



**GB Kitchens Pty Ltd (In Liquidation) trading as Kitchen Galerie
ACN 161 150 965
(GB Kitchens)**

Initial Information for Creditors

Robert Smith and I were appointed Liquidators of GB Kitchens on 25 March 2022.

We have been appointed to represent the interests of all creditors. We are responsible for locating GB Kitchens' 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 GB Kitchens' records, you may be a creditor of GB Kitchens.

The purpose of this document is to provide you with information about the liquidation 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
What is a creditors' voluntary liquidation?	A creditors' voluntary liquidation, or CVL, is a liquidation initiated by a company where it cannot pay all of its creditors in full. This means that the company is insolvent.
What are your rights as a creditor?	<p>We enclose a copy of the information sheet "Creditor Rights in Liquidations" issued by the Australian Restructuring Insolvency & Turnaround Association (ARITA). It includes information on your rights to:</p> <ul style="list-style-type: none">▪ make reasonable requests for a meeting;▪ make reasonable requests for information;▪ give directions to the Liquidators;▪ appoint a reviewing liquidator; and▪ replace us as Liquidators. <p>In addition, creditors have the right to request a meeting in the first 20 business days of a creditors' voluntary liquidation. If we receive a request for a meeting in writing from at least 5% of known creditors, unrelated to GB Kitchens, we are required to hold a meeting, as long as the request is reasonable. Details of the considerations that are relevant to determine whether a request is reasonable are set out in the information sheet "Creditor Rights in Liquidations".</p>



Question	Answer
<p>What happens to your debt?</p>	<p>All creditors of GB Kitchens are now creditors in the liquidation and will now be dealt with in the liquidation.</p> <p>The amount of money you receive depends on the amount we recover, including from locating, securing and selling GB Kitchens' assets. After paying our fees, 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, which will not always be the case.</p> <p>If you have leased property to GB Kitchens, have a retention of title claim or have a registered personal property securities interest in relation to GB Kitchens, please contact Toby Wright of my staff on (03) 9278 1007 or at twright@mcgrathnicol.com as soon as possible.</p>
<p>Do you have to do anything?</p>	<p>You should read this information. You can choose to participate in the liquidation process, but you don't have to.</p> <p>If we need you to take action, we will write and ask you. 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>Summary of affairs</p>	<p>A summary of GB Kitchens' affairs (Form 509) based on the information provided by the sole director is enclosed. A Report on Company Activities and Property (ROCAP) is being completed by the sole director and will be returned to us shortly.</p>
<p>Listing of creditors</p>	<p>As required by section 497(1) of the <i>Corporations Act</i>, we enclose a list of creditors, including their addresses and the estimated amounts of their claims that are shown in the records of GB Kitchens. Any creditors related to GB Kitchens are identified. If you do not agree with the estimated amount of your claim, please contact us to obtain a Proof of Debt Form (Form 535) to provide details and evidence of your claim.</p>
<p>What has happened in the liquidation so far?</p>	<p>The key asset of GB Kitchens is its accounts receivable. Upon our appointment we wrote to these debtors requesting payments of the amounts owed to GB Kitchens. We will provide an update on this collection process in our next report to creditors.</p>
<p>What is the cost of the liquidation?</p>	<p>We get paid out of GB Kitchens' money, including realisations from assets or from money paid to us by others, such as GB Kitchens' director. If there is not enough money in the liquidation, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice, which provides you with information about how we propose to be paid for undertaking the liquidation.</p> <p>We may write and ask that you approve our remuneration for the work that we do in completing the liquidation. 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
What further communication will you receive?	<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, 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>
What happens next?	<p>We will proceed with the liquidation, which will include:</p> <ul style="list-style-type: none">▪ recovering and realising any available assets;▪ investigating GB Kitchens' affairs;▪ reporting to the corporate regulator, ASIC; and▪ distributing any available funds to creditors in accordance with their priority.
Where can you get more information?	<p>ARITA provides information to assist creditors to understand liquidations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.</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 Toby Wright of my staff on (03) 9278 1007 or at twright@mcgrathnicol.com.

Dated: 8 April 2022

Matthew Hutton
Liquidator

Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Liquidations
- 2 Declaration of Independence, Relevant Relationships and Indemnities
- 3 Summary of affairs (Form 509)
- 4 List of creditors identifying related parties
- 5 Initial Remuneration Notice
- 6 ASIC Information Sheet - Insolvency information for directors, employees, creditors and shareholders

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.

