

Construction

Add a new appointment

Appointee details

Liquidator No.

342611

Person Name

DERMOTT JOSEPH MCVEIGH

Address

**AVIOR CONSULTING, 'AVIOR
CONSULTING' SUITE 2 LEVEL 1 1156-1160
HAY STREET WEST PERTH WA 6005
Australia**

Type of Appointment

Appointed Singly

Appointment Details

Provide the date of appointment.

25-02-2020

Type of administrator

Liquidator of creditors' voluntary liquidation

Method of appointment

other appointment

Authentication

This form has been authenticated by

Name DERMOTT JOSEPH MCVEIGH

This form has been submitted by

Name Dermott Joseph MCVEIGH

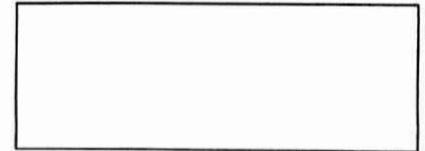
Date 25-02-2020

Payment

You need to pay the fee (and any late fees if required) by Bpay or cheque in accordance with the instructions on your invoice

For more help or information

Web	www.asic.gov.au
Ask a question?	www.asic.gov.au/question
Telephone	1300 300 630



Presentation of summary of affairs of a company

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Eve Switka

ASIC registered agent number (if applicable)

324611

Company/entity name

Avior Consulting

ACN/ABN/ARBN/ARSN

Telephone number

(08) 6145 0700

Postal address

PO Box 92, West Perth, WA 6872

Email address (optional)

eswitka@aviorconsulting.com.au

Company details

Company name

A C H CONTRACTORS PTY LTD

ACN

618 344 595

Summary of assets and liabilities

Date to which summary is made up

Date

2 5 / 0 2 / 2 0
[D] [D] [M] [M] [Y] [Y]

Continued... Summary of assets and liabilities

	Valuation (Show whether cost or net book amount)	Estimated realisable values
1 Assets not specifically charged (a) interest in land (b) sundry debtors (c) cash on hand (d) cash at bank (e) stock as detailed in inventory (f) work in progress as detailed in inventory (g) plant and machinery as detailed in inventory (h) other assets		
2 Assets subject to specific charges less amounts owing		
TOTAL assets		
TOTAL estimated realisable values		
3 Less preferential creditors entitled to priority over the holders of debentures under any floating charge		
4 Less amounts owing and secured by debenture or floating charge over company's assets to:		
5 Less preferential creditors estimated amount available for unsecured creditors		
6 Creditors (unsecured) amount claimed		
7 Balances owing to partly secured creditors total claims security held		
8 Contingent assets estimated to produce		
9 Contingent liabilities estimated to rank for estimated deficiency/surplus (subject to costs of administration/liquidation) Share capital issued paid up		

Signature

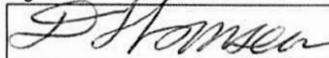
Name of person signing

DEAN FERGUSON THOMSEN

Capacity

Director

Signature



Date signed

03 / 03 / 20
[D] [D] [M] [M] [Y] [Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

THIS ANNEXURE 1 OF 1 PAGE REFERRED TO IN FORM 509 PRESENTATION OF SUMMARY OF AFFAIRS OF A COMPANY

SIGNED BY *D. Homan* DATED 10,03,2020

	VALUATION	ESTIMATED REALISABLE VALUE
1. Assets not specifically charged		
Interest in land	-	-
Sundry debtors	113,785	113,785
Cash on hand		
Cash at bank	22,032	22,032
Stock	-	-
Work in progress	-	-
Plant & machinery	657,828	634,390
Other assets (Dean loan)	68,206	68,206
2. Assets subject to specific charges less amounts owing	-	-
Total assets	861,851	838,413
3. Less preferential creditors entitled to priority over the holders of debentures under any floating charge	-	-
4. Less amounts owing and secured by debenture or floating charge over company's assets to	-	-
5. Less preferential creditors estimated amount available for unsecured creditors	267,166	267,166
6. Creditors (unsecured) amount claimed	732,800	732,800
7. Balances owing to partly secured creditors total claims security held	426,756	426,756
8. Contingent assets estimated to produce		
9. Contingent liabilities estimated to rank for estimated deficiency/surplus		
Share capital issued	600	600
Share capital paid up	600	600

Creditors Listing

A C H Contractors Pty Ltd (in Liquidation)

