

**Ezi Installation Pty Limited (In Liquidation)  
ACN 124 818 159  
("the Company")**

**REPORT TO CREDITORS**

12 November 2020

**DATE OF APPOINTMENT**

20 December 2019

**EXTERNAL ADMINISTRATORS**

Joseph Hayes and Andrew McCabe

**CONTACT**

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Please return the voting form and proof of debt at **Annexures B and C** by no later than **4 December 2020** by one of the following methods:

|               |  |
|---------------|--|
| Contact name: | Patrick Skippen                                    |
| By email:     | pskippen@wexted.com                                |
| By post:      | Wexted Advisors<br>GPO Box 7091<br>Sydney NSW 2001 |



## 1. Introduction

We refer to our appointment as Joint and Several Liquidators of the Company on 20 December 2019 by a resolution of the Company's members. This report should be read in conjunction with our Report to Creditors dated 7 January 2020 ("First Report").

The purpose of this report is to provide creditors with an update regarding the conduct of the liquidation to date, and to seek creditor approval of the liquidators remuneration.

## 2. Company background

The Company was incorporated on 10 April 2007 for the purpose of providing roof installation services. We understand the Company provided roofing services to a range of builders including, but not limited to, Broad Construction, Red 8 Roofing, G&S Engineering, Circon Construct, Hansen Yuncken and John Holland.

The sole director and secretary of the Company is Benjamin Blanchette ("Director").

Based on our review of the Company's books and records, and our discussions with the Director, it appears the business ceased trading and employing shortly prior to our appointment as liquidators on 20 December 2019.

## 3. Activities undertaken to date

Since our First Report, we have undertaken a number of key tasks including, but not limited to:

- Liaising with employees and the Attorney-General's Department ("AGD"), to facilitate the payment of \$45.3K to four eligible employees;
- Assessing and pursuing two outstanding debtors totalling \$1.4M. Liaising with solicitors regarding the outstanding debtors and the strength of the Company's claims;
- Liaising with the Director regarding outstanding debtors, claimed offsets, collection of books and records in relation to debtors;
- Realising the Company's cash at bank as at our appointment;
- Liaising with solicitors regarding stay of Supreme Court and District Court proceedings commenced against the Company pre-appointment;
- Liaising with an insurance specialist regarding initial and ongoing insurance requirements;
- Correspondence with the Company's secured creditors regarding their registered security interests and supporting security documents;
- Liaising with the Director regarding details of Company's limited fixed assets (ie computer equipment);
- Communicating with employees and creditors, including the First Report, various email correspondence, telephone discussions and meetings;
- Investigating the affairs of the Company, and the conduct of the Director, including potential voidable transactions and insolvent trading claims;
- Our investigations have included, but are not limited to:
  - discussions with the Director, staff, creditors and other stakeholders; and
  - reviewing the books and records of the Company including financials, bank statements, MYOB management accounts, payroll records and other records.
- Reporting our investigation findings to the Australian Securities and Investments Commission ("ASIC");
- Pursuing the Australian Taxation Office ("ATO") in respect of voidable unfair preference payments made to the ATO during the six month period prior to our appointment as Liquidators. Attending to negotiations and settlement of same;
- Preparing estimated dividend calculations regarding priority dividend to employee creditors in respect of wages and superannuation; and
- Advertising our intention to declare a priority dividend in respect of wages and



superannuation.

#### 4. Receipts and Payments

A summary of the assets and liabilities in the liquidation is set out below.

|                               | Note | Actuals<br>20-Dec-2019 to<br>10-Nov-2019<br>\$ (incl. GST) | Forecast<br>11-Nov-2020 to<br>completion<br>\$ (incl. GST) | Estimated Total<br>\$ (incl. GST) |
|-------------------------------|------|--|--|-----------------------------------|
| <b>Receipts</b>               |      |  |  |                                   |
| Contribution to Costs         |      | 40,000   | -  | 40,000                            |
| Cash at bank                  | 4.1  | 30,334   | -  | 30,334                            |
| Sundry debtors                | 4.2  | -  | -  | -                                 |
| Equipment                     | 4.3  | -  | -  | -                                 |
| Litigation Recoveries         | 4.4  | -  | 67,000   | 67,000                            |
| Funding for FEG Services      |      | 1,716  | -  | 1,716                             |
| GST refund                    |      | 5,008  | 4,425  | 9,433                             |
| <b>Total receipts</b>         |      | <b>77,058</b>  | <b>71,425</b>  | <b>148,483</b>                    |
| <b>Payments</b>               |      |  |  |                                   |
| Legal Fees (incl. GST)        |      | (11,093)   | (12,650)   | (23,743)                          |
| FEG Verification Services     |      | (1,716)  | -  | (1,716)                           |
| Liquidators' Remuneration     | 6    | (44,000)   | (36,025)   | (80,025)                          |
| Priority Dividend (estimate)  | 5    | -  | (42,999)   | (42,999)                          |
| <b>Total payments</b>         |      | <b>(56,809)</b>  | <b>(91,674)</b>  | <b>(148,483)</b>                  |
| <b>Estimated cash balance</b> |      | <b>20,249</b>  | <b>-</b>   | <b>-</b>                          |

