

10 August 2020

To creditor as addressed

Dear Sir/Madam

**A C H Contractors Pty Ltd (In Liquidation)**  
**ACN 618 344 595 (the Company)**

I refer to my appointment as Liquidator of the Company on 25 February 2020.

You have been sent this circular because you are listed as a creditor of the Company.

Recent changes in insolvency legislation<sup>1</sup> enable a Liquidator to put a proposal to creditors without calling a meeting. This mechanism improves the efficiency of the winding up process as it avoids the time and expense of holding a creditors' meeting in order to consider resolutions such as the proposals enclosed.

I enclose with this letter my remuneration report and the following proposals:

- 1) approval of the Liquidator's fees for the period 27 March 2020 to 31 July 2020; and
- 2) approval of the Liquidator's fees for the period 1 August 2020 to conclusion of the liquidation.

Kindly give these documents your attention. Please complete the proposal document and return it with any supporting documents by no later than 1 September 2020 for your vote to be counted.

Should you have any questions, please contact Eve Switka of this office on 08 6145 0700 or [eswitka@aviorconsulting.com.au](mailto:eswitka@aviorconsulting.com.au).

Yours faithfully  
**For the Company**



**Dermott McVeigh**  
Liquidator

Encl.

---

<sup>1</sup> Section 75 - 40 of the Insolvency Practice Schedule (Corporations) of the Corporations Act 2001

## 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 – Liquidators remuneration

That the remuneration of the Liquidator, as set out in the Remuneration Approval Request Report dated 10 August 2020, for the period from 27 March 2020 to 31 July 2020 be currently fixed up to an amount of \$65,253, 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 1 September 2020 for your vote to be counted**, to [eswitka@aviorconsulting.com.au](mailto:eswitka@aviorconsulting.com.au) or c/- Avior Consulting, Level 2, 1160 Hay St, WEST PERTH WA 6005.

## 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 – Liquidators remuneration

That the remuneration of the Liquidator, as set out in the Remuneration Approval Request Report dated 10 August 2020, for the period from 1 August 2020 to completion of the liquidation be currently fixed up to an amount of \$20,105, plus any applicable GST. Should approval be required in relation to additional remuneration incurred, such approval will be sought in a separate resolution placed before creditors.

### 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 yet to be 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 1 September 2020 for your vote to be counted**, to [eswitka@aviorconsulting.com.au](mailto:eswitka@aviorconsulting.com.au) or c/- Avior Consulting, Level 2, 1160 Hay St, WEST PERTH WA 6005.

**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: \_\_\_\_\_

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 \$89,593 (ex GST). The approved remuneration has been exhausted and exceeded. Accordingly, this remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST) \$
Resolution 1: 27 March 2020 to 31 July 2020	4.1	65,253
Resolution 2: 1 August 2020 to the finalisation of the liquidation*	4.3	20,105
<b>Total</b>		<b>85,358</b>

*\* 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 relate 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 likely 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 9 years' experience with at least 4 years as a Manager. University degree; member of the CAANZ and, generally, the ARITA; very strong knowledge of relevant insolvency legislation.
Senior Manager	475	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 and issues.
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: 27 March 2020 to 31 July 2020

Task area	General description	Includes
<b>Assets</b> <b>62.9 hours</b> <b>\$29,874</b> <b>(ex GST)</b>	Debtors	<ul style="list-style-type: none"> <li>• Reviewing and assessing debtors' ledgers</li> <li>• Correspondence with debtors regarding balances outstanding</li> <li>• Correspondence with debtors requesting and obtaining information regarding potential counterclaims</li> <li>• Reviewing documents provided by debtors</li> <li>• Reviewing and considering counter claims from debtors</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>• Correspondence with insurer regarding ongoing insurance requirements</li> </ul>