As at 25 February 2020

Creditor	Total \$	Address	Suburb / Town	State	Post Code	Related Party
Ace Agistment and Hire	9,575.82	24 Shepherd St	LOWER KING	WA	6330	Yes
AL Curnow Hydraulics	2,790.43	Unit 4/191 Chester Pass Road	ALBANY	WA	6330	
Albany enterprise Group Inc	544.15	222 Chester Pass Road	ALBANY WA		6330	
Albany V Belt & Rubber	117.97	146 Albany Highway	ALBANY	WA	6330	
Amy & Julie Thomsen	19,000.00	24 Shepherd St	LOWER KING	WA	6330	Yes
Attvest insurance	9,710.16	Level 2, 28 Ord Street	WEST PERTH	WA	6005	
Bennetts Batteries	3,962.90	2 Catalina Road	ALBANY	WA	6330	
Bestry Brothers Transport	31,005.15	PO Box 57	PERENJORI	WA	6620	
Blackwood Partners - Accountant	12,375.00	PO Box 885	SUBIACO	WA	6008	
BP Ravensthorpe - fuel	1,671.95	47 Morgans Street	RAVENSTHORPE	WA	6346	
Western Haulage Solutions T/As Bralinda Haulage	11,916.47	PO BOX 91	ALBANY	WA	6330	
BTG Mechanical	3,515.00	11 Lance Street	ALBANY	WA	6330	
Estimate One - Tender Site	1,089.00	Level 1, 176 Bridge Road	RICHMOND	VIC	3121	
F.G. Smith	71,346.57	RMB 2313	CRANBROOK	WA	6321	
Factor One - Cosa Granes	55,440.00	GPO Box 9969	PERTH	WA	6000	
FW & SJ Fiegert	49,958.08	PO Box 5239	ALBANY	WA	6332	
Great Southern Geotech	858.00	5a 209 Chester Pass	ALBANY	WA	6330	
Hitachi	1,105.73	Locked Bag 2052	NORTH RYDE	NSW	1670	
J.J Hawkins & Co	4,404.40	39 Rimmer Rd	LANDSDALE	WA	6065	
KJ and JE Harrop	23,537.03	99 Federal Street	ALBANY	WA	6330	
North Quairading Contractors	13,200.00	PO Box 109	QUAIRADING	WA	6383	
Pioneer Health Albany	88.00	2 Pioneer Rd	CENTENNIAL PARK	WA	6330	
Plant Assessor	55.00	PO Box 5043	WAGGA WAGGA	NSW	2650	
Plant Miner	2,528.90	PO Box 1093	TOOMBUL	QLD	4012	
Priority Business Consulting	99.53	1a/2 Business Way	MALAGA	WA	6090	
RavMech	68,701.38	31 Morgans St	RAVENSTHORPE	WA	6346	
RBH Ravensthorpe Bulk Haulage	42,449.42	45 Dunn Street	RAVENSTHORPE	WA	6346	
Saundex Contracting	16,923.50	22 Cinnamon Meander	TWO ROCKS	WA	6037	
SOS	165.00	171 York Street	ALBANY	WA	6331	
SRT	52,111.35	PO Box 702	ALBANY	WA	6330	
T & C Supplies	4,026.06	139 Chester Pass Road	ALBANY	WA	6330	
Telstra	445.56	Level 30, 242 Exhibition St	MELBOURNE	VIC	3000	
The Trustee For Saunders Trading Trust	12,061.50	PO Box 2070	CLARKSON	WA	6030	
Tri Coast Civil	9,685.50	PO Box 1249	ALBANY	WA	6331	

Creditors Listing

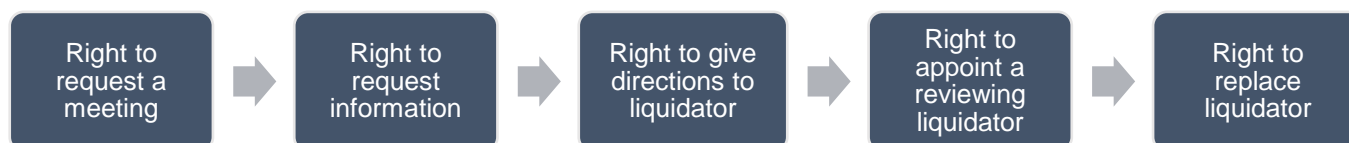
A C H Contractors Pty Ltd (in Liquidation)

