

**A.C.N. 003 682 693 Pty Limited (In Liquidation)
(Formerly Object Consulting Pty Limited)
A.C.N. 003 682 693
("the Company")**

REPORT TO CREDITORS

18 May 2021

DATE OF APPOINTMENT

25 September 2019

EXTERNAL ADMINISTRATORS

Joseph Hayes and Andrew McCabe

CONTACT

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Wexted Advisors
Level 12, 28-34 O'Connell Street
SYDNEY NSW 2000



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- A** Remuneration Approval Report
- B** Notice of Proposal Without a Meeting – Accrued Remuneration
- C** Notice of Proposal Without a Meeting – Future Remuneration
- D** Proof of Debt form
- E** Information Sheet – Proposals without Meetings

Please return the proof of debt and voting forms at **Appendices B, C and D** by no later than **5pm on 11 June 2021** by one of the following methods:

Contact Name: Tom Gilbert
By email: tgilbert@wexted.com
By post: Wexted Advisors
Level 12, 28 O'Connell Street
Sydney NSW 2000



1. Executive summary

1.1 Context

We were appointed Liquidators of the Company on 25 September 2019.

The purpose of this Report is to update creditors on the conduct of the liquidation since our Report to creditors dated 24 July 2020 ("**July 2020 Report**") and meeting of creditors held on 12 August 2020 ("**August 2020 Meeting**"). We have reported to creditors several times during the liquidation including:

- Statutory report to creditors dated 23 December 2019 ("**Statutory Report**");
- Further report to creditors dated 22 May 2020 ("**May 2020 Report**"); and
- Further report to creditors dated 24 July 2020 ("**July 2020 Report**") (together, "**Previous Reports**").

This report should be read in conjunction with the Previous Reports, which are available on our website www.wexted.com.

The liquidation is now at a stage where, subject to the recovery of an unfair preference claim, and the logistics of distribution, the liquidators consider that our remaining funds should be distributed according to creditor entitlement, and, where creditors have recourse to their own claims, they should pursue those individually.

As such, this Report provides an overview of recent recoveries, possible future recoveries, the likely return outcomes for all classes of creditors, and our outstanding and further remuneration.

1.2 Summary of activities

1.2.1 Background

Our last report to all creditors was on 12 August 2020. At the meeting, creditors:

- Received an update on the Administration with a particular emphasis on asset realisations post the sale of the Company's major business to DWS; and
- The approval of retrospective remuneration of \$25,000 from 1 July 2020 to 12 August 2020, along with approval of future remuneration of \$55,000 from 13 August 2020 to 12 November 2020.

These approvals were applied to our remuneration for the periods in question.

1.2.2 Matters addressed

At the August 2020 Meeting we indicated that our attention would be focused on debtor recoveries, unfair preference recoveries, director-related investigations, and the payment of dividends as soon as that was possible.

We can report that there has been progress in relation to most of these areas. In particular we have:

- Resolved claims against the ATO and Revenue NSW, resulting in recoveries of \$500K;
- Resolved the disputes with the advisor appointed to manage the sale to DWS, relating to their success fee, resulting in a modest outlay;
- Completed our investigations into other recoveries, and commenced action for recovery of further preferences valued at around \$155K;
- Made distributions to secured creditors of \$240K; and
- Made distributions to other priority creditors in respect of wages and superannuation of \$94K.

We are presently holding funds of \$635K for distribution subject to the further costs of the liquidation.



1.2.3 Recoveries and activities

Our estimates of recoveries for each creditor class are set out in Section 7 of this Report. In summary we note:

- The first secured creditor has been paid 75% of their principal claim of \$3.3M, but are still owed interest, fees, and expenses of \$1.9M calculated as at the date of our appointment;
- The second secured creditor has been paid no proportion of their principal claim of \$1.6M and are still owed interest, fees, and expenses of \$0.5M calculated as at the date of our appointment;
- Priority creditors in respect of wages and superannuation have received a dividend of \$94K, representing 2% of their claims calculated at \$4.6M; and
- Unsecured creditors have and will receive no return.

