



**Jestins Enterprises Pty Ltd (Receivers and Managers Appointed) (In Liquidation) ATF Jestins Family Trust  
trading as Pharmadeal Ascot Vale Discount Pharmacy and Ascot Vale Discount Pharmacy  
ACN 153 624 509 / ABN 25 441 419 297  
(Jestins)**

**Initial Information for Creditors**

Robert Smith and I were appointed joint and several liquidators (**Liquidators**) of Jestins by order of the Federal Court of Australia (**Court**) on 11 February 2022. On 22 February 2022, the Court further ordered that the Liquidators be appointed receivers and managers (**Receivers**) over the assets of the Jestins Family Trust (**Trust**), with effect from the date of the Liquidators' appointment to Jestins on 11 February 2022. Copies of the Court orders dated 11 February 2022 and 22 February 2022 are enclosed for your reference.

We have been appointed to represent the interests of all creditors. We are responsible for locating Jestins' and the Trust's assets, investigating its affairs, reporting to the Australian Securities and Investments Commission (**ASIC**) and, if funds become available, paying money owed to creditors.

According to Jestins' records, you may be a creditor of Jestins. The purpose of this document is to provide you with information about the liquidation and receivership and your rights as a creditor.

**Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

We enclose our DIRRI. Our independent status and who appointed us is outlined in our DIRRI.

**What do you need to know?**

Question	Answer
<b>What is a court liquidation?</b>	A court liquidation is where a creditor that is owed money by the company successfully applies for and is granted an order by a court that the company be placed into liquidation on the grounds that the company is insolvent.
<b>What is a court appointed receiver and manager?</b>	A court appointed receiver and manager is an insolvency practitioner appointed by a court over specific assets or companies, to undertake a similar role to a liquidator. A receiver and manager's obligations however are more limited than a liquidator, with their key responsibility being to realise assets and distribute proceeds to creditors. They have more limited investigative powers and obligations than a liquidator. A court appointed receiver and manager is an officer of the court.
<b>What are your rights as a creditor?</b>	We enclose a copy of the information sheet "Creditor Rights in Liquidations" issued by the Australian Restructuring Insolvency & Turnaround Association ( <b>ARITA</b> ). It includes information on your rights to: <ul style="list-style-type: none"><li>▪ make reasonable requests for a meeting;</li><li>▪ make reasonable requests for information;</li><li>▪ give directions to the Liquidators;</li><li>▪ appoint a reviewing liquidator; and</li><li>▪ replace us as Liquidators.</li></ul>



Question	Answer
<p><b>What happens to your debt and what is the status of Jestins' business?</b></p>	<p>All creditors of Jestins and the Trust are now creditors in the liquidation and receivership and will be dealt with in the liquidation and receivership.</p> <p>The amount of money you receive depends on the amount we recover, including from locating, securing and selling Jestins' and the Trust's assets. After paying our fees and the costs of the liquidation and/or receivership, creditors share in any remaining money proportionally. If funds are available, the amount paid is called a dividend.</p> <p>A dividend can vary between creditors because the law entitles different types of creditors to be paid before other types of creditors. In addition, a dividend will only be paid where there are sufficient recoveries in the liquidation and receivership, which will not always be the case.</p> <p>If you have leased property to Jestins or the Trust, have a retention of title claim or a registered personal property securities interest in relation to Jestins or the Trust, please contact Yiran Lin of my staff on (03) 9038 3111 as soon as possible.</p>
<p><b>What is the current status of Jestins' business?</b></p>	<p>The Liquidators and Receivers understand that the pharmacy operated by Jestins temporarily ceased trading on or around 26 January 2022.</p> <p>Following the Liquidators and Receivers' appointment, they have engaged proactively with the key pharmacy regulators in relation to Jestins' pharmacy business. The Liquidators and Receivers have also been assessing Jestins' ability to recommence trade and in parallel have performed a sale campaign for Jestins' and/or the Trust's business.</p> <p>Expressions of interest for the business have now been received, and the Liquidators and Receivers intend to execute formal sale documentation with a preferred bidder imminently, with a view to recommencing trade as soon as practicable post documenting the sale.</p>
<p><b>Do you have to do anything?</b></p>	<p>You should read this information. You can choose to participate in the liquidation and receivership process, but you do not have to.</p> <p>If we need you to take action, we will write to you in this respect. For example, we may ask you to provide proof of your debt before we can pay you a dividend.</p> <p>If you do not think you are a creditor, please let us know.</p>
<p><b>What is the cost of the liquidation and/or receivership?</b></p>	<p>We get paid out of Jestins' and the Trust's money, including realisations from assets or from money paid to us by others, which may include funds contributed by Jestins' or the Trust's creditors. If there is not enough money in the liquidation or receivership, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice for the liquidation of Jestins and receivership of the Trust assets, which provides you with information about how we propose to be paid for undertaking the liquidation and receivership.</p> <p>We may write and ask that you approve our remuneration for the work that we do in completing the liquidation and receivership. If we do, we will provide you with detailed information about what tasks we have undertaken and the costs of those tasks.</p>



