

ANNUAL REPORT TO CREDITORS PURSUANT TO SECTION 508 OF THE *CORPORATIONS ACT 2001*

Incospec Pty Ltd (In Liquidation) **ACN 606 617 994 (the Company)**

I refer to my appointment as Liquidator of the Company on 31 August 2017.

The *Corporations Act 2001 (Act)* prescribes that if the winding up of a company continues for more than one year, the liquidator must convene a meeting of the creditors or prepare and lodge a report with ASIC within 3 months after the end of the 12-month anniversary.

In this instance, I have elected to call a meeting at which the matters raised in this report will be discussed. Please note that this report should be read in conjunction with my previous reports to creditors.

1.0 MEETING OF CREDITORS

An annual meeting of creditors is to be held on Friday, 21 December 2018. Attached at **Annexure "A"** to this report is formal notice of this meeting.

Creditors who wish to attend and/or vote at the meeting are requested to return a duly completed proof of debt form as soon as possible and no later than 5.00pm on 20 December 2018. **If you have submitted a proof of debt previously, there is no need to submit this form again.** Corporate creditors and individual creditors who wish to appoint another person to represent them at the meeting must complete a proxy form. Blank proxy and proof of debt forms are attached to this report.

2.0 INVESTIGATIONS AND RECOVERY ACTIONS

2.1 Reporting to ASIC

One of my key responsibilities as Liquidator is to investigate the past trading of the Company, including the sale of the Company's business prior to the liquidation, with a particular focus on identifying offences that may have been committed by officers of the Company.

I have thoroughly investigated the failure of the Company and reported the results of my investigations to ASIC pursuant to Sections 533(1) of the Act. ASIC have since informed me that they do not intend to commence an investigation into the matters I have raised.

2.2 Legal Claims

Since my last report to creditors my investigations have focused on potential legal claims related to the sale of the Company's business assets to Incospec Global Field Services Pty Limited (**Purchaser**), insolvent trading, and possible claims arising from the use of Company funds for the activities of related entities.

Whilst I have recovered \$127,434.96 from the business sale effected prior to the liquidation, there is the potential for claims against both the Purchaser and the Company's director related to the sale of assets at under-value. Whilst our inquiries have been hampered by a lack of books and records to support our claims, it would appear that the potential defendants are without the capacity to repay any judgement sum if awarded. The Purchaser has ceased to trade and I understand they are being pursued by the Fair Work Ombudsman for a significant amount in respect of unpaid employee entitlements. In addition, the Company's director is being pursued by the Australian Taxation Office (**ATO**) and there is a Court hearing shortly following an application for a sequestration (Bankruptcy) order filed by the ATO.

A significant claim exists against the director for insolvent trading. I am currently awaiting the outcome of the ATO's bankruptcy application before determining whether to pursue this claim legally.

I have also been investigating a number of claims against entities related to the director. The assets of Incospec Pty Limited were used to fund the activities of related entities and vice versa. I believe that in the majority of instances, more is owed to the Company than is owed by the Company however reconciling an accurate position in this regard has proved difficult. There are claims totalling at least \$501,000 relating to these activities.

I have not issued legal proceedings at this stage in relation to the above claims due to concerns regarding the financial capacity of the potential defendants to respond to any judgement debt. I will seek the views of creditors at the forthcoming meeting concerning what action should be taken regarding these claims.

2.3 Receipts and payments

A copy of my receipts and payments for the period from 31 August 2017 to 30 August 2018 is attached at **Annexure "B"** to this report. I advise that net receipts of \$155.80 have been received from 30 August 2018 to date and the Company currently has funds on hand of \$84,197.20.

3.0 LIQUIDATOR'S REMUNERATION

In accordance with the ARITA Code of Professional Practice and the Act I enclose at **Annexure "C"** my detailed remuneration report summarising the work performed in the liquidation for which fee approval is required.

At the meeting to be held on 21 December 2018 I will seek creditor approval for my remuneration for the 13-month period from 6 November 2017 to 30 November 2018 in the sum of \$29,200.00 (GST exclusive).

