



King Family Group Pty Ltd (In Liquidation) as trustee for the King Family Trust, trading as "IGA Coolbellup"
ACN 113 238 261
(King Family Group)

Initial Information for Creditors

Rob Kirman and I were appointed Liquidators of King Family Group on 8 April 2019.

According to King Family Group's records, you may be a creditor of King Family Group.

The purpose of this document is to provide you with information about the liquidation and your rights as a creditor.

What is a creditors' voluntary liquidation?

A creditors' voluntary liquidation, or CVL, is a liquidation initiated by a company where it is unable to pay all of its creditors in full. This means that the company is insolvent. A liquidator is appointed for the purpose of winding up the affairs and distributing property of the company.

What happens to your debt?

All creditors of King Family Group are now creditors in the liquidation and your debt will now be dealt with in the liquidation.

If you have leased property to King Family Group, have a retention of title claim or have a registered personal property security interest in relation to King Family Group, please contact Cecelia Lark Hare on (08) 6363 7608 as soon as possible.

We are not trading the business of King Family Group.

Your rights as a creditor

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:

- 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.

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

We enclose our DIRRI. The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. We have considered each relationship and it is our opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty, or affect our independence.

Listing of creditors

As required by section 497(1) of the *Corporations Act*, we enclose a list of creditors, including their addresses and the estimated amounts of their claims that are shown in the records of King Family Group. Any creditors related to King Family Group 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.

What happens next?

We will proceed with the liquidation, which will include:

- recovering and selling any available property;



- investigating King Family Group's affairs;
- if identified, pursuing any viable claims for statutory recovery actions; and
- reporting to the corporate regulator, the Australian Securities and Investments Commission (**ASIC**).

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.

We may write to you again after that with further information on the progress of the liquidation.

Remuneration

We enclose our Initial Remuneration Notice, which provides you with information about how we propose to be paid for undertaking the liquidation.

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 the tasks we have undertaken and the costs of those tasks.

Further information

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.

A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by ASIC is also enclosed for your information.

If you have any queries, please contact Cecelia Lark Hare on (08) 6363 7608.

Dated: 18 April 2019

Rob Kirman
Liquidator

Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Liquidation
- 2 Declaration of Independence, Relevant Relationships and Indemnities
- 3 Listing of creditors
- 4 Initial Remuneration Notice
- 5 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.

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.

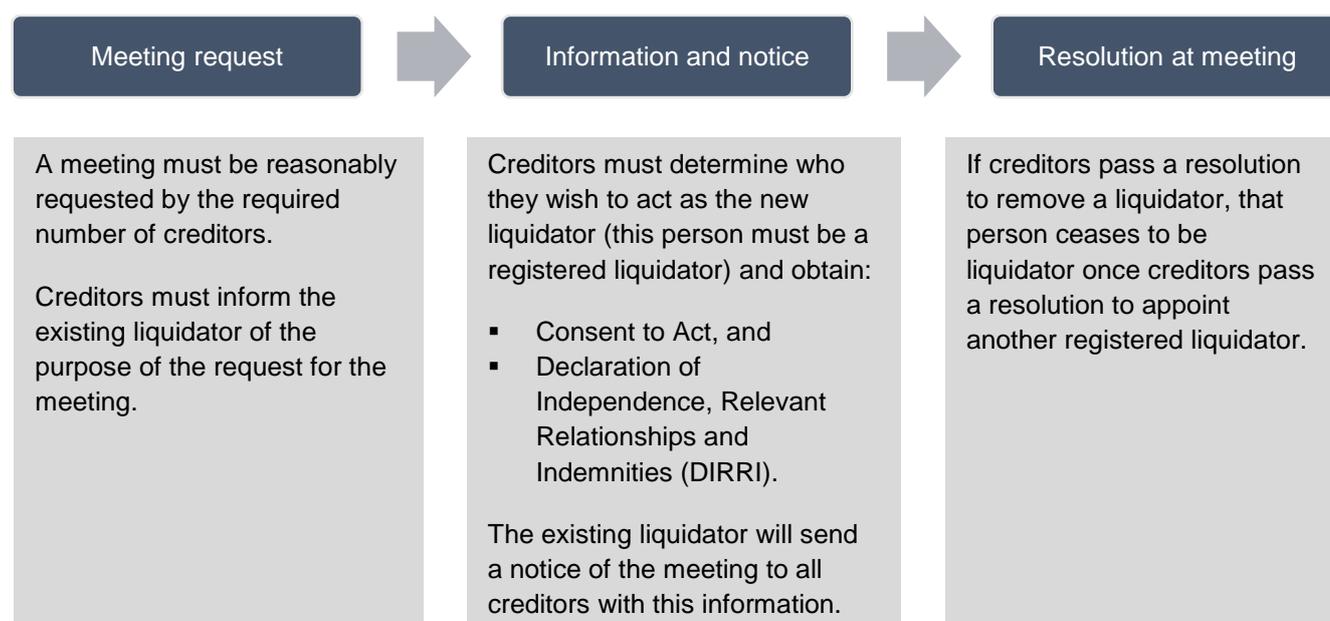
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