Question	Answer
<b>What further communication will you receive?</b>	<p>We will write to you within three months of our appointment advising whether a dividend is likely and update you on the progress of our investigations.</p> <p>We may also send you updates on the progress of the liquidation and receivership, or proposals to approve certain matters in the liquidation, at any time.</p> <p>If we consider it to be in the interests of creditors, we will hold a meeting to communicate with creditors. Further, if we receive a request for a meeting that complies with the guidelines set out in the creditor rights information sheet, we will also hold a meeting of creditors.</p>
<b>What happens next?</b>	<p>We will proceed with the liquidation and receivership, which will include:</p> <ul style="list-style-type: none"><li>▪ progressing the business sale process;</li><li>▪ recovering and selling any other available property of Jestins and the Trust;</li><li>▪ investigating Jestins' and the Trust's affairs;</li><li>▪ reporting to the corporate regulator, ASIC; and</li><li>▪ distributing any available funds to creditors in accordance with their priority.</li></ul>
<b>Where can you get more information?</b>	<p>ARITA provides information to assist creditors to understand liquidations and insolvency. This information is available from ARITA's website at <a href="http://www.arita.com.au/creditors">www.arita.com.au/creditors</a>.</p> <p>A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by ASIC is also enclosed for your information.</p>

If you have any queries, please contact Yiran Lin of my staff on (03) 9038 3111.

Dated: 11 March 2022

Matthew Hutton  
*Liquidator*

Enclosures:

- 1 Federal Court of Australia order appointing the Liquidators dated 11 February 2022
- 2 Federal Court of Australia order appointing the Receivers and Managers dated 22 February 2022
- 3 ARITA Information Sheet - Creditor Rights in Liquidations
- 4 Declaration of Independence, Relevant Relationships and Indemnities
- 5 Initial Remuneration Notice
- 6 ASIC Information Sheet - Insolvency information for directors, employees, creditors and shareholders



Federal Court of Australia

District Registry: Victoria

Division: General

No: VID3/2022

**IN THE MATTER OF JESTINS ENTERPRISES PTY LTD (ACN 153 624 509)  
(IN ITS CAPACITY AS TRUSTEE FOR THE JESTINS FAMILY TRUST)**

**OZ HEALTHERIES PTY LTD (ACN 620 559 533)**

Plaintiff

**JESTINS ENTERPRISES PTY LTD (ACN 153 624 509) (IN ITS CAPACITY AS  
TRUSTEE FOR THE JESTINS FAMILY TRUST)**

Defendant

### **ORDER**

**REGISTRAR:** JUDICIAL REGISTRAR ALLAWAY

**DATE OF ORDER:** 11 February 2022

**WHERE MADE:** Melbourne

#### **THE COURT ORDERS THAT:**

1. JESTINS ENTERPRISES PTY LTD (ACN 153 624 509) be wound up in insolvency under the provisions of the *Corporations Act 2001* (Cth).
2. MATTHEW RUSSELL HUTTON and ROBERT BRUCE SMITH, registered liquidators, are appointed liquidators of the company.
3. The plaintiff's costs be taxed and reimbursed in accordance with s 466(2) of the *Corporations Act 2001* (Cth).
4. The costs of supporting creditors SIGMA COMPANY LIMITED (ACN 004 132 923) and ALKA ISAAC SEBASTIAN be taxed and reimbursed in accordance with the *Corporations Act 2001* (Cth).

Date that entry is stamped: 11 February 2022

  
Registrar



Subsection 35A (5) of the *Federal Court of Australia Act 1976* (the *Act*) provides that a party to proceedings in which a Registrar has exercised any of the powers of the Court under subsection 35A (1) of the Act may, within the time prescribed by the Rules of Court, or within any further time allowed in accordance with the Rules of Court, apply to the Court to review that exercise of power.