The Act provides that remuneration can only be paid to a liquidator with the approval of a committee of inspection, creditors or the Court.

4.0 REMAINING MATTERS TO BE COMPLETED

The following matters are still to be finalised:

- Hold meeting of creditors and ascertain views of creditors concerning potential legal claims;
- Consider prosecution of the claims against potential defendants; and
- Continue statutory lodgments with ASIC and the ATO.

5.0 ESTIMATED COMPLETION OF THE WINDING UP

I am unable to comment at this stage as to when the winding up will be completed.


6.0 ASIC RETURNS

I confirm that all accounts required to be made out and lodged with ASIC pursuant to the Act have been lodged.

7.0 FURTHER QUERIES

Creditors with any queries with respect to this matter should feel free to contact Mr Chris Moody or Mr Anthony Phillips of this office.

DATED this 30th day of November 2018


per Anthony Phillips
Liquidator

Contact: Chris Moody / Anthony Phillips

E-mail: cmoody@heardphillips.com.au / anthony@heardphillips.com.au

Encl.

REPORT TO CREDITORS

Incospec Pty Ltd (In Liquidation)
ACN 606 617 994

ANNEXURE A

FORM 529

*Insolvency Practice Rules
(Corporations) 2016
75-10, 75-15, 75-20*

NOTICE OF MEETING


**Incospec Pty Ltd (In Liquidation)
ACN 606 617 994**

NOTICE IS GIVEN that a meeting of the creditors of Incospec Pty Ltd will be held at the offices of Heard Phillips Chartered Accountants, Level 12, 50 Pirie Street, Adelaide on 21 December 2018 at 11.00am.

A G E N D A

1. To consider the Liquidator's report to creditors;
2. To table the Liquidator's remuneration report and fix the remuneration of the Liquidator; and
3. Any other business that may be lawfully brought forward.

Dated this 30th day of November 2018



Anthony Phillips
Liquidator

Heard Phillips Chartered Accountants
Level 12, 50 Pirie Street
Adelaide SA 5000

Ph: (08) 8212 3433
Fax: (08) 8212 3144
www.heardphillips.com.au

Voting at a meeting – the effect of *Insolvency Practice Rules (Corporations) 2016 75-85

Entitlement to vote at meetings of creditors

- (1) *A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.*

- (2) *Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.*
- (3) *A person is not entitled to vote as a creditor at a meeting of creditors unless:*
- (a) *his or her debt or claim has been admitted wholly or in part by the external administrator; or*
 - (b) *he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:*
 - (i) *those particulars; or*
 - (ii) *if required—a formal proof of the debt or claim.*
- (4) *A creditor must not vote in respect of:*
- (a) *an unliquidated debt; or*
 - (b) *a contingent debt; or*
 - (c) *an unliquidated or a contingent claim; or*
 - (d) *a debt the value of which is not established;*
unless a just estimate of its value has been made.
- (5) *A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:*
- (a) *treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;*
 - (b) *estimate its value;*
 - (c) *for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.*
- (6) *A person is covered by this subsection if:*
- (a) *the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and*
 - (b) *the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and*
 - (c) *the person is not an insolvent under administration or a person against whom a winding up order is in force.*

Corporations Act 2001

**Incospec Pty Ltd (In Liquidation)
ACN 606 617 994**

APPOINTMENT OF PROXY

I/We.....
of a creditor of Incospec Pty Ltd appoint
..... or in his or her absence
as my/our general/special proxy to vote at the meeting of creditors to be held on 21 December 2018, or at any
adjournment of that meeting.

Special Proxy Instructions

Should you desire to direct your proxy how to vote on any resolution please insert in the appropriate box
below. In the absence of a direction the proxy may vote at the proxy's discretion.

*"That the Liquidator's fees for the period from 6 November 2017 to 30 November 2018 in the sum of \$29,200.00
(GST exclusive) be approved for payment and that the Liquidator can draw the remuneration as required."*

For Against Abstain

*"THAT the Liquidator's internal disbursements for the period from 1 September 2017 to 30 November 2018
totalling \$2,580.81 (GST exclusive), which includes an element of profit or mark up, be approved for payment."*

For Against Abstain

DATED this day of 2018

.....
Signature¹

CERTIFICATE OF WITNESS

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the
member must not be witnessed by the person nominated as proxy).

