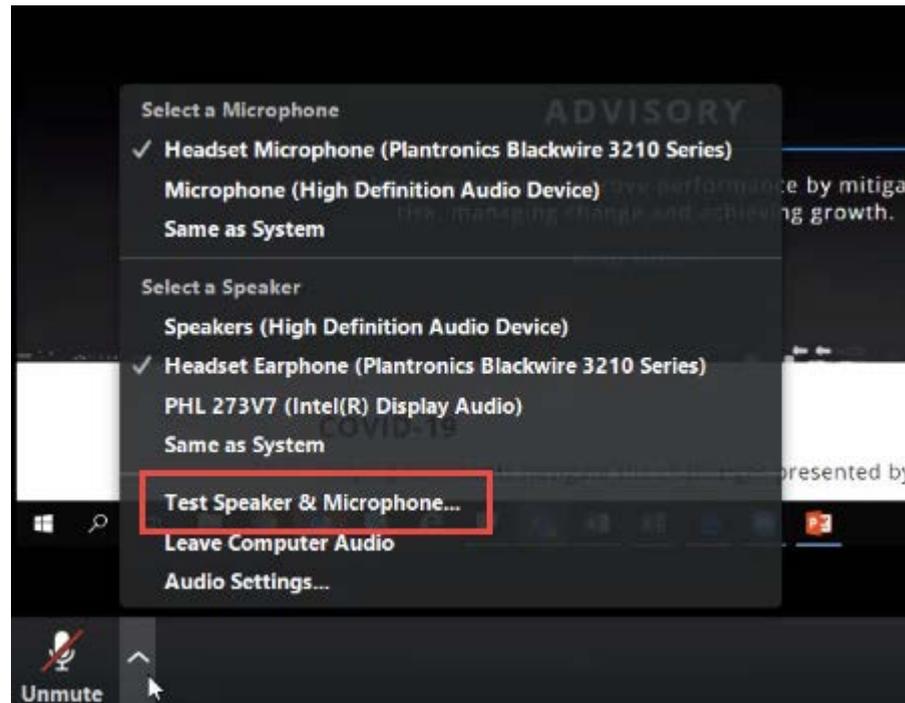
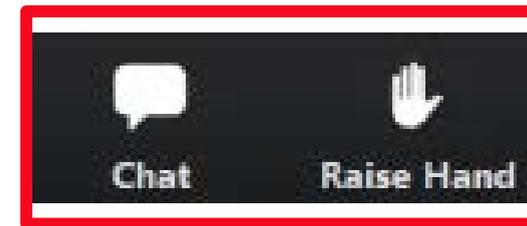


# Please hold for the start of the meeting



Check your audio settings in the lower left as shown to select the appropriate microphone and speaker output or conduct a test.



Use the Raise Hand icon if you would like to ask a question out loud, or type your question using the Chat icon.

# Unimoni Pty Ltd (Administrators Appointed) (Unimoni)

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## First Meeting of Creditors

2 August 2021



McGrathNicol

unimoni

# Agenda

- **Introduction**
  - Formalities
  - Purpose of meeting
  - Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**) and remuneration
  - Purpose of administration
- **Voluntary Administration of Unimoni**
  - Background and operations
  - Financial position and performance
  - Directors' reasons for failure
  - Administrators' actions since appointment
  - Sale process
  - Liquidation vs Deed of Company Arrangement
- **Questions**
- **Resolutions (Committee and replacement of Voluntary Administrators)**

# Formalities

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- Open meeting
- Administrator Chairperson: IPR 75-50
- Introductions:
  - Shaun Fraser (Administrator)
  - Suzanne Westney (Director)
- Quorum: IPR 75-105
- Attendance register
- Voting
- Time and place convenient: IPR 75-30
- Proofs of debt and proxies