Rule 3.11 provides that a party may apply to the Court under subsection 35A (5) of the Act for review of the exercise of a power of the Court by a Registrar and that any application must be made within 21 days after the day on which the power was exercised. A party seeking a review can apply to the Court to dispense with any requirement of the Rules (Rule1.34).



Federal Court of Australia

District Registry: Victoria

Division: General

No: VID86/2022

**MATTHEW RUSSELL HUTTON AND ROBERT BRUCE SMITH IN THEIR  
CAPACITY AS JOINT AND SEVERAL LIQUIDATORS OF JESTINS  
ENTERPRISES PTY LTD (IN LIQUIDATION) (ACN 153 624 509)** and another named  
in the schedule  
First Plaintiffs

### ORDER

**JUDGE:** JUSTICE ANASTASSIOU

**DATE OF ORDER:** 22 February 2022

**WHERE MADE:** Melbourne

#### THE COURT ORDERS THAT:

1. Compliance with r 2.8 of the *Federal Court (Corporations) Rules 2000* (Cth) be dispensed with.
2. To the extent that the Second Plaintiff is no longer trustee of the Jestins Family Trust (**Trust**):
  - a. pursuant to s 57(1) of the *Federal Court of Australia Act 1976* (Cth) (**Federal Court Act**) and r 14.21 of the *Federal Court Rules 2011* (Cth) (**Rules**), the First Plaintiffs be appointed joint and several receivers and managers over the assets of the Trust with effect upon commencement of the liquidation of the Second Plaintiff, *nunc pro tunc*, for the purpose of preserving and realising those assets;
  - b. any requirement for the First Plaintiffs to file a guarantee under rr 14.21 and 14.22 of the Rules be dispensed with;
  - c. the First Plaintiffs have, in respect of the business and assets of the Trust, the powers that a receiver and manager has in respect of the business and property of a company under s 420 of the *Corporations Act 2001* (Cth) (**Corporations Act**) other than ss 420(2)(s), (t), (u) and (w), as if the reference in that section to “the corporation” were a reference to the Trust, including, without limitation, the power to do all things necessary or convenient to:
    - i. sell the business and/or other trust assets of the Trust;



- ii. pay the creditors of the Trust from the proceeds of the trust assets, pursuant to the priorities prescribed under the provisions of the Corporations Act;
  - iii. compromise any claim made against the Trust on any terms the Liquidators see fit; and
  - iv. bring any claim against any party on behalf of the Trust.
3. Pursuant to s 1318 of the Corporations Act, the First Plaintiffs, in their capacity as liquidators of the Second Plaintiff, acted honestly and ought fairly to be excused for any breaches, failures, or omissions relating to the liquidation of the second plaintiff in dealing with the property of the Trust.
4. As to the First Plaintiffs' costs, expenses and remuneration:
  - a. subject to the First Plaintiffs being satisfied that it is unnecessary to apportion their costs, expenses and remuneration between the Second Plaintiff in its capacity as trustee of the Trust and the Second Plaintiff on its own behalf, the costs, expenses and remuneration incurred by the First Plaintiffs in their capacity as liquidators of the Second Plaintiff and as receivers and managers over the assets of the Trust, including the costs of this application, be paid in priority from the assets of Trust (including any proceeds from the sale of the assets of the Trust); and
  - b. in the event that the liquidators are not so satisfied, they shall apply to the Court for further orders and directions in relation to the costs, expenses and remuneration they have incurred in their capacity as liquidators of the Second Plaintiff and as receivers and managers over the assets of the Trust.
5. The First Plaintiffs have liberty to apply to the Court for further orders, directions and/or advice including in relation to their remuneration.