As at 25 February 2020

Creditor	Total \$	Address	Suburb / Town	State	Post Code	Related Party
Verizon Connect	4,633.62	GPO Box 4475	SYDNEY	NSW	2001	
Wallet Wizard	7,000.00	GPO Box 4475	SYDNEY	NSW	2001	
Wood & Grieve Engineers	3,341.25	PO Box 634	ALBANY	WA	6330	
Scottish Pacific Business Finance Pty Ltd		GPO BOX 9969	PERTH	WA	6001	
The Trustee for the Clint McClure Trust, COSA Contracting Pty Ltd		PO Box 1373	BIBRA LAKE	WA	6965	
The Trustee for the COSA Cranes (Katherine) Trust, COSA Cranes (Katherine) Pty Ltd		PO Box 1373	BIBRA LAKE	WA	6965	
COSA Group Pty Ltd		PO Box 1373	BIBRA LAKE	WA	6965	
Iron Capital Holdings		Suite D 145, Sailors Bay Road	NORTH BRIDGE	NSW	2063	
Komatsu Australia Corporate Finance		50-60 Fairfield Street	FAIRFIELD	NSW	2165	
Luke Thomsen		24 Shepherd St	LOWER KING	WA	6330	Yes
Matthew Shelton		2 McKail St	LOCKYER	WA	6330	Yes
Laurie Thomsen		138 Climie Street	TENTERDEN	WA	6322	Yes
Julie Thomsen		24 Shepherd St	LOWER KING	WA	6330	Yes
Total	551,439.38					

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Specific queries about the liquidation should be directed to the liquidator's office.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

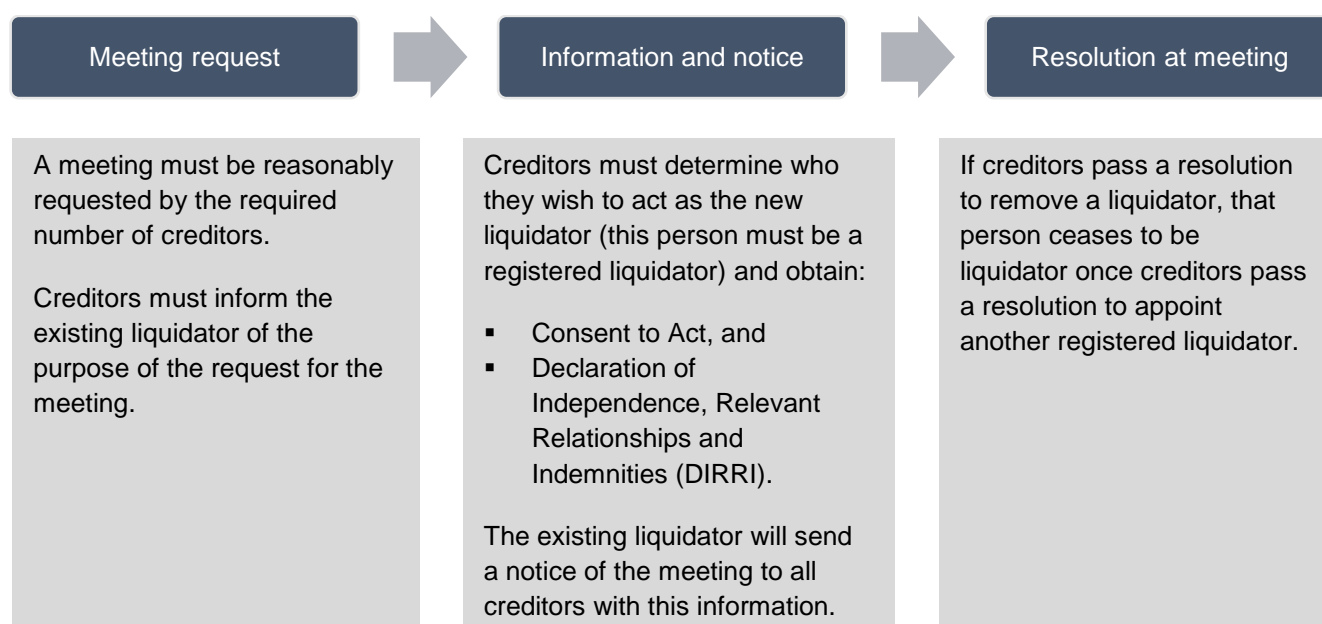
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**



PPSR overview

General

The *Personal Property Securities Act 2009* (Cth) is a law about security interests in personal property.

Personal property is all forms of property [other than real estate](#)^[1].

A [security interest](#)^[2] is an interest in personal property that in substance secures payment of a debt or other obligation regardless of the form of the transaction.

This definition covers transactions currently considered a form of security such as mortgages over motor vehicles or charges in company property. It also covers forms of transactions not currently considered as a form of security as a consequence of the form of the transaction. Examples of such transactions include:

- Retention of title clauses in sale agreements whereby a purchaser has possession of personal property, but does not acquire title from the vendor until the full purchase price is paid.
- Financing leases where personal property is leased for payments that cover the cost of the personal property and the lessee has the ability to acquire title to the personal property.