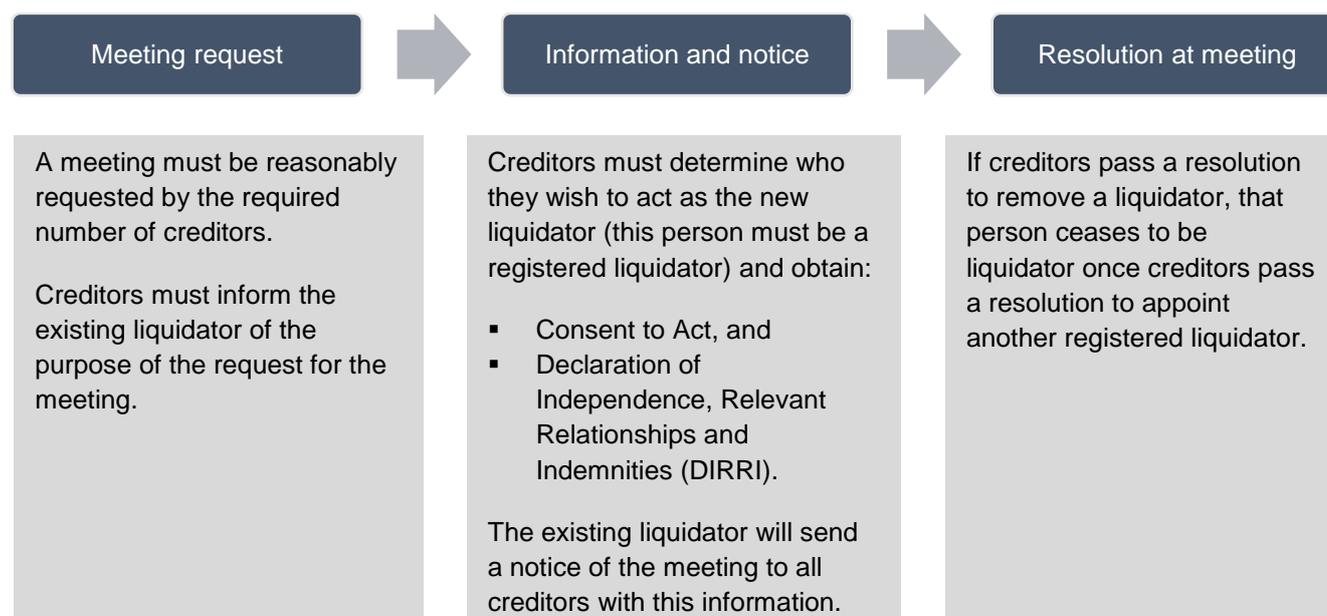
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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.**



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

GB Kitchens Pty Ltd (In Liquidation) trading as Kitchen Galerie
ACN 161 150 965
(GB Kitchens)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to **GB Kitchens** 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 (**CoPP**).

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 Macpherson Kelley, the solicitors acting for GB Kitchens.

On 19 October 2021, a staff member of Macpherson Kelley contacted a staff member of McGrathNicol providing a brief background regarding their client, GB Kitchens.

On 26 October 2021, Matthew Hutton (a Partner of McGrathNicol) and a staff member of McGrathNicol, attended a video conference with representatives of Macpherson Kelley, acting for GB Kitchens. Outlined below is a summary of this meeting:

- Macpherson Kelley provided an overview of the legal proceedings involving GB Kitchens that they were acting on;
- there was a general discussion regarding the financial position of GB Kitchens; and
- Mr Hutton provided a broad outline of the insolvency options available to GB Kitchens.

McGrathNicol has a professional relationship with Macpherson Kelley and from time to time undertakes engagements referred by them. Macpherson Kelley has also provided legal services for some projects undertaken by McGrathNicol.

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

- each professional engagement undertaken on referral by Macpherson Kelley in relation to a particular entity is conducted on an entirely separate basis and is commenced only after full regard is given to potential conflicts of interest in relation to all interested parties;



- no prior engagements have been undertaken by McGrathNicol in relation to GB Kitchens;
- the referral was made on an unconditional basis;
- introductions or referrals from legal advisors to specialist advisors are common business practice; and
- the limited dealings with Macpherson Kelley in relation to considering insolvency options and consenting to act as liquidators of GB Kitchens does not impact on our independence, as it does not result in any duty owed to the law firm that would conflict with our duties as liquidators.

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

On 29 October 2021 a staff member of McGrathNicol and a staff member of Macpherson Kelley had a conference call with the sole director of GB Kitchens, Mr Hong Wei (**Mr Wei**). During this meeting the staff member of McGrathNicol explained to Mr Wei the insolvency options available to GB Kitchens and briefly discussed the process of a creditors' voluntary liquidation (**CVL**), noting Mr Wei advised this was the likely preferred option in relation to GB Kitchens.