Date that entry is stamped: 22 February 2022

*Sia Lagos*  
Registrar



**Schedule**

No: VID86/2022

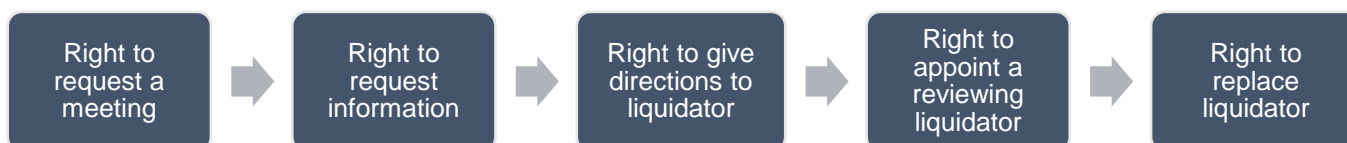
Federal Court of Australia  
District Registry: Victoria  
Division: General

Second Plaintiff            JESTINS ENTERPRISES PTY LTD (IN LIQUIDATION) (ACN  
153 624 509)



# 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.

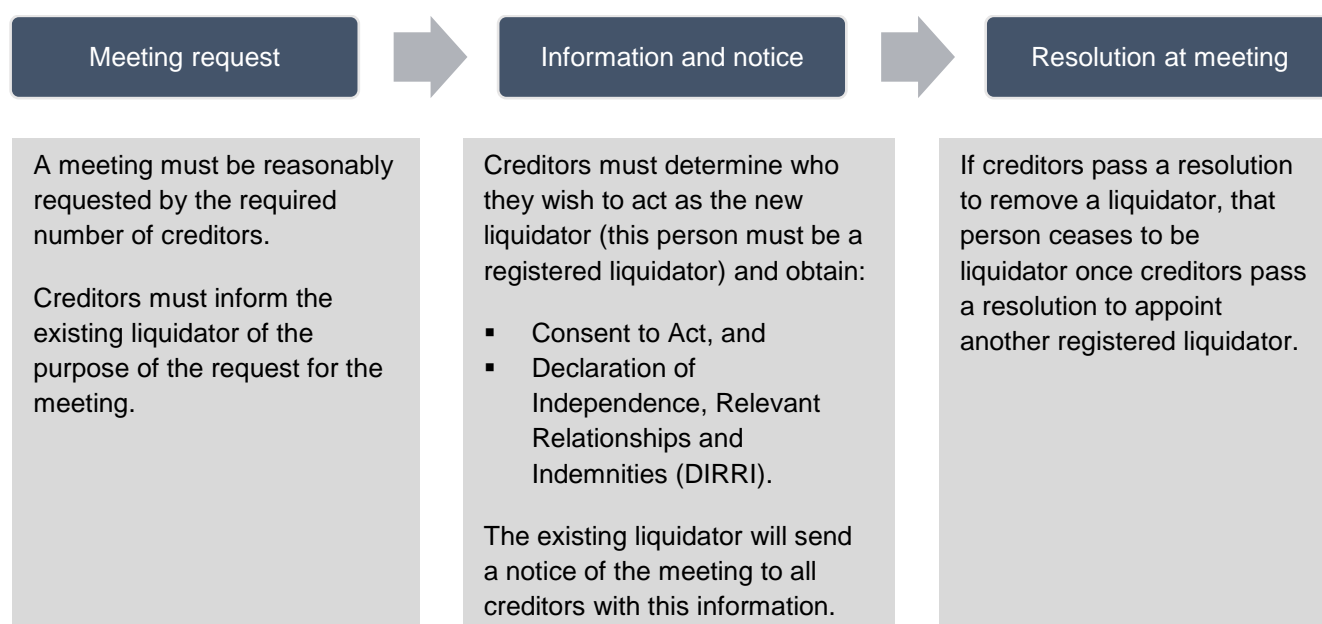
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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](http://www.arita.com.au/creditors).  
Specific queries about the liquidation should be directed to the liquidator's office.**



## **Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

**Jestins Enterprises Pty Ltd (Receivers and Managers Appointed) (In Liquidation) ATF Jestins Family Trust trading as Pharmadeal Ascot Vale Discount Pharmacy and Ascot Vale Discount Pharmacy  
ACN 153 624 509 / ABN 25 441 419 297  
(Jestins)**

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to Jestins and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our partners, the firm McGrathNicol, which for the purpose of this declaration includes the McGrathNicol Partnership, the McGrathNicol Advisory Partnership and McGrathNicol Services Pty Ltd.

We are Professional Members of the Australian Restructuring Insolvency Turnaround Association (**ARITA**). We acknowledge that we are bound by the ARITA Code of Professional Practice.

### **A. Independence**

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those I have disclosed in this document.

### **B. Circumstances of Appointment**

#### ***How we were referred this appointment***

This appointment was referred to us by Tao Jiang Lawyers, acting on behalf of OZ Healtheries Pty Ltd (**OZ**), a creditor of Jestins who had lodged a petition for Jestins' winding up.