# Purpose of meeting

- Convened under Section 436E of the Corporations Act to:
  - determine whether to appoint a Committee of Inspection to the Company, and if so, who are to be the Committee's members; and
  - consider the removal of the Administrators and appoint an alternative Administrator who has consented to act
- This meeting has no authority to consider any other business
- At the second statutory meeting, a decision is made regarding Unimoni's future

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

## DIRRI

- DIRRI dated 26 July 2021 - distributed with notice of meeting
- DIRRI is available for inspection
- We remain of the view that we are free of any potential conflict of interest
- An up-front payment of \$600,000 was provided by Unimoni on 20 July 2021 into the McGrathNicol Trust account. The funding represents an indemnity for trading costs and the administrators' fees and costs and is to be drawn only in the event that trading realisations are insufficient to cover these liabilities. Further, any funds utilised for payment of our remuneration will not be drawn down until relevant creditor approval has been obtain under the Corporations Act.
- DIRRI tabled

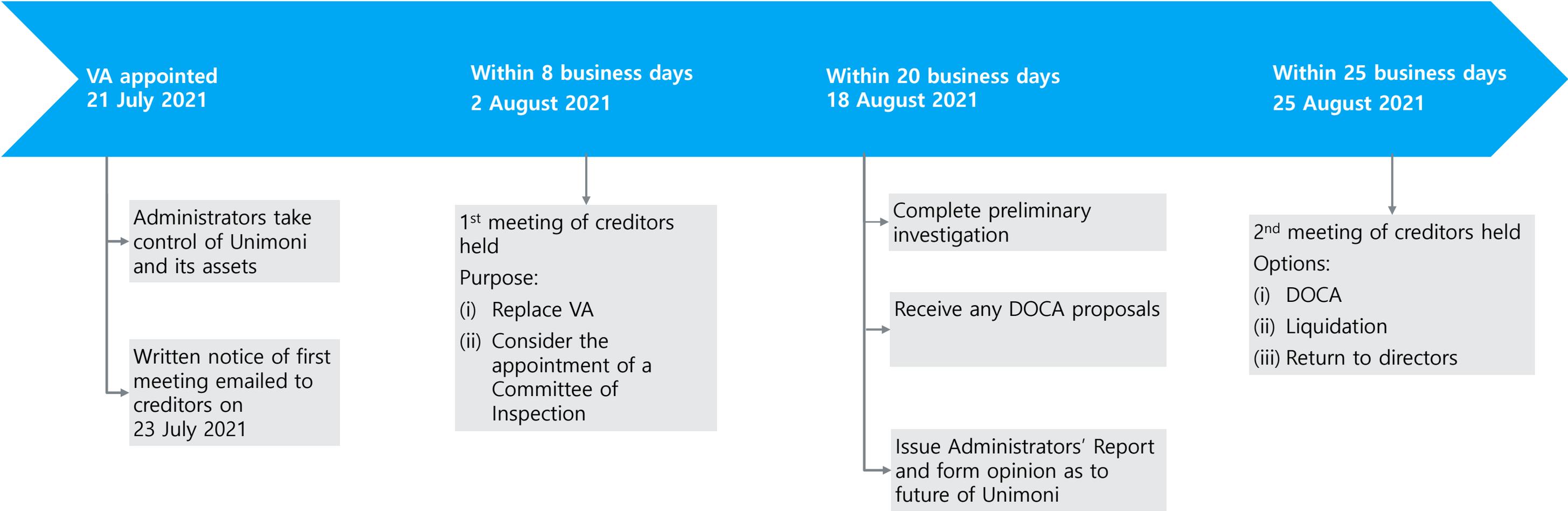
## Remuneration

- Schedule of rates provided with meeting information
- Comprehensive remuneration report will be provided prior to the second meeting of creditors