I of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the
person appointing the proxy and read to him or her before he or she signed or marked the instrument.

DATED this day of 2018

Signature of Witness

Description

Place of Residence

¹ Individual to sign for a sole trader, a Partner for a partnership or a Director or an Attorney or person *duly authorized* to sign on behalf of a company.

**FORMAL PROOF OF DEBT OR CLAIM
(GENERAL FORM)**

To the Liquidator of **Incospec Pty Ltd (In Liquidation)**

1. This is to state that the company was on 31 August 2017, and still is, justly and truly indebted to¹ _____ for _____ \$ (_____)

Particulars of the debt are:

DATE (include details of substantiating vouchers)	CONSIDERATION	AMOUNT	REMARKS

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

If any bills or other negotiable securities are held show them in the following schedule:

DATE	DRAWER	ACCEPTOR	AMOUNT \$	DUE

*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

OR

*3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

I have attached the following documents (tick as many as appropriate):

- Invoices
- Judgement from court
- Orders from company
- Guarantee from company
- Other documents
- Monthly Statements
- Letters of Demand
- Statutory Demand
- Credit Application
- Creditor's authority letters

Dated:

Signature:

Occupation:

Address:

* Delete if this proof is made by the creditor personally.

¹ Insert name and address of creditor.

REPORT TO CREDITORS

Incospec Pty Ltd (In Liquidation)
ACN 606 617 994

ANNEXURE B

RECEIPTS AND PAYMENTS SUMMARY BY ACCOUNT
31 AUGUST 2017 TO 30 AUGUST 2018
Receipts and Payments Summary By Account: ISPE01 - INCOSPEC PTY LTD (In Liquidation)

Bank, Cash and Cash Investment Accounts: From: 31/08/2017 To: 30/08/2018 (Gross Method)

Type	Account	GST (\$)	Total (\$)
NON-TRADING RECEIPTS			
	GST Control: GST Inputs (Outputs)		3,526.00
	Incorrectly deposited funds		56,710.50
	Interest Income		1.04
	Sale of business assets		127,434.96
		0.00	187,672.50
NON-TRADING PAYMENTS			
	Bank Charges		(10.00)
	Fees: Appointee Fees	(3,000.00)	(33,000.00)
	Incorrectly deposited funds		(56,710.50)
	Legal Fees	(1,264.60)	(13,910.60)
		(4,264.60)	(103,631.10)
	Net Non-Trading Receipts and Payments	(4,264.60)	84,041.40
	Net Receipts (Payments)	(4,264.60)	84,041.40

REPORT TO CREDITORS

Incospec Pty Ltd (In Liquidation)
ACN 606 617 994

ANNEXURE C

REMUNERATION APPROVAL REQUEST

Incospec Pty Ltd (In Liquidation) **ACN 606 617 994 (“Company”)**

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the liquidation.

This report has the following information included:

- 1.0 DECLARATION
 - 2.0 EXECUTIVE SUMMARY
 - 3.0 REMUNERATION
 - 3.1 *Remuneration claim resolution*
 - 3.2 *Details of remuneration*
 - 3.3 *Total remuneration reconciliation*
 - 3.4 *Likely impact on dividends*
 - 3.5 *Remuneration recovered from external sources*
 - 4.0 DISBURSEMENTS
 - 4.1 *Disbursement resolution*
 - 5.0 REPORT ON PROGRESS OF THE LIQUIDATION
 - 6.0 SUMMARY OF RECEIPTS AND PAYMENTS
 - 7.0 QUERIES
- Schedule 1 - Table of major tasks for remuneration
Scale of fees for the 2018 and 2019 financial years

You should read this report and the other documentation that I have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in **Annexure A** of the attached report.

1.0 DECLARATION

I, Anthony Phillips of Heard Phillips, have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the liquidation.