On 6 January 2022, Jinglan Rong (**Ms Rong**), the wife of the sole director of OZ, contacted a staff member of McGrathNicol to ascertain whether we were able to consent to act as Liquidators of Jestins. On the same day, we confirmed that there were no conflicts and provided our consent to act as Liquidators.

We believe this referral does not result in a conflict of interest or duty because:

- this is the first referral of any type from Tao Jiang Lawyers to McGrathNicol;
- no prior engagements have been undertaken by McGrathNicol in relation to Jestins; and
- the referral was made on an unconditional basis.

There is no expectation, agreement or understanding between us and Tao Jiang Lawyers or OZ regarding the conduct of the liquidation and we are free to act independently and in accordance with the law and applicable professional standards.

On 11 February 2022, the Federal Court of Australia ordered the winding up of Jestins.

#### ***Did we meet with the company, the directors or their advisors before we were appointed?***

We have not provided any information or advice to Jestins or its director, or had any contact with these parties prior to our appointment beyond that outlined in this DIRRI.



**C. Declaration of Relationships**

Within the previous two years, have we, or our firm, had a relationship with:	
Jestins?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of Jestins?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  An associate is a director or secretary of Jestins, a related body corporate of Jestins or a director or secretary of a related body corporate of Jestins. A related body corporate includes the holding company of Jestins, a subsidiary of Jestins and a subsidiary of the holding company of Jestins.
A former insolvency practitioner appointed to Jestins?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole or substantially the whole of Jestins' property?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Westpac Banking Corporation ( <b>WBC</b> ) holds a charge on the whole or substantially the whole of the property of Jestins.  McGrathNicol undertakes restructuring and advisory work from time to time on instruction from WBC.  We believe this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>▪ each professional engagements undertaken for WBC in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment;</li><li>▪ these engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and</li><li>▪ McGrathNicol has not undertaken an engagement for WBC in respect of Jestins.</li></ul> Given these factors, our independence in acting as liquidator of Jestins has not been affected.


<b>Do we have any other relationships that we consider are relevant to creditors assessing our independence?</b>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**D. Indemnities and up-front payments**

We have not received any up-front payments or indemnities for this appointment. This does not include any indemnities I may be entitled to under the law.

Dated: 11 March 2022

  
.....  
**Matthew Russell Hutton**

  
.....  
**Robert Bruce Smith**



Note:

1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.
2. If the circumstances change or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors. For Creditors' Voluntary Liquidations and Voluntary Administrations, this document and any updated versions of this document are required to be lodged with ASIC as soon as practicable (2 business days).
3. Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.



## Initial Remuneration Notice

**Jestins Enterprises Pty Ltd (Receivers and Managers Appointed) (In Liquidation) ATF Jestins Family Trust  
trading as Pharmadeal Ascot Vale Discount Pharmacy and Ascot Vale Discount Pharmacy  
ACN 153 624 509 / ABN 25 441 419 297  
(Jestins)**

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the liquidation and receivership will be set.

### 1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner in a liquidation and receivership. They are:

- A. Time based/hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.
- B. Fixed Fee:** The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation.
- C. Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.
- D. Contingency:** The total fee is structured to be contingent on a particular outcome being achieved.

### 2 Method chosen

Given the nature of these external administrations, we propose that our remuneration be calculated on a time basis which will be recorded and charged in six minute increments. Details of the hourly rates for different levels of staff are included below. The complexity and demands of the external administrations will determine the staff to be utilised for this appointment.

We have chosen the time based method because:

- This method is considered to be most suitable for these appointments as it ensures creditors are only charged for work that is performed in the liquidation and receivership, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time based method in this case again ensures that creditors are only charged for work that is actually performed in the liquidation and receivership.
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC and distributing funds in accordance with the provisions of the *Corporations Act*.
- We have a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the liquidation and receivership.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.



### 3 Explanation of Hourly Rates

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

<b>Title</b>	<b>Description</b>	<b>Hourly rate (excl GST)</b>
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$780
Director 1	Generally Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$720
Director	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$670
Senior Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$630
Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$590
Assistant Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$540
Senior Accountant	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$490
Accountant	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$400



<b>Title</b>	<b>Description</b>	<b>Hourly rate (excl GST)</b>
Undergraduate/Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$240
Practice Services Director	National Practice Service leaders, generally degree qualified with more than ten years of experience and reporting directly to partners. Technical experts in their specific areas and have team management responsibilities.	\$720
Senior Treasury staff	Appropriately experienced and undertakes senior Treasury activities such as oversight of the processing of payment of receipts and banking administration. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$480
Senior Client Administration and Treasury	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$380
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$220

McGrathNicol reviews its hourly rates on either 31 December or 30 June. Creditors will be advised of any change to the hourly rates for this external administration.