King Family Group Pty Ltd (In Liquidation) ATF the King Family Trust trading as "IGA Coolbellup"
ACN 113 238 261
(King Family Group)

The *Corporations Act* and professional standards require the Practitioners appointed to an insolvent entity to make a declaration as to:

- A. their independence generally;
- B. relationships, including
 - a) the circumstances of the appointment;
 - b) any relationships with the company and others within the previous 24 months;
 - c) any prior professional services for the company within the previous 24 months;
 - d) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

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.

A. Independence

We, Robert (**Rob**) Brauer and Robert (**Rob**) Kirman, of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several liquidators of King Family Group in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

(i) *Circumstances of appointment*

This appointment was referred to us by Ms Kelly Parker of Murfett Legal. Murfett Legal is a law firm which has from time to time made professional referrals to McGrathNicol for specialist solvency advice. Murfett Legal contacted Rob Brauer and Rob Kirman on 4 April 2019 to establish if they would be in a position to act as liquidators in respect of King Family Group. Mr Brauer and Mr Kirman met with Ms Parker, Mr Rodney King and Ms Kaye King (directors of King Family Group) on 5 April 2019 to gain a high level understanding of the financial position King Family Group and to explain the formal insolvency appointments options available.

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

- each professional engagement undertaken by McGrathNicol in respect of work referred by Murfett Legal is conducted on an entirely separate basis which has no bearing on this appointment;
- the referral is unconditional;



- these engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and
- McGrathNicol has not undertaken any previous work or had prior involvement with King Family Group..

As noted above, we had one meeting with the directors Mr and Ms King and their advisors Murfett Legal, on 5 April 2019 for the purposes of:

- gaining a high-level understanding of the structure, operations and current financial position of King Family Group; and
- discussing the types of assistance that McGrathNicol could provide to King Family Group, including providing an overview of the various insolvency processes, including the liquidation process.

We received no fees for attending this meeting or for providing this advice.

On Monday, 8 April 2019, Mr King met with David Bryant and Cecelia Lark Hare of McGrathNicol. Mr Bryant provided a consent to act as liquidators, signed by Messers Brauer and Kirman, following which Mr King effected their appointment as liquidators.

In our opinion, this does not affect our independence for the following reasons:

- It is recognised by the Courts and Australian Restructuring, Insolvency and Turnaround Association's (**ARITA**) Code of Professional Practice (**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; and
- The nature of the limited scope advice provided was such that it would not be subject to review and challenge during the course of the administration. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to King Family Group or its directors prior to our appointment beyond that outlined in this DIRRI.

(ii) Relevant Relationships (excluding professional services to the Insolvent)

We or a member of our firm, have or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Commonwealth Bank of Australia (CBA)	<p>CBA holds a charge on the whole or substantially the whole of the property of the company.</p> <p>McGrathNicol undertakes corporate recovery and advisory work from time to time on instructions from CBA.</p>	<p>Each professional engagement undertaken for CBA in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment.</p> <p>These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders. McGrathNicol has not undertaken an engagement for CBA in respect of the company. Given these factors, our independence in acting as liquidators of the company has not been affected.</p>

(iii) Prior professional services to the Insolvent

Neither we, nor our firm, have provided any professional services to King Family Group, in the previous 24 months.