In addition to this general definition, certain transactions are deemed to be security interests under the PPS Act. The deemed security interests are:

- the interest of a [factor](#)^[3] in an account
- [consignment arrangements](#)^[4], and
- [leases of personal property for a term exceeding 12 months](#)^[5].

Terminology

It is important to understand the new terminology that accompanies the PPS Act and the PPS Register.

Table of PPS related terms and their current equivalent

Term	Equivalent
Secured party	Financier, mortgagee, chargee, lender, retention of title supplier, lessor etc
Grantor	Borrower, mortgagor, chargor
Collateral	Secured property
Security agreement	Financing agreement, mortgage, charge etc

Attachment and creation of enforceable rights

A security interest must have 'attached' to collateral in order for the security interest to be enforceable against the grantor. Attachment is similar to the concept of the creation of legally binding relations.

A security interest [attaches](#)^[6] to collateral if the grantor has rights in the collateral and accepts money or does some other act by which the security interest arises.

A [security agreement](#)^[7] must generally be in writing and signed by the grantor to be enforceable against a person other than the grantor (such as another secured party).

Perfection

Perfection is a technical concept particular to the PPS Act. Perfection is a form of protection for a secured party that is stronger than the mere attachment of their security interest.

In order for a security interest [to be perfected](#)^[8] it must have attached, be enforceable against third parties and is either registered on the PPS Register or the collateral is in the possession or control of the secured party.

The perfection of a security interest will affect the [priority](#)^[9] it has relative to other security interests in the collateral and its status in the event of the [insolvency or bankruptcy-/receivership-administration-and-liquidation](#)^[10] of the grantor.

Notes

1. Section 10, PPS Act
2. Section 12, PPS Act
3. A factor is a commercial agent that purchases accounts receivable from businesses at a discounted price for the benefit of future payments the accounts receivable will generate
4. A consignment occurs where the title holder (the consignor) delivers possession of personal property to the consignee. The consignee is in the business of selling personal property of that type and attempts to sell the consignor's property. See sections 12 and 10, PPS Act
5. Section 12, PPS Act
6. Section 19(2), PPS Act
7. Section 20, PPS Act
8. Section 21, PPS Act
9. See information sheet: [Personal Property Securities \(PPS\) Register and priorities-/personal-property-securities-pps-register-and-priorities](#)
10. See information sheet: [Receivership, administration and liquidation-/receivership-administration-and-liquidation](#)

Please note: This fact sheet provides general information about PPS reform and does not constitute legal advice. You should seek legal or other professional advice to consider the application of the PPS Act to your individual circumstances.

Corporations Act 2001
Sections 506A

A C H CONTRACTORS PTY LTD (in Liquidation)
ACN 618 344 595 (the Company)

Declaration of Independence, Relevant Relationships and Indemnities

This document requires the practitioner(s) appointed to an insolvent entity to make declarations as to:

- A. Their independence generally;
- B. Relationships, including
 - (i) The circumstances of the appointment;
 - (ii) Any relationships with the Company and others within the previous two years;
 - (iii) Any prior professional services for the Company within the previous two years;
 - (iv) That there are no other relationships to declare; and
- C. Any indemnities given or upfront payments made to the practitioner(s).

This declaration is made in respect of myself and Avior Consulting.

A. Declaration of independence

I, Dermott McVeigh, and Avior Consulting have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator 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. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of relationships

(i) Circumstances of appointment

This appointment was referred to me by Blackwood Partners Accountants.

Kelly Meyn of Avior Consulting was contacted by a family member of the Company's Director on 13 February 2020. Kelly and I attended a conference call with the Director on 17 February 2020. The purpose of the call was to discuss the Company's position and provide advice on the options available to the Company. Based on that meeting I determined that an insolvency appointment was appropriate.

On 25 February 2020, Kelly travelled to Albany, WA where the business is located, and the sole shareholder placed the Company in liquidation.

I have provided no other information or advice to the Company, the director and its advisors.

(ii) Relevant relationships (excluding professional services to the Company)

I have no relevant relationships.

Neither myself nor Avior Consulting have, or have had within the preceding two years, any relationships with:

- the Company;
- a former insolvency practitioner appointed to the Company; or
- A person or entity that has a security interest on the whole of or substantially the whole of the Company's property.

(iii) Prior professional services to the Company

Neither myself, nor Avior Consulting has provided any professional services to the Company in the previous two years.