#### 4 **Estimated remuneration**

We estimate that the liquidation and receivership will cost approximately \$150,000 to \$200,000 to complete (for both appointments). However, we will only be paid if there are sufficient recoveries in the liquidation and receivership. If there are insufficient recoveries from asset realisations we will not be paid in full (or at all).

Our estimate is also subject to the following variables, which may have a significant effect on these estimates and that we are unable to determine at this early stage:

- uncertainty around the timing of completing a sale of Jestins' business and assets;
- the time that may be required to obtain books, records, funds and assets (if any) from the parties that hold them;
- the number and value of claims that may be received in the external administrations and work that may be required to adjudicate on those claims for voting and/or dividend purposes;
- work that may be required to distribute funds to creditors;
- the extent of any further detailed investigations that may be required to ascertain the existence and location of any other assets, including potential legal actions that may be available to the external administrators;





- where viable legal claims are identified, the timeframe to resolution becomes very significantly impacted by the conduct of the defendant and their willingness to resolve the claim by a negotiated settlement, as well as Court timeframes, both of which are difficult to predict; and
- any identified matters that are required to be reported to statutory authorities such as ASIC.

In relation to the receivership, we will appropriately apportion our costs between the liquidation and receivership to ensure creditors of either estate are not unduly prejudiced (in the event there are different creditors in either estate). Where such a determination cannot be reasonably made, we will apply to court to have our receivership costs approved, as required by the Court orders dated 22 February 2022.

## 5 Disbursements

Disbursements are divided into two types:

- **External disbursements** – these are recovered at cost. Examples are travel, accommodation, postage, advertising, couriers and search fees.
- **Internal disbursements** – these disbursements are charged at a rate which recoups both fixed and variable costs and may include an element of profit or advantage to the External Administrator or a related party of the External Administrator. Examples are printing and data storage. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

We are not required to seek creditor approval for disbursements paid to third parties where I am recovering at cost what was incurred on behalf of the liquidation and receivership, but must account to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ours, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve our disbursements prior to these disbursements being paid from the liquidation and receivership.

Details of the basis of recovering disbursements in these external administrations are provided below.

For clarity, it is noted that any time costs of any employee of McGrathNicol or any associated entity will be reported as part of our remuneration, for which approval may be sought.

### *Basis of disbursement claim*

<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
<b>External disbursements</b>	
Postage	At cost
Stationery and other incidental disbursements	At cost
Conference call phone charges	At cost
Searches	At cost
Advertising	At cost
Courier	At cost
Staff per diem travel allowance*	\$89.00 per day**
Staff vehicle use	\$0.72 per km**



<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
ASIC user pays levy	At cost
<b>Internal disbursements (that may have an element of profit or advantage)</b>	
Data processing – data loading & processing fee	\$20-\$60 per gigabyte ( <b>GB</b> ) <sup>***</sup> , minimum \$3,000 for matters less than 50GB.
Data hosting – monthly hosting fee	\$10 per GB, per month. Minimum \$1,000 for small matters. Large matters are priced on application.
Printing – black and white	\$0.09 per page
Printing – Colour	\$0.28 per page

\* Tiered pricing model depending on volume of data to be hosted

\*\* Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight

\*\*\* These rates are deemed reasonable by the Australian Taxation Office

#### ***Further explanation of data hosting disbursements***

In the conduct of this liquidation and receivership, we may use McGrathNicol's Forensic Technology team to extract, aggregate, electronically process and/or host electronic data, which could be used for the:

- trade or sale of the business or assets; and/or
- investigations regarding transactions or potential recoveries available to creditors.

If data hosting is required and we choose not to use the services of McGrathNicol's Forensic Technology team, we will otherwise have to purchase those services from an alternative provider and/or use another method to achieve the same end, which will not be as efficient as using these available internal services.

We note that the data hosting rates above are no more than our standard commercial pricing available for the same services when they are provided to external parties.

**11 March 2022**



**ASIC**  
Australian Securities &  
Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

### List of information sheets

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

### Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.