(iv) No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with King Family Group, an associate of King Family Group, a former insolvency practitioner appointed to King Family Group or any person or entity that has security over the whole or substantially the whole of King Family Group's property that should be disclosed.

C. Indemnities and Up-front Payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated:

.....
Robert Brauer

.....
Robert Kirman

Note:

- 1 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.
- 2 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

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

King Family Group Pty Ltd (In Liquidation) - Creditor Listing

Creditor	Address		Estimated amount owing (\$)
ADT Security	GPO Box 5416	SYDNEY NSW 2001	108
Aldwich Holdings ***	15 Howson Way	BIBRA LAKE WA 6163	7,596
Apollo Electrotech	9/29 Wellard St	BIBRA LAKE WA 6163	220
Associated Stocktaking	PO Box 748	PO BOX 748 CLAREMONT WA 6010	1,317
Australian Taxation Office	PO Box 9003	PENRITH NSW 2740	113,673
B.Re & Sons**	3 Townsend Street	MALAGA WA 6090	2,311
Baked Provisions ***	PO Box 1140	GWELUP WA 6018	2,722
Baldivis Fresh Eggs	392 Baldivis Road	BALDIVIS WA 6171	23,467
Bartter Enterprises ***	116 Howe Street	OSBORNE PARK WA 6017	16,435
Bega Foods	1 Vegemite Way	PORT MELBOURNE VIC 3207	(237)
Benara Nurseries**	PO Box 355	WANAROO WA 6065	690
BJ'S Market Transport	29 Baronet Road	LESMURDIE WA 6076	24,768
Bodhi's Bakehouse	PO Box 491	FREMANTLE WA 6959	300
Botany Group ***	1/48 Denninup Way	MALAGA WA 6090	1,101
Bovell's **	PO Box 100	MADDINGTON WA 6989	5,482
British Provender** *	5 Modal Cres	CANNING VALE WA 6155	306
Brownes	22 Geddes Street	BALCATTWA WA 6021	8,528
Cash & Carry (IGA)	Locked Bag 30	CANNING VALE WA 6970	3,191
Central Seafoods***	3/1 Townsend Street	MALAGA WA 6090	657
Choux & Chocs Pty Ltd**	29-31 Division Street	WELSHPOOL WA 6106	358
Commonwealth Bank of Australia	242 Murray Street	PERTH WA 6000	759,911
Container Refridgeration	PO Box 922	NORTH FREMANTLE WA 6159	1,817
CTI Risk Management	PO Box 2364	KARDINYA WA 6163	728
Curry Links Australia ***	422 Flinders St	NOLLAMARA WA 6061	629
D. Jays Gourmet**	22 Midas Rd	MALAGA WA 6090	411
Damien Cole Group	16 Hyne Road	SOUTH GUILDFORD WA 6055	156
David Lin Ent. Pty Ltd	PO Box 268	MELVILLE WA 6956	7,085
D'orsogna Ltd**	PO Box 2005	PALMYRA WA 6961	3,874
Epay	PO Box 1383	QUEEN VICTORIA BUILDING NSW 1230	210
Evergrace Flowers	PO Box 269	FORRESTFIELD WA 6058	1,180
Flick Anticimex Pty Ltd	PO Box 1206	WANGARA DC WA 6947	177
Fremantle Herald	PO Box 85	NORTH FREMANTLE WA 6159	(400)
Frucor Beverages (Australia) P/L	PO Box 3167	NORTH STRATHFIELD NSW 2137	356
Glacier Ice Works	4 Landrail Court	BECKENHAM WA 6107	916
Goodchild Meats**	PO Box 627	FREMANTLE WA 6959	3,346
GORDANA KVRGIC	6/15 ROSALIND WAY	COOLBELLUP WA 6163	70
Greenfields Foods	Unit 1, 11 Resource Way	MALAGA WA 6090	19,349
HB Displays	unit 2, 15 Boag Rd	MORLEY WA	156
HECS Fire	PO BOX 415	HAMILTON HILL WA 6963	77
Hermes Fine Foods ***	185 Beringarra Ave	MALAGA WA 6090	345
Homestyle Salads ***	160 Henderson Rd	MUNSTER WA 6766	434
Hunsa Smallgoods Pty Ltd**	30 Hampton Street	MANDURAH WA 6210	115
Ibis Global Products	15 Wooltana St	COMO WA 6152	843
Ideal Sales**	PO Box 649	WELSHPOOL WA 6106	2,103
IGA Distribution (WA) Pty Ltd**	Locked Bag 30	CANNING VALE DC WA 6970	26,812
Ink Station	PO Box 3308	MARRICKVILLE NSW 2204	88
J C Products (Aust) Pty Ltd**	1/2 POWELL ST	OSBORNE PARK WA 6017	513
J L Lennard Food Equipment	42 Giffard Street	SILVERWATER NSW 2128	(185)
JABCO FOODS	707 Marshall Road	MALAGA WA 6090	535
Jasol Australia**	131 Garling Street	O'CONNOR WA 6163	69
Johnson Meats***	PO Box 1273	MIDLAND WA 6936	21,419
Jones Lang LaSalle	PO Box 7631	CLOISTERS SQUARE WA 6850	111,397
Kaper Trading ***	PO Box 1790	MALAGA WA 6944	1,251
La Pagnotta Bakery ***	PO Box 3222	MALAGA DC WA 6945	1,631