(iv) No other relevant relationships to disclose

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

C. Indemnities and up-front payments

I have not been indemnified in relation to this liquidation nor have I received any up-front payments.

Dated this 3 March 2020

A handwritten signature in blue ink, appearing to read "Dermott McVeigh".

Dermott McVeigh
Liquidator

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

A C H CONTRACTORS PTY LTD (in Liquidation)
ACN 618 344 595 (the Company)

Remuneration Approval Request Report

1 Declaration

I, Dermott McVeigh of Avior Consulting, have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator 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.

I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

2 Executive summary

To date, the total remuneration that has been approved in the liquidation is nil. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST) \$
Resolution 1: 25 February 2020 to 11 March 2020	4.1	53,833
Resolution 2: 12 March 2020 to the finalisation of the liquidation*	4.3	35,760
Total		89,593

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

Please refer to Part 4 for full details of the calculation and composition of the remuneration approval sought.

3 Statement on remuneration

3.1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follow:

3.1.1 Time Based (hourly rates)

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out the work multiplied by the number of hours spent by each person on necessary work properly performed.

3.1.2 Fixed fee

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation. Sometimes, a practitioner will finalise the liquidation for a fixed fee.

3.1.3 Percentage

The total fee charged is based on a percentage of a particular variable such as the gross proceeds of asset realisations.

3.1.4 Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome.

3.2 Remuneration method chosen

Given the nature of this liquidation, I propose that the remuneration of the Liquidator be calculated using the time-based method. Time based remuneration is appropriate in this liquidation given:

- It ensures actual time is billed at an hourly rate applicable to staff experience;
- It ensures that remuneration claimed is only for necessary work properly performed in the liquidation; and
- It covers tasks required to be undertaken in the liquidation which not only relates to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

3.3 Explanation of hourly rate

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

Schedule of Hourly Rates & General Guide to Staff Experience:

Title	Rate (\$)	Experience
Partner / Appointee	600	The Partner/Appointee is a registered liquidator and member of the CAANZ and, generally, the ARITA, bringing specialist skills to the administration or insolvency task.
Head of Department/ Director	520	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the CAANZ and, generally, the ARITA; very strong knowledge of relevant insolvency legislation.
Manager	400	4-7 years' experience with well-developed technical and commercial skills. University degree; member of CAANZ and, generally, the ARITA; strong knowledge of relevant insolvency legislation and issues. Controls 2-4 staff.
Senior Analyst	330	Generally, 2-4 years' chartered accounting or insolvency management experience. University degree; completing the CAANZ's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	220	Generally, 2-3 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced.
Personal Assistant	180	Appropriate skills including machine usage.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.
- Creditor approval will be sought prior to the application of any new rates to this liquidation.

4 Description of work

4.1 Resolution 1

Period: 25 February 2020 to 11 March 2020

Task area	General description	Includes
Assets 61.2 hours \$31,084 (ex GST)	Cash	<ul style="list-style-type: none"> • Correspondence with bank regarding transfers from pre-liquidation accounts
	Debtors	<ul style="list-style-type: none"> • Correspondence with debtors and obtaining information regarding counterclaims • Reviewing and assessing debtors' ledgers
	Work in progress	<ul style="list-style-type: none"> • Enquiries regarding status of incomplete contracts • Assessing status of work in progress at the time trading ceased
	Insurance	<ul style="list-style-type: none"> • Considering potential issues requiring attention of insurance specialists • Correspondence with insurer regarding initial and ongoing insurance requirements • Completion of relevant insurance forms • Reviewing insurance policies

Task area	General description	Includes
Assets (continued) 61.2 hours \$31,084 (ex GST)	Plant and equipment	<ul style="list-style-type: none"> • Travel to and from Albany, attendance on multiple sites to assess and inspect available assets • Cataloguing plant and equipment • Instructing Ross's Auctioneers and Valuers (Ross's) regarding valuation to be conducted • Discussions with the Director regarding potential purchase of certain items • Drafting Term Sheet for purchase of certain assets • Liaising with financiers regarding assets subject to finance • Reviewing leasing documents • Analysis to assess validity of purchase money security interests (PMSIs) • Correspondence with finance companies regarding ongoing use of assets • Instructing lawyers regarding drafting of hire agreements
	Correspondence	<ul style="list-style-type: none"> • General correspondence • Correspondences with telecommunication service provider regarding transfer of services
	Creditors enquiries	<ul style="list-style-type: none"> • Receiving and following up creditor enquiries • Filing creditor enquiries • Updating contact information of creditors
	Creditor reports/proposals	<ul style="list-style-type: none"> • Preparing report to creditors • Reviewing and preparing initial correspondence to creditors and their representatives • Preparing proposal notices and voting forms • Forwarding notice of proposal to all known creditors • Responding to stakeholder queries and questions
	Employees	<ul style="list-style-type: none"> • Reviewing and preparing correspondence to employees • Review of employee payroll details in Xero • Assessing employee priority claims • Correspondence with Child Support • Correspondence with Centrelink
Creditors 20.0 hours \$7,850 (ex GST)	Security claims	<ul style="list-style-type: none"> • Search of the PPSR register • Notifying PPSR registered creditors of appointment
	Conducting investigation	<ul style="list-style-type: none"> • Instructing the Director regarding delivery of the company books and records • Liaising with Director regarding information and documents to be provided
	Insolvent trading, voidable transactions and other investigation	<ul style="list-style-type: none"> • Preparation of investigation file • Insolvent trading analysis • Analysing, assessing recovery of potential voidable transactions
Investigation 17.3 hours \$5,709 (ex GST)		