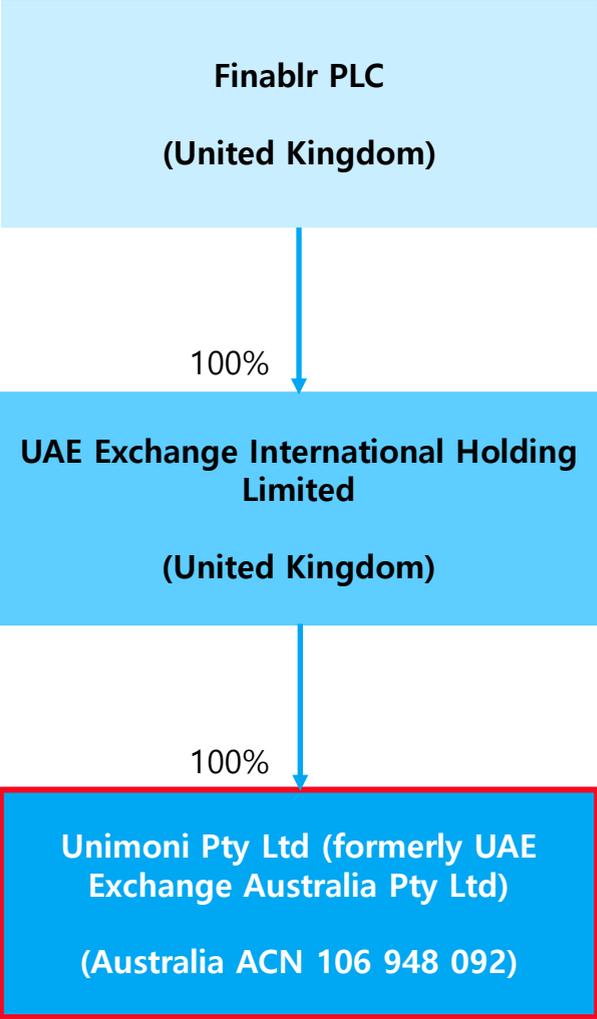
# Purpose of administration

- Directors' powers are suspended and Administrators are in control
- Voluntary Administration provides moratorium period for investigation / determination of company's future at second meeting of creditors:
  - Return company to Directors;
  - Deed of Company Arrangement; or
  - Liquidation