The remaining matters the liquidators propose to address are:

- Close out the debtor recovery processes and address the recovery of the remaining preference recovery action;
- Deal with the adjudication of the Proof of Debt submitted by the ATO (“**ATO Proof**”) in order to properly characterise and value their claim; and
- Make a distribution of funds in the Administration to Priority Creditors (the quantum, rate and timing of which is dependent upon the above matters).

If these matters can be efficiently addressed, we are hopeful to finalise the liquidation in a timely manner.

1.3 Remuneration

Information in respect of remuneration is set out in Section 8 of this Report. We will be seeking approval for our outstanding remuneration from 13 November 2020 to 16 May 2021 of \$36,960.50 (excluding GST), in relation to the matters set out in Section 1.2.2 above.

We will also be seeking approval for remuneration from 17 May 2021 to the finalisation of the liquidation, capped at \$35,000 (plus GST) to address the matters referred to Section 1.2.3 above. Our Remuneration Approval Report is attached at **Appendix A**.

1.4 Circular resolutions

We have been holding a number of bi-lateral discussions with the Secured Creditors, the ATO and FEG, where those creditors have an interest in a specific liquidation issue. As such, and in order to minimise meeting costs, we have elected to seek the approval of creditors for our remuneration without the need for a meeting. Information about the recommendations and resolutions proposed (“**the Proposals**”) without a meeting process is included in this Report. To participate in the Proposals, please complete and return the following by no later than **5pm, 11 June 2021**:

- The “proposal without a meeting” forms included as **Appendices B and C**; and
- The “Proof of Debt” form attached as **Appendix D** which provides information about what the Company owes you, along with supporting documentations for your claim (only if you have not previously provided one).

The documents can be scanned and emailed to tgilbert@wexted.com or returned via post to our office. If you choose to return these documents via post, please ensure that you allow enough time for us to receive them by the due date.

Information about passing resolutions without a meeting is attached at **Appendix E**.



2. Payments to secured and priority creditors

2.1 Secured creditors

Since the commencement of the Liquidation, we have made payments totalling \$2.5M to secured creditors. There will be no further recoveries for Secured Creditors in the liquidation from either the assets under our control or any further asset realisations. As such, Secured Creditors will incur a significant shortfall in this Liquidation.

2.2 Priority Dividend

On 23 July 2020, a first dividend of 4.4 cents in the dollar was paid to Priority Creditors in respect of wages and superannuation. A total of \$94.5K was distributed in relation to admitted claims totalling \$2.1M.

Since then, we have made further recoveries for the benefit of priority creditors totalling \$516.4K, comprising the recovery of preference claims as outlined in sections 5.1 and 5.2 below and further debtor recoveries. Fees and expenses incurred to preserve and realise these debts were \$73.4K.

Subject to finalising the staff loan preference recovery (as set out below at Section 6.3), and the resolution of the Proof of Debt submitted by the ATO, we will pay a further dividend to priority creditors as soon as possible. We estimate that dividend to be in the range of 10 cents in the dollar and 30 cents in the dollar, depending on the value realised from the preference claim and the value ultimately attributable to the ATO Claim (where this claim has substantial variable characteristics, as set out in Section 5 in this Report).

On completion of the final unfair preference claim (as set out below at Section 5.3), we will make a final distribution to Priority Creditors.

3. Asset Sale Agreement

In our July 2020 Report, we advised creditors that we continue to work to obtain the assistance of DWS to maximise recoveries of the Company's debtors. Debtor collections to date are outlined in section 4.1. Unfortunately, there have been minimal further debtor recoveries, despite our efforts. This is not unusual given the age of the claims and the difficulty usually experienced in recovering the tail-end of debtor books following business sales. The balance of debtors is currently \$66K. We propose to close this process out reasonably shortly, recognising there may be limited value in the balance of the debtor book.

In relation to the Sale Advisor Fee dispute, a mediation proceeding with Eaton Square was held on 28 September 2020. At that proceeding, a settlement was agreed. The payment from the Company to Eaton Square is required to be kept confidential but is within the parameters the liquidators considered appropriate in the circumstances.

These actions will close out activity in respect of the Sale Agreement.