Task area	General description	Includes
Administration 20.3 hours \$9,190 (ex GST)	ASIC forms	<ul style="list-style-type: none"> Assisting Director and Company Accountant with preparation of Summary of Affairs and ROCAP Preparing and lodging statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notifying ATO of appointment of liquidator Adding Company's ABN to liquidator's portal on ATO
	Bank account administration	<ul style="list-style-type: none"> Correspondence with banks Opening bank account
	Books and records / storage	<ul style="list-style-type: none"> Obtaining books and records Scanning and entering files into archive
	Correspondence	<ul style="list-style-type: none"> General correspondence
	Director	<ul style="list-style-type: none"> Preparing Director information documents
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> File reviews Notifying relevant agencies, service providers and other authorities
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status of administration
Total: \$53,833		

4.2 Calculation of remuneration for resolution 1

Please refer to Annexure A.

4.3 Resolution 2

Period: 12 March 2020 to finalisation

Task area	General description	Includes
Assets 23.0 hours \$11,330 (ex GST)	Cash	<ul style="list-style-type: none"> Correspondence with banks
	Debtors	<ul style="list-style-type: none"> Correspondences with debtors regarding collection of outstanding amounts Obtaining settlements where appropriate Obtaining advice regarding validity of disputed amounts owing Instructing lawyers where relevant to issue demands and commence proceedings Reviewing records to ensure completeness of billings Reviewing books and records regarding past rejected variation claims
	Sale of assets	<ul style="list-style-type: none"> Internal meetings to discuss/review sale of assets Obtaining and reviewing valuation report from Ross's Instructing Ross's to collect relevant assets and prepare for sale Finalising sale of assets Collection of rents obtained from hiring out assets and forwarding to finance companies Discussions with potential purchaser regarding purchase of certain assets

Task area	General description	Includes
Creditors 24.0 hours \$9,780 (ex GST)	Creditors enquiries	<ul style="list-style-type: none"> Filing creditor enquiries Receiving and following up creditor enquiries Updating contact information of creditors
	Creditor reports/proposals	<ul style="list-style-type: none"> Preparing correspondence to creditors Following up creditor responses to remuneration notice of proposal Responding to stakeholder queries and questions Preparing and lodging of results of proposals without meeting of creditors' with ASIC
	Employees	<ul style="list-style-type: none"> Preparing letters to employees advising of their entitlements and options available Liaising with the Fair Entitlement Guarantee scheme Reviewing outstanding superannuation Arranging preparation and lodgement of Superannuation Guarantee Charge Statements
	Calculation of employee entitlements	<ul style="list-style-type: none"> Calculating employee entitlements Reviewing employee files and Company's books and records
Investigation 23.0 hours \$9,040 (ex GST)	Conducting investigation	<ul style="list-style-type: none"> Attending meeting with Director in relation to the affairs of the Company Reviewing documentation provided by the Director
	Insolvent trading, voidable transactions and other investigation	<ul style="list-style-type: none"> Preparing insolvent trading report Determining viability of insolvent trading claim against Director Pursuing recovery of preferential payments to the Australian Taxation Office Analysing, assessing and pursuing recovery of potential voidable transactions
	Report to ASIC	<ul style="list-style-type: none"> Preparing report to ASIC outlining findings from investigation Reviewing response from ASIC
Administration 15.0 hours \$5,610 (ex GST)	ASIC forms	<ul style="list-style-type: none"> Preparing and lodging of statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notifying ATO of finalisation of liquidation Removing Company's ABN from liquidator's ATO portal
	Bank account administration	<ul style="list-style-type: none"> Correspondence with banks Preparing correspondence closing accounts
	Books and records / storage	<ul style="list-style-type: none"> Preparing and sending books and records to storage Scanning and entering files into archive
	Correspondence	<ul style="list-style-type: none"> General correspondence Notifying relevant agencies, service providers and other authorities of liquidation finalisation
	Director	<ul style="list-style-type: none"> Correspondence with Director as required
	Planning / Review	<ul style="list-style-type: none"> File reviews Discussions regarding status of administration

Task area	General description	Includes
Total: \$35,760		

4.4 Calculation of remuneration for resolution 2

Please refer to Annexure B.