# Voluntary administration timeline



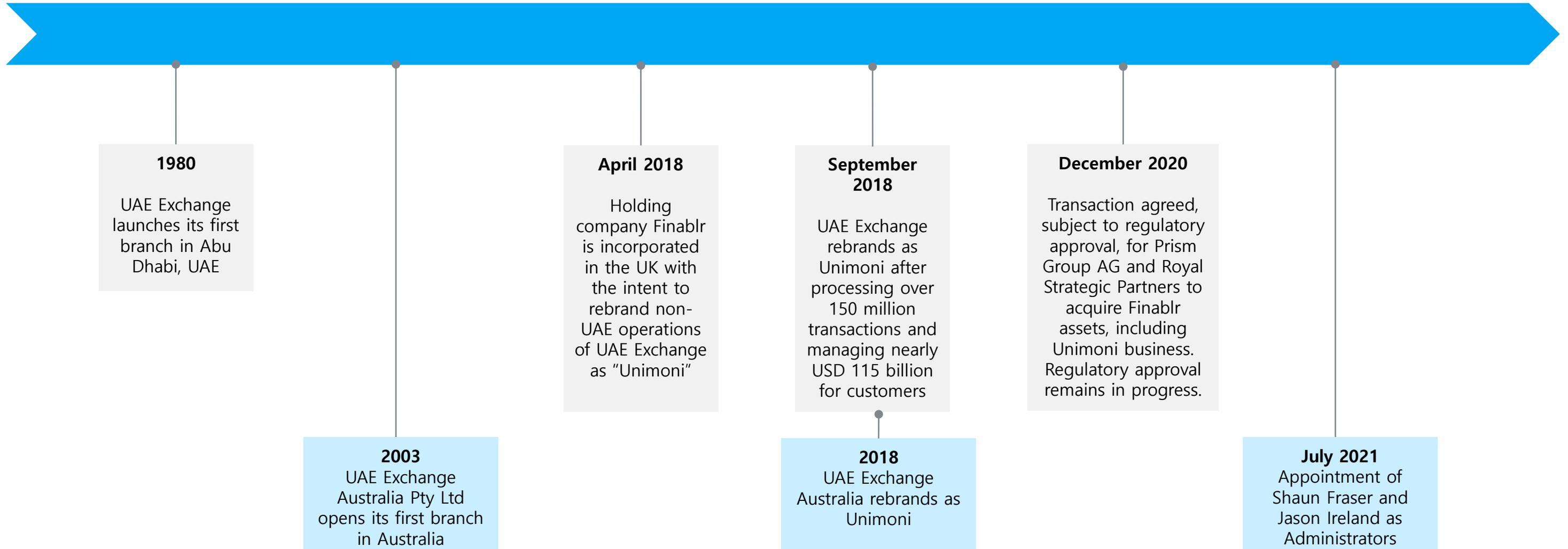
# Simplified corporate structure



**Key**

-  United Kingdom entity
-  United Kingdom shareholder
-  Australian entity
-  Administrators appointed

# Historical timeline



# Unimoni financial position

## Statement of Financial Position

\$	Book value	Recoverable value
<b>Assets</b>		
Cash and cash equivalents	1,314,457	1,282,761
Intercompany receivables	6,213,351	-
<b>Total assets</b>	<b>7,527,808</b>	<b>1,282,761</b>
<b>Liabilities</b>		
Employee entitlements	1,101,183	1,101,183
Unsecured creditors	1,965,865	1,965,865
Contingent creditors	3,277,032	3,277,032
Intercompany liabilities	3,880,166	-
<b>Total Liabilities</b>	<b>10,224,246</b>	<b>6,344,080</b>
<b>Net assets</b>	<b>(2,696,438)</b>	<b>(5,061,320)</b>

Cash and cash equivalents relates to cash at bank, cash on site, and deposits held by Western Union

Intercompany receivables unlikely to recover from global group

Many of Unimoni's employees have extended tenure, resulting in a high value of accrued employee entitlements

Contingent creditors relate to rental bonds, rental break fees and make good costs

*Disclaimer: source includes management accounts and discussions with management*

# Report on Company Activities and Property (ROCAP)

- The Administrators have granted the Directors' request for an extension to complete the ROCAPs.
- ROCAPs are due to be returned to the Administrators on 5 August 2021.

# Administrators' key actions since appointment

- Liaised with and issued correspondence to employees, landlords and suppliers;
- Commenced a detailed review of business and operations;
- Commenced a detailed review of assets;
- Commenced a public sale campaign and actively reach out to interested parties;
- Commenced negotiations with all landlords for rent assistance during VA;
- Requested funding from the ultimate parent entity;
- Commenced discussions with the current banking providers regarding ongoing requirements;
- Attended to all statutory notification obligations;
- Commenced statutory investigations; and
- Convened and prepared for the first meetings of creditors.

# Sale process

- Since appointment, the Administrators have worked in conjunction with management to commence a broader, public sale campaign with a goal of transacting as soon as possible.
- On Thursday, 29 July 2021 an advertisement seeking urgent expressions of interest for the Australian assets, by way of an acquisition or DOCA was published in the Australian Financial Review.
- A formal sales process will be conducted, with expressions of interest required by [6 August 2021].
- The desired outcome is a going concern sale of the Unimoni business.

# Potential return to creditors

- It is too early to form conclusive views on the potential return to unsecured creditors
- The order in which different classes of creditors are paid is determined by the Corporations Act
- Generally, the order of priority is as follows:
  - Employees (from certain categories of assets)
  - Secured creditors
  - Unsecured creditors
  - Shareholders
- We note that Unimoni does not have a registered secured creditor
- In liquidation, some avenues of recovery are open to creditors that are not otherwise available