2.0 EXECUTIVE SUMMARY

Remuneration currently claimed and previously approved is summarised below:

	Report Reference	Amount (ex GST)
Current Remuneration claim:		
Resolution 1: from 6 November 2017 to 30 November 2018	3.1 and 3.2	\$29,200.00
Total		\$29,200.00
Past remuneration approved:		
From 31 August 2017 to 5 November 2017		\$30,000.00
Total past remuneration approved		\$30,000.00
TOTAL remuneration claimed and approved		\$59,200.00

I am unable to estimate the total of liquidator's fees for this liquidation as it will depend on the extent to which legal claims are pursued. My initial estimate of \$30,000 has been exceeded due to the following:-

- The extent of legal claims identified;
- The difficulties associated with pursuing the legal claims on account of the lack of books and records, and the anomalies in those records; and
- The difficulties associated with recovery of the sale proceeds from the sale of the Company's assets prior to liquidation.

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

3.0 REMUNERATION

At the meeting of creditors convened for 21 December 2018, I will be seeking approval of the following resolution to approve my remuneration. Details to support this resolution are included in Section 3.2 below and in the attached Schedule 1.

3.1 *Remuneration claim resolution*

Resolution 1: from 6 November 2017 to 30 November 2018

"That the Liquidator's fees for the period from 6 November 2017 to 30 November 2018 in the sum of \$29,200.00 (GST exclusive) be approved for payment and that the Liquidator can draw the remuneration as required."

My firm's scales of fees for the 2018 and 2019 financial years are enclosed to this Remuneration Approval Request.

3.2 Details of Remuneration

The basis of calculating the remuneration claim is summarised below together with the details of the tasks and the costs associated with each of those major tasks.

Resolution 1: from 6 November 2017 to 30 November 2018

The following table sets out the costs for the major tasks performed by the Liquidator and his staff for the period from 6 November 2017 to 30 November 2018 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

6 November 2017 to 30 June 2018

Employee Name	Employee Position	Hourly Rate \$ (ex GST)	Total Actual Hrs (\$)	Assets Hrs (\$)	Creditors Hrs (\$)	Employees Hrs (\$)	Trade On Hrs (\$)	Investig. Hrs (\$)	Dividend Hrs (\$)	Admin Hrs (\$)
Phillips Anthony	Director	400.00	16.50 \$6,600.00	2.40 \$960.00	2.30 \$920.00	0.30 \$120.00	0.00 \$0.00	9.80 \$3,920.00	0.00 \$0.00	1.70 \$680.00
Heard Andrew	Director	400.00	21.00 \$8,400.00	1.00 \$400.00	8.10 \$3,240.00	0.00 \$0.00	0.00 \$0.00	11.80 \$4,720.00	0.00 \$0.00	0.10 \$40.00
King Tina	Administration Interviewer	225.00	9.60 \$2,160.00	0.00 \$0.00	0.50 \$112.50	6.70 \$1,507.50	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	2.40 \$540.00
Moody Chris	Manager	290.00	7.70 \$2,233.00	0.00 \$0.00	2.00 \$580.00	0.70 \$203.00	0.00 \$0.00	3.00 \$870.00	0.00 \$0.00	2.00 \$580.00
Egel Hayley	Secretary/Junior	120.00	6.10 \$732.00	0.00 \$0.00	1.50 \$180.00	1.40 \$168.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	3.20 \$384.00
Li Maggie	Senior Accountant	225.00	0.20 \$45.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.20 \$45.00
Pichardo Sofia	Undergraduate	150.00	0.60 \$96.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.60 \$96.00
Jobson Julie	Secretary/Junior	120.00	2.60 \$312.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	2.60 \$312.00
Hackman Michael	Undergraduate	150.00	0.60 \$96.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.60 \$96.00	0.00 \$0.00	0.00 \$0.00
TOTAL			64.90 \$20,674.00	3.40 \$1,360.00	14.40 \$5,032.50	9.10 \$1,998.50	0.00 \$0.00	25.20 \$9,606.00	0.00 \$0.00	12.80 \$2,677.00
GST			2,057.40							
TOTAL INCLUDING GST			\$22,731.40							
<i>Average hourly rate</i>			<i>318.55</i>	<i>400.00</i>	<i>349.46</i>	<i>219.62</i>	<i>0.00</i>	<i>381.19</i>	<i>0.00</i>	<i>209.14</i>