4. Asset realisations

Asset Realisations were covered in detail in the May 2020 Report and July 2020 Report. The table overleaf provides a comparison of Asset Realisations to those set out in the July 2020 Report:



Description	Previous realisation	Realisation since July 2020	Total
	\$	\$	\$
Cash at bank	184,390	-	184,390
Asset Sale Agreement	2,862,859	-	2,862,859
Sales advisor success fee	(69,572)	Confidential	(69,572)
DWS claim	-	Confidential	Confidential
Debtors collected - pre-completion of ASA	82,341	-	82,341
Debtors collected - post completion of ASA	1,062,882	16,387	1,079,269
Rental bond	184,390	-	184,390
Plant and equipment	-	-	-
Motor vehicles	3,400	-	3,400
Shares in subsidiaries	-	-	-
Total realisations	4,310,690	16,387	4,327,077

Other than the debtors, where we have collected a further \$16.4K there have been no material asset recoveries since the July 2020 Report, other than those that are confidential pursuant to settlement conditions.

5. Creditors

In the May 2020 Report we estimated total creditor claims at \$28.2M. A summary of the present value of creditor claims is also provided in the table below:

Description	May-20	Current
	Report	Est. Value
	\$	\$
Senior secured debt	1,590,693	1,350,967
Subordinated secured debt	3,832,068	3,832,068
Employee entitlement claims - Employees	2,841,084	2,748,611
Employee entitlement claims - FEG	1,710,723	1,781,302
Ordinary unsecured creditors	18,242,370	18,242,370
Total	28,216,938	27,955,318

The changes in the value of creditor claims relates to:

- A further Secured Creditor distribution of \$239.7K;
- A distribution to Priority Creditors totalling c. \$94.5K; and
- An update to FEG's proof, as a result of further payments made to employees since our July 2020 report.

The calculations above assume the ATO proof is ultimately admitted for a sum of approximately \$1.7M. In that regard, the proof submitted by the ATO is approximately \$10.6M in relation to A RANGE OF Superannuation liabilities. We note however the proof incorporates an amount for outstanding Superannuation (\$6.1M) and an amount for Superannuation penalty fees and charges (\$4.6M). We have



advised the ATO that the books and records of the Company reveal only \$1.7M outstanding in respect of Superannuation Guarantee Entitlements, and have requested they amend and resubmit their Proof accordingly.

6. Investigations

Our May 2020 Report and July 2020 Report both provided considerable background information in respect of investigation related recoveries.

6.1 Unfair preference claims - ATO

We submitted an unfair preference claim for \$500K against the ATO on 24 October 2019. Following a substantial amount of work completed to interrogate the claim, and make further submissions, the ATO offered to settle the claim for \$410K. We accepted this offer on 15 October 2020.

6.2 Unfair preference claims - Revenue NSW

We submitted an unfair preference claim in the amount of \$151K against Revenue NSW. Revenue NSW made certain settlement offers which we declined. On 23 October 2020, a further offer was submitted to Revenue NSW and a draft Originating Process and Statement of Claim was issued. On 12 November 2020, Revenue NSW made a further settlement offer which we declined. Ultimately, Revenue NSW offered to settle the claim for \$90K. We accepted this offer on 20 November 2020.

6.3 Unfair preference – staff loans

Our investigations revealed a staff loan account, which significantly reduced in quantum during the six-month relation back date applicable to the recovery of voidable transactions. On 20 April 2021 we filed a statement of claim in the District Court of NSW for an unfair preference claim against this creditor, for up to \$155.5K.

On 5 May 2021 we received a settlement offer. On 13 May 2021 we responded to and rejected the settlement offer and provided further information to substantiate our claim. We hope (and expect) to engage in further discussions with the relevant creditors to resolve these claims in the near future.

6.4 Claims against directors

The Previous Reports outlined potential claims for breaches of directors' obligations to the Company. We have interrogated these claims and held discussions with various parties relating to the documentary trail we have established, and issues involved in making these claims. We also considered the practical impact, in terms of funds available to compensate creditors for the failure of the Company.

Our investigations concluded that, although actions may be available, there was no clear commercial benefit to the Liquidation of pursuing those claims, and we would be otherwise quarantining funds we consider should be made available to creditors.