Task area	General description	Includes
<b>Assets (continued)</b>	Plant and equipment	<ul style="list-style-type: none"> <li>• Cataloguing plant and equipment</li> <li>• Discussions with the Director regarding potential purchase of certain items</li> <li>• Liaising with financiers regarding assets subject to finance</li> <li>• Reviewing leasing documents</li> <li>• Analysis to assess validity of purchase money security interests (PMSIs)</li> <li>• Correspondence with finance companies regarding hand over of financed assets</li> <li>• Correspondence with the Director regarding hire of the plant and equipment</li> <li>• Numerous pieces of formal correspondence with the Director regarding the location and transfer of assets</li> <li>• Numerous attempts to contact Director to discuss location of assets</li> <li>• Considering PPSA provisions in relation to assets in the Company's possession and / or control</li> <li>• Identifying assets potentially vesting in accordance with the PPSA provisions</li> <li>• Reviewing arrangements with related parties in relation to potentially vested assets</li> <li>• Instructing lawyers regarding drafting of letters in relation to vested asset</li> <li>• Instructing investigator regarding locations of the vested asset</li> <li>• Arranging collection and storage of vested asset in Albany</li> <li>• Correspondence with Director regarding vested asset</li> <li>• Arranging delivery to auction of vested asset</li> <li>• Instructing lawyers re application to court for directions confirming vesting of asset and permission to sell</li> <li>• Liaising with Ross's Auctioneers &amp; Valuers regarding sale of assets, including vested asset</li> </ul>
<b>Creditors 29.8 hours \$12,236 (ex GST)</b>	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> <li>• Correspondences with telecommunication service provider regarding transfer of services</li> </ul>
	Creditors enquiries	<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries</li> <li>• Filing creditor enquiries</li> <li>• Updating contact information of creditors</li> </ul>
	Creditor reports/proposals	<ul style="list-style-type: none"> <li>• Preparing reports to creditors</li> <li>• Sending out reports to creditors by email and by post</li> <li>• Responding to queries and questions</li> </ul>



Task area	General description	Includes
<b>Creditors (continued)</b>	Employees	<ul style="list-style-type: none"> <li>• Reviewing and preparing correspondence to employees</li> <li>• Reviewing employee payroll details in Xero</li> <li>• Assessing employee priority claims</li> <li>• Correspondence with employees regarding availability of FEG claims</li> <li>• Correspondence with FEG</li> <li>• Attending to FEG tasks</li> <li>• Correspondence with the ATO regarding superannuation guarantee charge (SGC)</li> <li>• Assessing SGC liability</li> </ul>
	Conducting investigations	<ul style="list-style-type: none"> <li>• Liaising with the Director regarding information and documents received to date</li> </ul>
<b>Investigation 37.5 hours \$14,085 (ex GST)</b>	Report to ASIC	<ul style="list-style-type: none"> <li>• Preparing report to ASIC outlining findings from investigations</li> </ul>
	Insolvent trading, voidable transactions and other investigation	<ul style="list-style-type: none"> <li>• Preparation of investigation file</li> <li>• Analysing, assessing recovery of potential voidable transactions</li> <li>• Investigations into the date of insolvency</li> <li>• Insolvent trading analysis</li> <li>• Considering insolvent trading claim against the Director</li> <li>• Analysing and identifying potentially voidable transactions</li> <li>• Pursuing identified voidable transaction/s between the Company and the ATO</li> </ul>
<b>Administration 28.2 hours \$9,058 (ex GST)</b>	ASIC forms	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>• Attending to regular statutory lodgements with the ATO</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Receipting funds</li> <li>• Preparing payments</li> <li>• Bank account reconciliations</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Obtaining books and records</li> <li>• Scanning and entering files into archive</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>• File reviews</li> <li>• Notifying relevant agencies, service providers and other authorities</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Discussions regarding status of administration</li> </ul>
<b>Total: \$65,253</b>		

## 4.2 Calculation of remuneration for resolution 1

Please refer to Annexure A.