5 Remuneration recoverable from external sources

The Liquidator has not received, but is entitled to receive, funding from external sources in respect of remuneration. If applicable, the Liquidator is entitled to receive funding from the Attorney-General's Department in respect of work conducted to assist the Commonwealth in administering the Fair Entitlements Guarantee Act 2012 in relation to former employees of the Company.

The Liquidator may also receive funding from ASIC.

6 Disbursements

Disbursements are divided into three types:

1. Externally provided professional services. These are recovered at cost. An example is legal fees.
2. Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
3. Internal disbursements such as photocopying, printing and postage are not charged for.

7 Report on progress of the liquidation

This Remuneration Approval Request Report must be read in conjunction with the report to creditors dated 11 March 2019 which outlines the progress of the liquidation.

8 Queries

If you require further information in respect of the above, or have other questions, please contact Eve Switka of this office on 08 6145 0700.

9 Information available

The liquidator is a professional member of ARITA and Avior Consulting follows the ARITA Code. A copy of the Code may be found on the ARITA website at 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.

Dated this 10th day of March 2020



Dermott McVeigh
Liquidator

Annexure A - Calculation of remuneration for resolution 1

Employee	Position	Hourly Rate \$	Assets		Creditors		Investigation		Administration		Total	
			Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$
Dermott McVeigh	Appointee	600	5.0	3,000	-	-	-	-	-	-	5.0	3,000
Kelly Meyn	Head of Department	520	46.7	24,284	4.0	2,080	-	-	10.9	5,668	61.6	32,032
Eve Switka	Manager	400	9.5	3,800	7.0	2,800	-	-	6.0	2,400	22.5	9,000
Miriam Schmidt-Hunt	Senior Analyst	330	-	-	9.0	2,970	17.3	5,709	3.4	1,122	29.7	9,801
Grand Total			61.2	31,084	20.0	7,850	17.3	5,709	20.3	9,190	118.8	53,833

Annexure B - Calculation of remuneration for resolution 2

Employee	Position	Hourly Rate \$	Assets		Creditors		Investigation		Administration		Total	
			Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$
Dermott McVeigh	Appointee	600	2.0	1,200	2.0	1,200	1.0	600	-	-	5.0	3,000
Kelly Meyn	Head of Department	520	15.0	7,800	4.0	2,080	4.0	2,080	2.0	1,040	25.0	13,000
Eve Switka	Manager	400	5.0	2,000	8.0	3,200	6.0	2,400	4.0	1,600	23.0	9,200
Miriam Schmidt-Hunt	Senior Analyst	330	1.0	330	10.0	3,300	12.0	3,960	9.0	2,970	32.0	10,560
Grand Total			23.0	11,330	24.0	9,780	23.0	9,040	15.0	5,610	85.0	35,760



Notice of Proposal to Creditors

Corporations Act 2001

Insolvency Practice Rules (Corporations) 2016 Division 75-130

A C H CONTRACTORS PTY LTD (in Liquidation)

ACN 618 344 595 (the Company)

PROPOSAL 1 for creditor approval – Liquidator’s remuneration

That the remuneration of the Liquidator, as set out in the Remuneration Approval Request Report dated 11 March 2020, for the period from 25 February 2020 to 11 March 2020 be currently fixed up to an amount of \$53,833, plus any applicable GST.

Reasons for the proposal and the likely impact on creditors if passed

The proposal is a request to creditors to approve the Liquidator’s remuneration for tasks already completed. If the remuneration is approved, the Liquidator will draw these funds from the funds available in the liquidation. This will reduce the dividend payable (if any) to creditors of the Company. Failure to approve the Liquidator’s remuneration via this proposal will result in a meeting of creditors being called to seek the remuneration approval. This will result in additional time and costs being incurred in the liquidation, for which further remuneration will be sought by the Liquidator.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes I approve the proposal
No I do not approve the proposal
Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Liquidator for your vote to count. Please select the option that applies:

- I have previously submitted a Proof of Debt and supporting documents
 I have enclosed a Proof of Debt and supporting documents with this form

Creditor details

Name of creditor: _____ ACN/ABN: _____

- I am not a related party creditor of the Company
 I am a related party creditor of the Company, relationship: _____

Address: _____

Name of authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 5pm Wednesday, 1 April 2020 for your vote to be counted, to eswitka@aviorconsulting.com.au or c/- Avior Consulting, PO Box 92, WEST PERTH WA 6872.