Unless further information comes to light, no further action will be taken by the Liquidators in respect of actions the Company may have.

7. Estimated Return to Creditors

In the May 2020 Report and July 2020 Report we provided a schedule summarising the returns to different classes of creditors from the Liquidation, which we update overleaf:



Description	Liquidation Low \$	Liquidation High \$
1. Total non-circulating asset realisations	3,392,164	3,392,164
Less: Costs of realising non-circulating assets	(892,379)	(892,379)
Net assets available for senior secured creditor	2,499,785	2,499,785
Senior secured creditor claim	3,349,233	3,349,233
<i>Cents per dollar return to senior secured creditor claims</i>	75	75
2. Assets available for / (shortfall to) subordinated secured creditors	(849,449)	(849,449)
Total subordinated secured creditor claims	3,832,068	3,832,068
Shortfall to subordinated secured creditors	(4,681,517)	(4,681,517)
<i>Cents per dollar return to Subordinated secured creditor claims</i>	-	-
3. Returns to priority creditors		
<i>Circulating asset realisations</i>	317,736	317,736
Less: Costs of realising circulating assets	(63,082)	(63,082)
<i>Liquidators' recovery actions</i>	612,213	662,213
Less: Costs of recoveries	(118,169)	(138,169)
Assets available for priority creditor claims	748,698	778,698
Total priority employee claims	4,551,807	4,551,807
<i>Cents per dollar return to priority employee claims</i>	16	17
4. Surplus available for ordinary unsecured claims	-	-
Total unsecured creditor claims (prior to additional ATO claims)	18,242,370	18,242,370
<i>Cents per dollar return to unsecured creditors</i>	-	-

The changes to the schedule from that disclosed in the May 2020 Report relate to, inter alia:

- In relation to non-circulating asset recoveries, we incurred higher than expected costs defending claims against the Company after the completion of the ASA;
- In relation to circulating security realisations, we have recovered additional funds from the Liquidators' actions outlined in Section 4 above, and the Liquidator Recoveries we have pursued, will be first applied to Priority Creditors; and
- In relation to ordinary unsecured claims, the determination that a claim against the former director would likely result in no financial benefit has caused our estimate for this creditor class to be nil.

The variances between the "Liquidation High" and "Liquidation Low" calculations relate to inter alia, (a) the recovery of the further unfair preference claim and (b) costs of realising that claim. We have assumed in each case, that ATO debt is ultimately admitted for \$1.7M as a priority claim, which we have sought to explain at section 5 of this Report.

As set out above, we do not expect to pay a dividend to ordinary unsecured creditors.



8. Receipts and payments

A summary of our receipts and payments (inclusive of GST) from commencement of the Liquidation (25 September 2019 to 16 May 2021) is provided below:

	Previous Report 25-Sep-19 to 23-Jul-20 \$	This report 24-Jul-20 to 16-May-21 \$	Total \$
Receipts			
Asset Sale Agreement	4,730,000	-	4,730,000
Debtors	1,269,511	20,578	1,290,089
Transfer from Administrators	923,903	-	923,903
Settlement of Preferences	-	500,000	500,000
Other asset realisations	197,254	-	197,254
Other receipts	35,364	12,862	48,226
Total Receipts	7,156,032	533,440	7,689,473
Payments			
Bank and utility expenses	149,089	-	149,089
Costs of realising assets	261,517	58,466	319,983
Employee expenses	1,820,576	-	1,820,576
Liquidators' fees	345,414	80,398	425,812
Tax expenses	751,287	-	751,287
Secured Creditor Distribution	1,982,925	239,726	2,222,651
Priority Creditor Distribution	90,519	4,769	95,288
Other Payments	1,167,453	103,040	1,270,493
Total Payments	6,568,780	486,399	7,055,179
Surplus for period	587,252	47,041	634,294

9. Liquidators' remuneration

9.1 Remuneration to date

At the creditors meeting held 12 August 2020, creditors approved the Liquidators' proposed remuneration as follows:

- 1 July 2020 to 17 July 2020, in the amount of \$15,000 (excl. GST), which has now been drawn;
- 18 July 2020 to 12 August 2020, in the amount of \$10,000 (excl. GST), which has now been drawn; and
- 13 August 2020 to 12 November 2020 in the amount of \$55,000 (excl. GST), of which \$39,677.90 was incurred and drawn.