Lamp Replacements	293 Stock Road	O'CONNOR WA 6163	54
Lantzke & Sons Pty Ltd	MP 15 Market City, 280 BANNISTER ROAD	CANNING VALE WA 6155	10,042
LD & D Australia P/L - 125192 ***	PO Box 23084	DOCKLANDS VIC 8012	5,199
Manassen Foods**	8 Interchange Dr	EASTERN CREEK NSW 2766	1,499
MILL - The Mill Bakery	Unit 1, 55 Horus Rd	BIBRA LAKE WA 6163	1,278
Mondo Doro**	PO BOX 2138	PALMYRA WA 6961	946
MPM Marketing Services**	PO BOX 1810	CANNING VALE WA 6970	2,828
MPS (Meat Processing Suppliers)	25a Harlond Ave	MALAGA WA 6090	1,660
Nexus Kleen	230A George St	QUEENS PARK WA 6107	2,947
OHM Beverages	30 Century Rd	MALAGA WA 6090	162
Olympic Fine Foods**	7 Cressall Road	BALCATTWA WA 6021	2,124
Omech Repairs	PO Box1382	BIBRA LAKE WA 6965	414
Open Range Poultry Suppliers	PO Box 2022	PALMYRA DC WA 6961	6,112
Packaging R Us	53 Mordaunt Circuit	CANNING VALE WA 6155	333
Parmalat Australia Pty Ltd ***	PO Box 3012	SOUTH BRISBANE QLD 4101	11,015
Pemco Agencies ***	38 Dellarmata Rd	WANGARA WA 6947	346
Perth Frozen Foods	PO Box 438	WELSHPOOL WA 6986	347
Pie Boss	14 Finlay Place	WANGARA WA 6065	527
Pisconeri Fine Foods**	PO Box 380	MT HAWTHORN WA 6915	1,245
Polytech Plastics	17 Biscayne Way	JANDAKOT WA 6164	87
PPC - Linley Valley Pork**	PO Box 317	MUNDARING WA 6073	4,755
Quality Bakers**	PO Box 3124	MALAGA DC WA 6945	2,143
R & K King	Withheld	Withheld	815,500
Rose Valley Cheese Co.	124 Wungong Road	BROOKDALE WA 6122	585
Saidoun Lebanese Bakeries	Unit 1/37 Oxleigh Drive	MALAGA WA 6090	2,945
SIGN IQ ***	GPO Box 2567	ST GEORGES TCE PERTH WA 6000	566
Smart Waste Solutions	10 Tambrey Way	MALAGA WA 6090	380
Smithwicks Strata Services	363 Fitzgerald Street	NORTH PERTH WA 6006	43,276
Soulfresh Group Pty Ltd***	PO Box 1274	BIBRA LAKE WA 6965	989
Spiroski Foods ***	3 Juna Drive	MALAGA WA 6090	435
Springs Distribution Agents	PO Box 742	CLOVERDALE WA 6985	749
Superior Food Group	PO Box 2290	WARWICK WA 6024	17,192
Tavolino Pty Ltd	355 Sevenoaks St	CANNINGTON WA 6107	318
The Wholefood Bakery**	14 Finlay Place	WANGARA WA 6065	923
Tip Top**	35 Magnet Road	CANNING VALE WA 6155	5,051
Tradition Smallgoods***	17 Knock Place	JANDAKOT WA 6164	3,775
Trumps Pty Ltd	PO Box 105	BRISBANE MARKET QLD 4106	253
Various employees	Withheld	Withheld	TBA
VIP Distributors	19 Oakdene Drive	MADALEY WA 6065	1,025
Western Resource Recovery	113 Ewing St	WELSHPOOL WA 6986	311
Yakult Australia Pty Ltd	10 Monterey Rd	DANDENONG VIC 3175	259
Youfoodz**	4/52 Pritchard Road	VIRGINIA QLD 4014	1,476