Following this conference call, the staff member of McGrathNicol exchanged a number of phone calls with Mr Wei to further discuss the general CVL process, as well as the documents required to affect such an appointment.

On 25 March 2022, the members of GB Kitchens resolved to wind up the company by way of a creditors' voluntary liquidation and to appoint Matthew Hutton and Robert Smith as joint and several liquidators of GB Kitchens.

We received no remuneration for the advice outlined above.

In our opinion these meetings do not affect our independence for the following reasons:

- It is recognised by the Courts and the CoPP that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment.
- The nature of and the limited scope of the discussions with the director and the advice provided was such that it would not be subject to review and challenge during the course of the liquidation. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation in an objective and impartial manner.

We have provided no information or advice to GB Kitchens nor 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:	
GB Kitchens?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of GB Kitchens?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A former insolvency practitioner appointed to GB Kitchens?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



Within the previous two years, have we, or our firm, had a relationship with:

A secured creditor entitled to enforce a security over the whole or substantially the whole of GB Kitchens' property?

Yes No

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

Yes No

D. Indemnities and up-front payments

We have been provided with the following upfront payment for remuneration:

Name	Relationship with GB Kitchens	Nature of indemnity or payment
Mr Hong Wei	Mr Hong Wei is the sole director and a shareholder of GB Kitchens.	Mr Hong Wei provided the Liquidators with an unconditional up-front payment of \$10,000 on 25 March 2022 to partially fund the Liquidators' fees incurred in the conduct of the liquidation. The funds were transferred to McGrathNicol's Trust Account. The up-front payment is unconditional, and any funds utilised for payment of our remuneration will not be drawn down until relevant approval has been obtained under the Corporations Act.

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

Dated: 8 April 2022

.....
Signed, Matthew Russell Hutton

Note:

.....
Signed, Robert Bruce Smith



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.
3. Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.



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

Related forms:

5604 Information about the company's affairs sent to creditors

Company details

Company name

GB Kitchens Pty Ltd (In Liquidation) trading as Kitchen Galerie

ACN

161 150 965

Lodgement details

An image of this form will be available as part of the public register.

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

ASIC Registered agent number (if applicable)

Firm/organisation

McGrathNicol

Contact name/position description

Yiran Lin

Telephone number (during business hours)

(03) 9038 3111

Email address (optional)

ylin@mcgrathnicol.com

Postal address

Level 6, 171 Collins St

Suburb/City

Melbourne

State/Territory

VIC

Postcode

3001

Summary of assets and liabilities

Date to which summary is made up

2 5 / 0 3 / 2 2
[D D] [M M] [Y Y]

Continued... Summary of assets and liabilities

	Valuation (for each entry show whether cost or net book amount)	Estimated Realisable Values
1	\$	\$
Assets not specifically subject to security interest		
(a) interest in land		
(b) sundry debtors	4,760,451.88	2,380,225.94
(c) cash on hand		
(d) cash at bank		
(e) stock		
(f) work in progress		
(g) plant and machinery		
(h) other assets		
Sub-total		
2		
Assets subject to specific security interests		
Less amounts owing		
Total Assets	(\$ 4,760,451.88)	
Total Estimated Realisable Values		(\$ 2,380,225.94)
3		
Less amounts payable in advance of secured creditor(s) including employee entitlements		
4		
Less amounts owing and secured by debenture or circulating security interests over assets		
5		
Less preferential claims ranking behind secured creditors		
6		
Less balances owing to partly secured creditors		
Total Claims	(\$)	
Security Held	(\$)	
7		
Less creditors (Unsecured) Amount claimed		8,801,781.92
8		
Add contingent assets Estimated to produce		
9		
Less contingent liabilities Estimated to rank		

Estimated deficiency or

Estimated surplus

\$ 6,421,555.98

Subject to costs of administration or

Subject to costs of liquidation

Share capital \$ 100

Issued \$ 100

Paid Up \$ 100

Signature

This form must be signed by a director, secretary or liquidator.

Name of person signing

Matthew Hutton

Capacity

Liquidator

Signature



Date signed

0 8 / 0 4 / 2 2
[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

Guide: Presentation of summary of affairs of a company

This guide does not form part of the form. It is included by ASIC to assist you in completing and lodging the Form 509.