The Liquidators intend to seek creditors' approval for both accrued and future liquidators' remuneration as follows:



- Accrued remuneration for the period 13 November 2020 to 16 May 2021 of \$36,960.50 (excl. GST); and
- Future remuneration for the period from 17 May 2021 to Finalisation of \$35,000.00 (excl. GST).

A detailed report on the accrued remuneration is set out in **Appendix A**.

9.2 Future tasks to be undertaken

The remaining matters we propose to address are:

- Close out the debtor recovery process;
- Deal with the adjudication of the Proof of Debt submitted by the ATO;
- Address and finalise the recovery of the remaining unfair preference action;
- Make a distribution of funds in the liquidation to the priority creditors (the quantum, rate and timing of which is dependent upon the above matters); and
- Finalise the liquidation, including lodging all necessary reports with the statutory bodies.

A detailed report on the future remuneration is also set out in **Appendix A**.

10. Further information and contact details

We thank creditors for their assistance and support during the Liquidation.


Should creditors have any further information that may assist us in our investigation or require further information in regard to this matter, please contact Tom Gilbert of this office on telephone number (02) 9210 1703 or via email at tgilbert@wexted.com.

Dated this 18th day of May 2021.

A.C.N. 003 682 693 Pty Limited (In Liquidation)



Joseph Hayes
Joint and Several Liquidator



Andrew McCabe
Joint and Several Liquidator



Appendix A

Remuneration Approval Report

1. Declaration

We, Joseph Hayes and Andrew McCabe have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of A.C.N. 003 682 693 Pty Limited (In Liquidation) (Formerly Object Consulting Pty Limited) in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Liquidation.

2. Executive Summary

To date, the Creditors have approved \$394,013 (excl. GST) remuneration in the Liquidation for the period 25 September 2019 to 12 November 2020. We note the total amount of \$387,102 (excl. GST) has been incurred and drawn in relation to the approved amounts.

This remuneration report details approval sought for the following fees:

Current remuneration approval sought:	Reference	Amount (excl. GST)
Liquidators' fees		
Resolution 1 <i>"That the remuneration of the Joint and Several Liquidators for the period from 13 November 2020 to 16 May 2021, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$36,960.50 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required."</i>	4.1	\$36,960.50
Resolution 2 <i>"That the remuneration of the Joint and Several Liquidators for the period from 17 May 2021 to Finalisation, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$35,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required."</i>	4.2	\$35,000.00
Total – Liquidators' Remuneration		\$71,960.50

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



3. Remuneration Reconciliation

At a creditors meeting held on 12 August 2020, the Joint & Several Liquidators sought to have their future remuneration approved for the period 13 August 2020 to 12 November 2020 up to an approved amount of \$75,000.00 (exclusive of GST). It was agreed by creditors that the Liquidators remuneration be approved for a lower amount of \$55,000.00 (exclusive of GST) to be allocated to the following task areas:

- \$35,000 (excl. GST) in relation to the pursuing unfair preference payments; and
- \$20,000 (excl. GST) made up of \$15,000 (excl. GST) in relation to asset realisations including Asset Sale Agreement post-completion matters (such as defending the Eaton Square claim) and debtor recoveries, and
- \$5,000 (excl. GST) in relation to general administration tasks.

We provide the below table to advise creditors of our approved remuneration, drawn remuneration and proposed write off by task area for the period 13 August 2020 to 12 November 2020.

	Fee approval	Actual fees incurred	Fees drawn	Fees written off
Assets	15,000.00	18,891.43	15,000.00	3,891.43
Creditors	-	3,541.06	-	3,541.06
Employees	-	2,018.00	-	2,018.00
Trade On	-	1,227.50	-	1,227.50
Investigations	35,000.00	19,950.90	19,677.90	273.00
Administration	5,000.00	13,078.07	5,000.00	8,078.07
Total	55,000.00	58,706.96	39,677.90	19,029.06

4. Description of work completed / to be completed

4.1 Resolution 1 – Liquidators’ accrued remuneration 13 November 2020 to 16 May 2021

“That the remuneration of the Joint and Several Liquidators for the period from 13 November 2020 to 16 May 2021, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$36,960.50 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required.”