Notice of Proposal to Creditors

Corporations Act 2001

Insolvency Practice Rules (Corporations) 2016 Division 75-130

A C H CONTRACTORS PTY LTD (in Liquidation)

ACN 618 344 595 (the Company)

PROPOSAL 2 for creditor approval – Liquidator’s remuneration

That the remuneration of the Liquidator, as set out in the Remuneration Approval Request Report dated 11 March 2020, for the period from 12 March to finalisation be currently fixed up to an amount of \$35,760, plus any applicable GST.

Reasons for the proposal and the likely impact on creditors if passed

The proposal is a request to creditors to approve the Liquidator’s remuneration for tasks to be completed in the future. If the remuneration is approved, the Liquidator will draw these funds from the funds available in the liquidation. This will reduce the dividend payable (if any) to creditors of the Company. Failure to approve the Liquidator’s remuneration via this proposal will result in a meeting of creditors being called to seek the remuneration approval. This will result in additional time and costs being incurred in the liquidation, for which further remuneration will be sought by the Liquidator.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes I approve the proposal
No I do not approve the proposal
Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Liquidator for your vote to count. Please select the option that applies:

- I have previously submitted a Proof of Debt and supporting documents
 I have enclosed a Proof of Debt and supporting documents with this form

Creditor details

Name of creditor: _____ ACN/ABN: _____

- I am not a related party creditor of the Company
 I am a related party creditor of the Company, relationship: _____

Address: _____

Name of authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 5pm Wednesday, 1 April 2020 for your vote to be counted, to eswitka@aviorconsulting.com.au or c/- Avior Consulting, PO Box 92, WEST PERTH WA 6872.



Notice of Proposal to Creditors

Corporations Act 2001

Insolvency Practice Rules (Corporations) 2016 Division 75-130

A C H CONTRACTORS PTY LTD (in Liquidation)
ACN 618 344 595 (the Company)

PROPOSAL 3 for creditor approval – company books and records

That the Liquidator be authorised, subject to obtaining the approval of the Australian Securities & Investments Commission (ASIC) pursuant to Insolvency Practice Schedule section 70-35(3), to dispose of the books and records of the Company 12 months after the dissolution of the Company or earlier at the discretion of ASIC.

Reasons for the proposal and the likely impact on creditors if passed

The proposal is a request to creditors to authorise the Liquidator to dispose of the books and records of the Company 12 months after the dissolution of the Company, or earlier subject to obtaining approval from ASIC. Failure to obtain approval for this proposal will result in a meeting of creditors being called. This will result in additional time and costs being incurred in the liquidation, for which further remuneration will be sought by the Liquidator.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes I approve the proposal
No I do not approve the proposal
Object I object to the proposal being resolved without a meeting of creditors

Your claim against the company must be admitted for the purposes of voting by the Liquidator for your vote to count. Please select the option that applies:

- I have previously submitted a Proof of Debt and supporting documents
 I have enclosed a Proof of Debt and supporting documents with this form

Creditor details

Name of creditor: _____ ACN/ABN: _____

- I am not a related party creditor of the Company
 I am a related party creditor of the Company, relationship: _____

Address: _____

Name of authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 5pm Wednesday, 1 April 2020 for your vote to be counted, to eswitka@aviorconsulting.com.au or c/- Avior Consulting, PO Box 92, WEST PERTH WA 6872.

INFORMAL PROOF OF DEBT FORM

*Corporations Act 2001
Insolvency Practice Rules (Corporations) 2016*

*Regulation 5.6.47
Section 75-130*

**A C H CONTRACTORS PTY LTD (in Liquidation)
ACN 618 344 595 (the Company)**

Name of creditor:

Address of creditor:

ABN of creditor:

Amount of debt claimed (see note): \$

Amount of GST included: \$

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)

.....
Date

Note:

Under the Insolvency Practice Rules (Corporations) 2016, a creditor's vote on a proposal without meeting is not entitled to be counted unless (ss 75-130):

- a. The creditor has submitted particulars of his debt or claim on or before the creditors replies to the notice of proposal; and
- b. the Liquidator has admitted the proof of debt or claim, including the amount, for the purposes of voting

I elect to receive all future correspondence from the Liquidator by electronic means to the following email address: _____

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").