1 July 2018 to 30 November 2018

Employee Name	Employee Position	Hourly Rate \$ (ex GST)	Total Actual Hrs (\$)	Assets Hrs (\$)	Creditors Hrs (\$)	Employees Hrs (\$)	Trade On Hrs (\$)	Investig. Hrs (\$)	Dividend Hrs (\$)	Admin Hrs (\$)
Phillips Anthony	Director	440.00	9.40 \$4,136.00	0.00 \$0.00	3.30 \$1,452.00	0.50 \$220.00	0.00 \$0.00	2.30 \$924.00	0.00 \$0.00	3.50 \$1,540.00
Heard Andrew	Director	440.00	6.50 \$2,860.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	6.50 \$2,860.00	0.00 \$0.00	0.00 \$0.00
King Tina	Administration Manager	240.00	1.70 \$408.00	0.00 \$0.00	0.00 \$0.00	0.50 \$120.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	1.20 \$288.00
Moody Chris	Manager	340.00	1.20 \$408.00	0.40 \$136.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.80 \$272.00
Egel Hayley	Secretary/Junior	130.00	2.50 \$325.00	0.00 \$0.00	0.30 \$39.00	0.30 \$39.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	1.90 \$247.00
Jobson Julia	Secretary/Junior	130.00	2.60 \$338.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	2.60 \$338.00
Hackman Michael	Undergraduate	170.00	0.30 \$51.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.00 \$0.00	0.30 \$51.00
TOTAL			24.20 \$8,526.00	0.40 \$136.00	3.60 \$1,491.00	1.30 \$379.00	0.00 \$0.00	8.60 \$3,784.00	0.00 \$0.00	10.30 \$2,736.00
GST			652.60							
TOTAL INCLUDING GST			\$9,178.60							
<i>Average hourly rate:</i>			<i>352.31</i>	<i>340.00</i>	<i>414.17</i>	<i>291.54</i>	<i>0.00</i>	<i>440.00</i>	<i>0.00</i>	<i>265.63</i>

3.3 Total Remuneration Reconciliation

At this point in time I am unable to estimate the total costs of the liquidation.

3.4 Likely Impact on Dividends

The payment of the Liquidators' remuneration and internal disbursements reduce any amount payable to creditors (if any) by way of dividend.

Section 556 of the Act provides that remuneration and internal disbursements of the external administrators are paid in priority to unsecured creditor's claims. The effect of approving my remuneration and internal disbursements is to fix the external administrator's remuneration and disbursements which are then paid in accordance with Section 556 of the Act. If the remuneration is not approved, at some future time I will make an application to Court to decide my remuneration, which application will incur further costs in the liquidation and may delay distributions, if any, to creditors.

3.5 Remuneration recovered from external sources

I received payments totalling \$4,680 exclusive of GST from the Department of Jobs and Small Business for verifying employee entitlements owed to the former employees for eligible claims made under the FEG scheme.

4.0 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** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. 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.

Future internal disbursements provided by my firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl. GST)
Archives / Record Storage	\$1.00 per box per month
Archives / Record Destruction	\$15.00 per box
ASIC Fees	\$160.00 per metric event
Binding	\$1.00 per bind
Faxes & Photocopies	\$0.50 per page
Motor Vehicle Allowance	66 cents per km
Stationery	
- Folders	\$6.50 per folder
- Filing Index	\$5.50 per set
- Archive Box	\$5.00 per box
Travel Allowance for overnight stay	\$50 per person

Scale applicable for financial year ending 30 June 2019

Internal disbursements incurred to date are summarised in the following Table:-

Disbursement	Amount(\$)
Archive Costs	15.00
ASIC User Pay Fee Provision	480.00
Fax	1.50
Folders	11.50
GST Free Advertising	76.00
GST Free Search Fees	100.50
Photocopying	953.50
Postage	106.06
Search Fees	782.40
Stationery	32.00
Travel	22.35
Total	2,580.81

I will be seeking the following resolution from creditors for the payment of my internal disbursements:-

4.1 *Disbursement Resolution*

"THAT the Liquidator's internal disbursements for the period from 1 September 2017 to 30 November 2018 totalling \$2,580.81 (GST exclusive), which includes an element of profit or mark up, be approved for payment."