Company: A.C.N. 003 682 693 Pty Limited (In Liquidation) (Formerly Object Consulting Pty Limited)

Period from: 13 November 2020

Period to: 16 May 2021

Practitioner(s): Joseph Hayes and Andrew McCabe

Liquidation Type: Liquidation



Firm: Wexted Advisors

Task Area	General Description	Includes
Assets 1.2 Hours \$252.00 (excl. GST)	Debtors	Reviewing and assessing debtor ledgers Issuing demand letters to debtors
Creditors 24.9 Hours \$10,330.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing and issuing Further Report to Creditors
	Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditors' queries
Dividend 1.2 Hours \$330.00 (excl. GST)	Dividend Procedures	Preparation of estimated distribution waterfall
Employees 27.1 Hours \$10,129.00 (excl. GST)	Employee enquiries	Receive and follow up employee enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email, and post
	Calculation of entitlements	Reviewing employee files and company's books and records Reconciling superannuation accounts
	Fair Entitlements Guarantee	Correspondence with FEG Preparing for and attendance at AAT hearing regarding employee FEG claims
	Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt
Trade On 3.4 Hours \$777.00 (excl. GST)	Trade on management	Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipts and payments into accounting system
Investigation 29.9 Hours \$12,672.00 (excl. GST)	Conducting investigation	Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Investigation into possible insolvent trading / breach of directors' duties Internal meetings to discuss status of investigations
	Litigation / Recoveries	Internal meetings to discuss status of preference claims Preparing briefs to solicitors Liaising with solicitors regarding recovery actions



Task Area	General Description	Includes
Administration 7.3 Hours \$2,470.50 (excl. GST)	Document maintenance / file review / checklist	Filing of documents File reviews Updating checklists
	Correspondence	Correspondence with various parties and maintaining file notes
	Insurance	Reviewing insurance policies
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms and lodgements	Preparing and lodging ASIC form 5011
	ATO & other statutory reporting	Preparing BAS
	Planning/review	Discussions regarding status of Liquidation
Total: \$36,960.50 (excl. GST)		
Total Hours: 95.0		

4.2 Resolution 2 – Liquidators’ future remuneration

“That the remuneration of the Joint and Several Liquidators for the period from 17 May 2021 to Finalisation, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$35,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required.”

Company: A.C.N. 003 682 693 Pty Limited (In Liquidation) (Formerly Object Consulting Pty Limited)

Period from: 17 May 2021

Period to: Liquidation Finalisation

Practitioner(s): Joseph Hayes and Andrew McCabe

Liquidation Type: Liquidation

Firm: Wexted Advisors

Task Area	General Description	Includes
Creditors \$2,500 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post



Task Area	General Description	Includes
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Proposals to Creditors	<ul style="list-style-type: none"> Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
Employees \$7,500 (excl. GST)	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone Maintain employee enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Fair Entitlements Guarantee	Correspondence with FEG
	Employee dividend	<ul style="list-style-type: none"> Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Preparing distribution Receipting POD Adjudicating POD Ensuring PAYG is remitted to ATO
Investigation \$20,000 (excl. GST)	Litigation / Recoveries	<ul style="list-style-type: none"> Pursuing the unfair preference payment litigation on foot Preparing briefs to solicitors Liaising with solicitors regarding recovery actions
Administration \$5,000 (excl. GST)	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents File reviews Updating checklists
	Correspondence	Correspondence with various parties and maintaining file notes
	Bank account administration	<ul style="list-style-type: none"> Preparing bank reconciliations Preparing correspondence closing accounts Correspondence with bank regarding specific transfers
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP Lodging all necessary reports with statutory bodies Applying to ASIC for the deregistration of the Company



Task Area	General Description	Includes
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total: \$35,000.00 (excl. GST)		