Note: ** and *** are charged through IGA Distribution (WA) Pty Ltd



Initial Remuneration Notice

King Family Group Pty Ltd (In Liquidation) as trustee for the King Family Trust, trading as "IGA Coolbellup"
ACN 113 238 261
(King Family Group)

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

1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. 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 external administration and is the total cost for the external administration.
- 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 practitioners' 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 external administration, 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 external administration.
- The practitioner is 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*.
- The practitioner has 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 external administration.
- 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 external administration and the role they take in the external administration. 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.	\$630
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.	\$575
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.	\$540
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.	\$490
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.	\$460
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.	\$420
Senior Accountant 1	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than two years of experience, including one year of Senior Accountant or equivalent experience. Completes multiple tasks within workstreams and appointments.	\$380
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.	\$380



Title	Description	Hourly rate (excl GST)
Accountant 1	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with at least one year of Accountant or equivalent experience. Assists with tasks within workstreams and appointments under supervision.	\$300
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.	\$300
Undergraduate/Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$180
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.	\$580
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.	\$420
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.	\$330
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$170

McGrathNicol reviews its hourly rates six monthly. The hourly rates quoted above remain in force until 31 December or 30 June (whichever occurs first) and McGrathNicol may seek approval for increased rates for work continuing past that date.

Creditors will be advised of any change to the hourly rates for this external administration.

4 **Estimated remuneration**

Subject to the assumptions set out below, we estimate that this external administration may involve remuneration for the practitioners of approximately \$20,000 to \$40,000. The following variables may have a significant effect on this estimate:

1. the time that may be required to obtain books, records, funds and assets from the parties that hold them;



2. 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;
3. 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;
4. work that may be required to distribute funds to creditors; and
5. any identified matters that are required to be reported to statutory authorities such as ASIC.

5 **Disbursements**

Disbursements are divided into three types:

- **Externally provided professional services** – these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** – such as travel, accommodation, external printing services and search fees – these are recovered at cost.
- **Internal disbursements** – such as photocopying, printing and postage. These disbursements are generally charged at cost but may include, in the case of disbursements such as data storage and hosting, telephone calls, photocopying and printing, both direct variable and fixed costs. For example the rate per page for printing includes a reasonable and commercial allowance for paper, toner, depreciation, power and maintenance.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve our internal disbursements where there is a profit or advantage prior to these disbursements being paid from the external administration.

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 (Excl GST)</i>
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost



Courier	At cost
Data hosting – data loading & processing fee	\$50-\$100 per gigabyte (GB)*
Data hosting – monthly hosting fee (for matters where data is required to be hosted online for more than 1 month)	Standard monthly hosting fee of \$2,000 per month (for up to 500GB of information loaded) plus \$2,000 per month for every additional 500GB block over and above 500GB
Printing – black and white	\$0.09 per page
Printing – Colour	\$0.28 per page
Postage	At cost
Stationery and other incidental disbursements	At cost
Staff per diem travel allowance**	\$89.00 per day***
Staff vehicle use	\$0.63 per km***
Telephony – mobile, fixed line and conference calls	At cost

* 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 external administration, we may use McGrathNicol Technology Advisory 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 Technology Advisory, 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.

18 April 2019



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.

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