Related forms:

5604 Information about the company's affairs sent to creditors

Signature	This form must be signed by a director, secretary or liquidator.				
Lodgement period	10 business days after the meeting of the company at which the resolution for winding up was passed.				
Lodgement fee	A lodgement fee applies to this form. For information on fees refer to www.asic.gov.au/forms .				
Other forms to be completed	This form should be lodged with Form 5604 Information about the company's affairs sent to creditors - Section 497(1)(b)				
Additional information	<p>The date given as 'date to which summary is made up' must not be earlier than the date of the declaration by a majority of the directors under subsection 494(1) of the <i>Corporations Act 2001</i>.</p> <p>If this summary of affairs is sent out to creditors in accordance with subparagraph 497(1)(b)(i) of the <i>Corporations Act 2001</i>, it must be made up to the latest practicable date before the notices are sent.</p>				
How to provide additional information	<p>Photocopied Form 509 pages If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement.</p> <p>Attachments Attachments must be labelled as shown below.</p> <p>Sample</p> <table border="1"><tr><td>Liquidator name:</td></tr><tr><td>Attachment name:</td></tr><tr><td>Number of pages:</td></tr><tr><td>Date prepared:</td></tr></table>	Liquidator name:	Attachment name:	Number of pages:	Date prepared:
Liquidator name:					
Attachment name:					
Number of pages:					
Date prepared:					
Privacy	The information provided to ASIC in this form may include personal information. Please refer to our privacy policy (www.asic.gov.au/privacy) for information about how we handle your personal information, your rights to seek access to and correct personal information, and to complain about breaches of your privacy.				
Lodgement	<p>Send completed and signed forms to: Australian Securities and Investments Commission PO Box 4000, Gippsland Mail Centre VIC 3841.</p> <p>For more information Web www.asic.gov.au Need help? www.asic.gov.au/question Telephone 1300 300 630</p>				



GB Kitchens Pty Ltd (In Liquidation) trading as Kitchen Galerie

ACN 191 150 965

(GB Kitchens)

**List of Creditors of the Company to Accompany
Statement of Affairs Pursuant to Section 497(1)(a)(ii)**

Creditor name	Creditor address	Estimated amount of creditor's claim (\$)	Creditor is a related party of the company in liquidation (Yes/No)
Australian Securities and Investments Commission	GPO Box 9827, Brisbane, QLD 4001	620.00	No
Air Liquide Australia Limited	Locked Bag 2000, Sunshine, VIC 3020	146.98	No
Hays Specialist Recruitment (Australia) Pty Ltd	GPO Box 3868, Sydney, NSW 2001	172,092.00	No
SUEZ	PO Box 836, Broadway, NSW 2007	3,811.54	No
State Revenue Office of Victoria	GPO Box 1641, Melbourne, VIC 3001	8,362.40	No
The Trustee for Sonya Family Trust/Mcoau Pty Ltd	Suite 502, 737 Burwood Rd, Hawthorn East, VIC 3123	8,616,749.00	Yes



Initial Remuneration Notice

GB Kitchens Pty Ltd (In Liquidation) trading as Kitchen Galerie ACN 161 150 965 (GB Kitchens)

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the Creditors' Voluntary Liquidation (CVL) 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. 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 this external administration, 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 administration 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 this appointment as it ensures creditors are only charged for work that is performed in the liquidation, 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.
- 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.
- 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 the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly rate (excl GST)
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



Title	Description	Hourly rate (excl GST)
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 this liquidation will cost approximately \$30,000 to \$60,000 to complete, subject to the following variables:

- the time that may be required to obtain books, records, funds and assets (if any) from the parties that hold them;
- whether proceedings are required to be brought against GB Kitchens' debtors;
- the number and value of claims that may be received in the CVL 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;
- 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 administrator;
- 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.

Prior to our appointment, we provided an estimate of the cost of the external administration to the directors. This estimate is consistent with the estimate provided to the directors prior to our appointment.



We received an unconditional up-front payment of \$10,000 to contribute to the estimated costs. The up-front payment is unconditional, and any funds utilised for payment of our remuneration will not be drawn until relevant approval from creditors has been obtained under the *Corporations Act*. This has been disclosed in our declaration of independence, relevant relationships and indemnities (**DIRRI**).

Approved remuneration may exceed the amount of this upfront payment and can be paid from the assets of the external administration after approval by creditors or the Court.

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, 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.

Details of the basis of recovering disbursements in this external administration 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>
External disbursements	
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**
ASIC user pays levy	At cost
Internal disbursements (that may have an element of profit or advantage)	



<i>Disbursement type</i>	<i>Rate (GST exclusive)</i>
Data processing – data loading & processing fee	\$20-\$60 per gigabyte (GB) ^{***} , 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, 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.

8 April 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.