5.0 REPORT ON PROGRESS OF THE LIQUIDATION

A report on the progress of this liquidation accompanies this Remuneration Approval Request.

6.0 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments for this liquidation is enclosed as **Annexure B** to the attached report to creditors.

7.0 QUERIES

If you have any queries in relation to the information in this report, please contact our office.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

DATED this 30th day of November 2018


Anthony Phillips
Liquidator

Encl.

SCHEDULE 1 - TABLE OF MAJOR TASKS FOR REMUNERATION

Resolution 1: from 6 November 2017 to 30 November 2018

The below table provides a description of the work undertaken in each major task area.

Task Area	General Description	Includes
Assets [\$1,496.00]	Debtors	<ul style="list-style-type: none"> • Meetings with Paul Florence regarding money owing on sale of debtors. • Attendance on debtor payments incorrectly made and refund of those payments
	Other Assets	<ul style="list-style-type: none"> • Attendance on director regarding recovery of assets not included in sale to Global • Continued investigation into pre-appointment sale of assets
Creditors [\$6,523.50]	General creditor enquiries	<ul style="list-style-type: none"> • Receive and respond to calls and communications from creditors • Maintain a register of creditor claims and contact details • File all creditor claims and correspondence in alphabetic order
	Report to Creditors	<ul style="list-style-type: none"> • Preparation of statutory report to creditors and annual report to creditors • Preparation of remuneration approval requests
	Dealing with claims	<ul style="list-style-type: none"> • Review documentation received from creditors in support of their claims
Employees [\$2,377.50]	Employees enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone • Maintain employee enquiry register • Review and prepare correspondence to employees and their representatives via facsimile, email and post
	FEG	<ul style="list-style-type: none"> • Correspondence with FEG • Preparing notification spreadsheet • Completing FEG questionnaires
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements • Reviewing employee files and company's books and records • Reconciling superannuation accounts • Reviewing awards • Liaising with employees, solicitors and Safework SA regarding entitlements

Investigation [\$13,390.00]	Conducting investigation	<ul style="list-style-type: none"> Investigation of potential claims concerning divestment of assets, recovery of debtors and director duties Review and sign multiple letters to Stephen Marks regarding further investigations and potential legal claims Meetings with Stephen Marks regarding investigations Investigation of related party loan accounts and journal entries to allocate those loan accounts to parties other than recipient of funds Review of potential insolvent trading claim and memo regarding claim Numerous attendances on Piper Alderman solicitors regarding legal claims and potential public examinations Collate all relevant documents for Piper Alderman to consider legal claims Investigations concerning capacity of potential defendants to respond to legal claims
	ASIC	<ul style="list-style-type: none"> Review investigation files and file report to ASIC under Section 533(1) Consider response from ASIC regarding investigations
Administration [\$5,413.00]	ATO matters	<ul style="list-style-type: none"> Maintain records of receipts and payments as required by the Act Prepare and lodge returns with the ATO as and when required
	Bank account maintenance	<ul style="list-style-type: none"> Maintain a cashbook and receipt/voucher system that accurately and completely records all receipts and payments Reconcile bank accounts on a monthly basis
	Document and file maintenance	<ul style="list-style-type: none"> Maintain and store all files, records and documents in accordance with a structured methodology and system Maintain signed file notes of all conversations and meetings with parties relating to the conduct of the liquidation
	<ul style="list-style-type: none"> ASIC forms 	<ul style="list-style-type: none"> Preparing and lodging ASIC forms
	Planning / Review	<ul style="list-style-type: none"> Maintain checklists to guide the conduct of the liquidation Periodically review the progress of the liquidation and compare to desired liquidation outcomes Periodically peer review conduct of the liquidation to ensure quality control is maintained
		Total: [\$29,200.00]