### 4.3 Resolution 2

**Period:** 1 August 2020 to finalisation

Task area	General description	Includes
<b>Assets</b> <b>2 hours</b> <b>\$850</b> <b>(ex GST)</b>	Debtors	<ul style="list-style-type: none"> <li>• Correspondence with debtors requesting information regarding potential counterclaims</li> <li>• Reviewing and considering counter claims from debtors</li> <li>• Pursuing recovery of debts owed to the Company</li> </ul>
	Creditors enquiries	<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries</li> <li>• Updating contact information of creditors</li> </ul>
<b>Creditors</b> <b>13 hours</b> <b>\$4,330</b> <b>(ex GST)</b>	Creditor reports/proposals	<ul style="list-style-type: none"> <li>• Preparing correspondence to creditors</li> <li>• Following up creditor responses in relation to remuneration notice via proposal</li> <li>• Responding to stakeholder queries and questions</li> <li>• Preparing and lodging of results of proposals without meeting of creditors with ASIC</li> </ul>
	Insolvent trading and other investigations	<ul style="list-style-type: none"> <li>• Recovering voidable transaction between the Company and the ATO</li> <li>• Determining the quantum and viability of the potential insolvent trading claim against the Director</li> <li>• Liaising with legal counsel in relation to commerciality of potential insolvent trading claim against the Director</li> <li>• Liaising with legal counsel to develop strategy for potential insolvent trading claim against the Director</li> <li>• Ad-hoc tasks required to progress the potential insolvent trading claim</li> </ul>
<b>Investigation</b> <b>37 hours</b> <b>\$12,580</b> <b>(ex GST)</b>	Report to ASIC	<ul style="list-style-type: none"> <li>• Preparing report to ASIC outlining findings from investigations</li> <li>• Reviewing response from ASIC</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>• Preparing and lodging of statutory forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>• Notifying ATO of finalisation of liquidation</li> <li>• Removing Company's ABN from Liquidator's ATO portal</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Receipting funds</li> <li>• Preparing payments</li> <li>• Preparing correspondence closing accounts</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Preparing and sending books and records to storage</li> <li>• Scanning and entering files into archive</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• File reviews</li> <li>• Discussions regarding status of administration</li> </ul>
	Director	<ul style="list-style-type: none"> <li>• Correspondence with Director as required</li> </ul>
<b>Administration</b> <b>8 hours</b> <b>\$2,345</b> <b>(ex GST)</b>	Correspondence	<ul style="list-style-type: none"> <li>• Notifying relevant agencies, service providers and other authorities of liquidation finalisation</li> </ul>
	<b>Total: \$20,105</b>	

#### 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 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.

### 8 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](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 10 August 2020



**Dermott McVeigh**  
Liquidator

## Annexure A - Calculation of remuneration for resolution 1

Resolution 1: 27 March 2020 to 31 July 2020			Assets		Creditors		Investigation		Administration		Total	
Employee	Position	Hourly Rate \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$
Dermott McVeigh	Appointee	600	2.3	1,380	-	-	-	-	0.4	240	2.7	1,620
Kelly Meyn	Head of Department	520	23.5	12,220	1.5	780	0.3	156	2.0	1,040	27.3	14,196
Eve Switka	Senior Manager	475	27.8	13,205	14.6	6,935	11.4	5,415	3.4	1,615	57.2	27,170
Miriam Schmidt-Hunt	Senior Analyst	330	9.3	3,069	13.7	4,521	3.8	1,254	10.7	3,531	37.5	12,375
Terrence Chong	Senior Analyst	330	-	-	-	-	22.0	7,260	2.2	726	24.2	7,986
Benjamin Moody	Analyst	220	-	-	-	-	-	-	4.9	1,078	4.9	1,078
Arlene Rivera	Personal Assistant	180	-	-	-	-	-	-	4.6	828	4.6	828
<b>Grand Total</b>			<b>62.9</b>	<b>29,874</b>	<b>29.8</b>	<b>12,236</b>	<b>37.5</b>	<b>14,085</b>	<b>28.2</b>	<b>9,058</b>	<b>158.4</b>	<b>65,253</b>

## Annexure B - Calculation of remuneration for resolution 2

Resolution 2: 1 August 2020 - finalisation		Hourly Rate \$	Assets		Creditors		Investigation		Administration		Total	
Employee	Position		Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$	Hours	Cost \$
Dermott McVeigh	Appointee	600	-	-	-	-	2.0	1,200	-	-	<b>2.0</b>	1,200
Kelly Meyn	Head of Department	520	1.0	520	1.0	520	3.0	1,560	-	-	<b>5.0</b>	2,600
Eve Switka	Senior Manager	475	-	-	2.0	950	4.0	1,900	1.0	475	<b>7.0</b>	3,325
Miriam Schmidt-Hunt	Senior Analyst	330	1.0	330	3.0	990	8.0	2,640	1.0	330	<b>13.0</b>	4,290
Terrence Chong	Senior Analyst	330	-	-	3.0	990	8.0	2,640	2.0	660	<b>13.0</b>	4,290
Benjamin Moody	Analyst	220	-	-	4.0	880	12.0	2,640	4.0	880	<b>20.0</b>	4,400
<b>Grand Total</b>			<b>2.0</b>	<b>850</b>	<b>13.0</b>	<b>4,330</b>	<b>37.0</b>	<b>12,580</b>	<b>8.0</b>	<b>2,345</b>	<b>60.0</b>	<b>20,105</b>