5. Calculation of Remuneration

Remuneration for hours incurred for the period from 13 November 2020 to 16 May 2021																		
Employee	Position	\$/hour (exc GST)	Total actual hours	Total (\$)	Assets		Creditors		Employees		Trade On		Investigations		Dividend		Admin	
					hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$	hrs	\$
Joseph Hayes	Partner	600	1.0	600.00	-	600.00	1.0	-	-	-	-	-	-	-	-	-	-	-
Andrew McCabe	Partner	600	4.5	2,700.00	-	840.00	1.4	-	-	0.20	120.00	-	2.7	1,620.00	0.2	120.00	-	-
James Le Messurier	Manager	430	62.6	26,918.00	-	7,525.00	17.5	-	19.6	8,428.00	-	-	21.6	9,288.00	-	-	3.9	1,677.00
Thomas Gilbert	Senior Analyst	315	6.6	2,079.00	-	630.00	2.0	-	0.9	283.50	-	-	3.4	1,071.00	-	-	0.3	94.50
Patrick Skippen	Senior Analyst	315	4.1	1,291.50	-	315.00	1.0	-	0.3	94.50	-	-	2.2	693.00	-	-	0.6	189.00
Lachlan Minogue	Junior Analyst	210	4.2	882.00	-	420.00	2.0	-	-	-	-	-	-	-	1.0	210.00	1.2	252.00
Angus Malouf	Junior Analyst	210	11.4	2,394.00	1.2	252.00	-	-	6.3	1,323.00	2.90	609.00	-	-	-	-	1.0	210.00
James Low	Support	160	0.6	96.00	-	-	-	-	-	-	0.30	48.00	-	-	-	-	0.3	48.00
Subtotal (exc GST)			95.0	36,960.50	1.2	252.00	24.9	10,330.00	27.1	10,129.00	3.40	777.00	29.9	12,672.00	1.2	330.00	7.3	2,470.50
GST				3,696.05														
Total remuneration (inc GST)				40,656.55														
Average hourly rate (exc GST)				389		210		415		374		229		424		275		338



6. Likely Impact on Dividends

The Liquidators are seeking to have their remuneration approved by creditors under section 60-10 of the Insolvency Practice Schedule (Corporations). The proposed resolutions outline the terms for that approval. This Remuneration Report provides detail of the Liquidators proposed remuneration.

Liquidators' remuneration is paid in priority to unsecured creditors in accordance with the priorities provided by section 556 of the Act. If the proposed resolutions are passed it will allow the Liquidators to draw their fees from the funds either presently held or funds recovered in the future. This may reduce the pool of funds available for distribution to unsecured creditors.

The passing of the proposed resolutions will also allow for further work to be performed in the external Liquidation, possibly resulting in further recoveries to be made or identified for the benefit of creditors.

7. Statement of Remuneration Claim

7.1 Resolution 1

“That the remuneration of the Joint and Several Liquidators for the period from 13 November 2020 to 16 May 2021, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$36,960.50 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required.”

7.2 Resolution 2

“That the remuneration of the Joint and Several Liquidators for the period from 17 May 2021 to Finalisation, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$35,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required.”

8. Remuneration recoverable from external sources

Not applicable.

9. Disbursements

Not applicable.

10. Report on Progress of the Administration

Please refer to the Liquidators report to creditors dated 18 May 2021.

11. Summary of Receipts and Payments

Please refer to the Liquidators report to creditors dated 18 May 2021.

12. Queries

Creditors have the right to request further information from the external administrator if they wish to do so. Please contact Tom Gilbert of this office on (02) 9210 1703 or at tgilbert@wexted.com.



13. Information Sheet

The remuneration sheet guide "Approving Fees Guide to Creditors" can be accessed from the ASIC website.

DATED this 18 May 2021

A.C.N. 003 582 693 Pty Limited (In Liquidation)



Joseph Hayes
Joint and Several Liquidator



Andrew McCabe
Joint and Several Liquidator



Appendix B

NOTICE OF PROPOSAL TO CREDITORS

ACN 003 682 693 Pty Limited (In Liquidation) (Formerly Object Consulting Pty Limited)
ACN 003 682 693 ("the Company")
Voting Poll Closes: 5pm 11 June 2021

Resolution No.1 for creditor approval

"That the remuneration of the Joint and Several Liquidators for the period from 13 November 2020 to 16 May 2021, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$36,960.50 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required."