##### 4.1 Cash at bank

We recovered an amount of \$30.3K from the Company's pre-appointment ANZ accounts. We have not identified any other bank accounts operated or maintained by the Company.

The cash at bank realised is considered a circulating asset of the Company. Therefore, subject to the validity of the secured creditor's All Present and After Acquired Property ("ALLPAAP") security interest, these funds (less costs of recovery) will be made available for priority employee entitlements pursuant to sections 561 and 556 of the Corporations Act 2001 ("the Act"). Further information on dividends to priority creditors is provided in section 6 of this Report.

##### 4.2 Sundry debtors

As outlined in the First Report, the Company's records indicated there were two debtors in the sum of \$1.4M as follows:

- Red 8 Roofing - \$1,129,594.40; and
- Broad Construction - \$348,674.80.



Since our First Report we have:

- Issued numerous correspondence to both debtors, resulting in a protracted dispute in respect to the validity of the Company's claim against each debtor respectively, with both debtors claiming set - off for liquidated damages, breaches and rectification works;
- Liaised with the Director regarding each debtor claim, sourcing and obtaining all available Company books and records to facilitate a detailed assessment of the Company's claims against the debtors; and
- Conducted a detailed assessment in respect of the strength of the Company's claims including reviewing a significant quantum of records in relation to same.

Based on the information available, taking into consideration the costs, benefits and risks of pursuing these debtor claims, we do not consider the claims commercial to pursue. However, this is a matter for creditors to consider. Accordingly, should any creditor wish to fund the litigation and pursuit of these debtors, please advise our office in writing by no later than **5pm Friday, 27 November 2020**.

### **4.3 Equipment**

The Company's balance sheet as at 20 December 2019 discloses equipment with a net book value of \$5.8K. The Director advises the equipment consists of old computer equipment with no estimated realisable value that was discarded prior to the liquidation of the Company. As there does not appear to be any commercial benefit in recovering this equipment, we do not propose to take any further action in respect to this issue. Furthermore, we are of the view we have received all available Company records to complete our investigation, including making an assessment of the Company's debtors.

### **4.4 Litigation recoveries**

We provide a summary of our investigations undertaken to date below for creditors information.

#### **4.4.1 Insolvent trading**

Pursuant to section 588G of the Act, a director has a duty to prevent a company from trading whilst it is insolvent. Insolvent trading occurs when an insolvent company incurs a debt at a time where there are reasonable grounds for suspecting that the company would be unable to repay that debt. In such circumstances, a director may be personally liable for debts incurred.

Determining the precise date of insolvency depends on many factors. Whilst certain claims can be made with respect to the insolvent trading, quite often litigation is required to be commenced in order that a Court can review the evidence and make, if appropriate, compensation orders.

Based on our preliminary investigation, it appears the Company may have been insolvent from 1 June 2019 or earlier. If this is the case, we may have an insolvent trading claim against the Director for debts incurred by the Company post 1 June 2019, which based on the Company's books and records, totals approximately \$850K. Further investigations, subject to funding, are required to ascertain the precise date of insolvency and the quantum of any such claim. Consideration also needs to be provided to the assets available, the possible defences and the commercial benefit to creditors, prior to commencing any insolvent trading action.

##### **4.4.1.1 Directors' defences**

General defences that are available to directors under the Act regarding allegations of insolvent trading are:

- The director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt;



- The director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred;
- At the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company; and
- The director was taking a course of action that was reasonably likely to lead to a better outcome for the company (i.e. the Safe Harbour defence).

Our preliminary view is that some of these defences may not be available to the Director should an insolvent trading claim be commenced.