# Employees

- Unimoni has approximately 58 employees. Branch employees affected by COVID-19 lockdowns are currently stood down. All branches are temporarily closed with head office employees working from home.
- The Administrators are responsible for all wages and entitlements accrued post appointment in states where there is no lockdown due to COVID19.
- For pre-appointment entitlements, employees are afforded a priority under the Corporations Act

## **Fair Entitlements Guarantee scheme (FEG)**

- In the event of liquidation, if outstanding entitlements exist, employees will have access to the Department of Jobs and Small Business' FEG scheme
- FEG is generally available when:
  - the employer is in liquidation;
  - employment was terminated due to insolvency/liquidation;
  - employees cannot get payment of the entitlements from other sources; and
  - employees were an Australian citizen or the holder of a permanent visa or special category visa that allowed the employee to stay and work in Australia at the time their employment ended.
- FEG covers up to 13 weeks unpaid wages, annual leave, long service leave, up to five weeks payment in lieu of notice and up to 4 weeks redundancy pay for each year completed plus a pro-rata for each part year, subject to certain income limits

# Liquidation vs Deed of Company Arrangement

## Deed of Company Arrangement (DOCA)

- A DOCA is a binding arrangement between a company and its creditors.
- Very flexible

## Liquidation

- At the second meeting, creditors may vote for the liquidation of the Companies.
- Voidable transactions can be pursued in liquidation.
- Employees may access the Fair Work Entitlements Guarantee Scheme (**FEG**).

- In our report to creditors, we will either recommend the DOCA or liquidation.
- The Administrators are preparing for either outcome.



Q & A

# Voting (if required)

IPR 75- 75 (3) requires that all votes at virtual meetings should now be carried by poll rather than on the voices.

## How to vote



Creditors have been provided with instructions to vote by poll "surveys" in advance of the meeting. To vote please click the link that will be sent to all attendees in the "Chat" box or scan the QR code on screen at the time of voting. In the poll link, tick "In favour of", "Against" or "Abstain" for each resolution as the chairperson reads them out. The meeting will be temporarily suspended whilst votes are counted.

## Voting via proxy



General proxies: fill in the online poll for each general proxy you hold – using each individual identification number you have been provided with.  
Special proxies: we already have your creditor's vote (provided in advance)

## How the resolution is passed



When more creditors (either in the online meeting or via proxy) vote for it than vote against it  
AND  
When those who vote for it are owed a greater amount of money than those who vote against it

# Resolutions – Committee of Inspection

- Pursuant to Insolvency Practice Schedule (Corporations) (**IPS**) 80-10, creditors may, by resolution, determine whether there is to be a Committee of Inspection.
- Role:
  - consult with the Administrators about matters relating to the administration;
  - receive and consider reports by the Administrators; and
  - approve Administrators' fees
- **In this case, we do not recommend that a committee of inspection is appointed in this respect.**
  - there are only a limited number of creditors and is therefore straightforward to report to and consult with creditors as a collective; and
  - there are limited funds.

# Resolutions – Committee of Inspection

Resolution – Committee of Inspection (if required)

*“That:*

*..... representing .....*

*be appointed to the Committee of Inspection of Unimoni Pty Ltd (Administrators Appointed)”.*

## To vote:

Paste the link from the chat box into your web browser

Or

Scan this QR code



# Meeting suspended while COI nominations are considered

Meeting will resume shortly, this  
webinar will remain active

# Resolutions – Replacement of Voluntary Administrator

- Resolution – replacement of Voluntary Administrator (if required)

*“That Shaun Fraser and Jason Ireland are replaced as administrators of Unimoni Pty Ltd and ..... is/are appointed as Voluntary Administrators of Unimoni Pty Ltd”.*

## **To vote:**

Paste the link from the chat box  
into your web browser

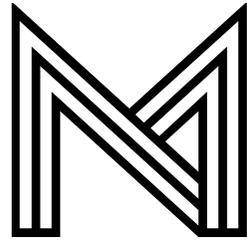
Or

Scan this QR code



# Meeting suspended while nominations are considered

Meeting will resume shortly, this webinar will remain active



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