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Liquidators are entitled to be remunerated for the work undertaken by us, our partners and our staff. We consider that the method of this approval by a proposal, rather than incurring the costs of convening a meeting of creditors will achieve the dual aims of:

- Allowing creditors to properly consider detailed information regarding the remuneration that we request they approve; and
- Minimise the costs of the consideration and approval process, with the aim of maximising the potential return to creditors from the liquidation.

If the resolution is passed, the Liquidators will rely on the resolution to pay the approved remuneration (or a lesser amount if there are insufficient funds available) from the bank account maintained by the Liquidators.

Vote on resolution No.1

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. If more than 25% of responding creditors object to the proposal being resolved without a meeting of creditors, a meeting of creditors would be required to be convened to pass the resolution.

Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidator for your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
- I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than **5pm 11 June 2021** for your vote to be counted, by email to Tom Gilbert at tgilbert@wexted.com. If you have any questions please call our office on (02) 9210 1700.

Completed forms may also be sent by post attention to Wexted Advisors, GPO Box 7091 Sydney NSW 2001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

Dated: 18 May 2021

Appendix C

NOTICE OF PROPOSAL TO CREDITORS

ACN 003 682 693 Pty Limited (In Liquidation) (Formerly Object Consulting Pty Limited)
ACN 003 682 693 (“the Company”)
Voting Poll Closes: 5pm 11 June 2021

Resolution No.2 for creditor approval

“That the remuneration of the Joint and Several Liquidators for the period from 17 May 2021 to Finalisation, calculated on hours spent by the Joint and Several Liquidators, their partners and their staff, at the hourly rates detailed in the schedule of rates forming part of the Initial Remuneration Notice provided to creditors, be approved in the amount of \$35,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration immediately or as required.”

Reasons for the proposal and the likely impact it will have on creditors if it is passed

The Liquidators are entitled to be remunerated for the work undertaken by us, our partners and our staff. We consider that the method of this approval by a proposal, rather than incurring the costs of convening a meeting of creditors will achieve the dual aims of:

- Allowing creditors to properly consider detailed information regarding the remuneration that we request they approve; and
- Minimise the costs of the consideration and approval process, with the aim of maximising the potential return to creditors from the liquidation.

If the resolution is passed, the Liquidators will rely on the resolution to pay the approved remuneration (or a lesser amount if there are insufficient funds available) from the bank account maintained by the Liquidators.

Vote on resolution No.2

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. If more than 25% of responding creditors object to the proposal being resolved without a meeting of creditors, a meeting of creditors would be required to be convened to pass the resolution.

Please select the appropriate Yes, No or Object box referred to below:

- | | | |
|--------|--------------------------|--|
| Yes | <input type="checkbox"/> | I approve the proposal |
| No | <input type="checkbox"/> | I do not approve the proposal |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Liquidator for your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
- I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than **5pm 11 June 2021** for your vote to be counted, by email to Tom Gilbert at tgilbert@wexted.com. If you have any questions please call our office on (02) 9210 1700.

Completed forms may also be sent by post attention to Wexted Advisors, GPO Box 7091 Sydney NSW 2001, although you should ensure this is sent with sufficient time to arrive by the date the vote closes, which we cannot guarantee.

Dated: 18 May 2021

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

1. To the Joint and Several Liquidators of A.C.N. 003 682 693 Pty Limited (In Liquidation) (formerly Object Consulting)
This is to state that the company was, on 21 August 2019 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ <small>state how the debt arose</small>	Amount \$	GST included \$	Remarks ⁽⁴⁾ <small>include details of voucher substantiating payment</small>

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

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

- I am **not** a related creditor of the Company ⁽⁵⁾
- I am a related creditor of the Company ⁽⁵⁾
relationship: _____

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No Yes

If yes, attach written evidence of the debt, the assignment and consideration given.

Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ _____

3A.^{(6)*} 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2021

Signature of Signatory.....

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").