#### **4.4.1.2 Directors' personal financial position**

Records available at the NSW Land Registry Services confirm the Director is the co-owner of a property located at Karangi NSW. We note there is a registered mortgage on title as well as various caveats lodged by what appears to be secured creditors of the Company in relation to personal guarantees provided by the Director. We are unaware of the property equity position and therefore, it is uncertain if the Director has the capacity to meet any successful insolvent trading claim brought against him.

#### **4.4.1.3 Funding investigations and recoveries**

Creditors should note that recovery actions:

- May be expensive, lengthy and with uncertain outcomes;
- Should not be commenced unless defendants have the financial resources to satisfy any judgement (this is often difficult to establish); and
- Must be funded by existing assets, creditor funding or external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

We do not intend to expend the asset realisations made in the liquidation to date in pursuit of further investigation, legal advice and commencing an insolvent trading action against the Director. However, should any creditor wish to fund us to undertake further detailed investigations, obtain legal advice and, if applicable, commence an insolvent trading action against the Director, please advise our office in writing by no later than 5pm Friday, **27 November 2020** so that the matter can be considered accordingly.

#### **4.4.2 Voidable transactions**

Pursuant to section 588FE of the Act, there are a number of different types of transactions that may be voidable by a liquidator. Voidable transactions include unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months of the relation back day (i.e. date of appointment of the liquidators). However, the transaction can relate back further in certain circumstances. At this stage, our investigation in respect of potential voidable transactions has focused on the books and records received to date.

Our investigations identified an unfair preference payment to the ATO in the amount of \$79.1K. To avoid the significant costs associated with commencing litigation to recover the full amount of our claim against the ATO, on a costs / benefits basis we accepted a settlement offer from the ATO in the amount of \$67.0K.



Our investigations to date have not revealed any other transactions that appear to be voidable under the Act.

#### 4.5 Secured creditors

Creditors are referred to our First Report for a detailed listing of parties with a registered security interest.

To date we have not realised any assets subject to a specific security interest. We have realised cash at bank, a circulating asset, which subject to a circulating security interest (subject to the validity of Mr Blanchette's ALLPAAP security interest).

We note we have been in contact with Mr Blanchette regarding his registered ALLPAAP security interest and despite numerous requests, to date he is yet to provide particulars of his claim or copies of the relevant security documents.

#### 4.6 Employee creditors

The books and records of the Company disclose outstanding employee entitlements (excluding redundancy entitlements) as at our appointment date as follows:

| Category                          | Company records<br>\$ | FEG claims<br>received<br>\$ | FEG<br>payments<br>\$ |
|-----------------------------------|-----------------------|------------------------------|-----------------------|
| Wages                             | -                     | 2,000                        | -                     |
| Superannuation                    | 74,157                | N/A                          | N/A                   |
| Annual Leave & Long Service Leave | 15,985                | 16,000                       | 16,119                |
| PILN                              | -                     | 13,077                       | 16,838                |
| Redundancy                        | -                     | 33,574                       | 12,309                |
| <b>Total</b>                      | <b>90,142</b>         | <b>64,651</b>                | <b>45,266</b>         |

Source: Company records and FEG records

In a liquidation, the employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice (**PILN**) and redundancy.

Furthermore, employees may be entitled to lodge a claim under the Fair Entitlements Guarantee (**FEG**), a scheme administered by the Attorney-General's Department (**AGD**). The FEG scheme provides financial assistance to cover certain unpaid employment entitlements to eligible employees who lose their job due to the liquidation of their employer.

The majority of employee entitlements, with exception to superannuation, may be paid by the AGD under the FEG scheme, subject to the AGD's adjudication and any limitations imposed by the FEG. The AGD then hold a subrogated right to claim in the place of the employees for any priority dividend to employees.

The AGD has lodged a Proof of Debt (**POD**) in the amount of \$45,266.34 for the gross amount of all payments made to date pursuant to the FEG which are summarised above. We note FEG received claims from four employees, adjudicated on these claims and made payments in respect of each of them. Employees with any outstanding employee entitlements and the AGD's right of subrogation will continue to have a priority claim against the administration.

The ATO has lodged a POD in respect of the Company's superannuation guarantee shortfall in the





amount of \$68.6K.

#### **4.7 Unsecured creditors**

As at the date of our appointment on 20 December 2019 the books and records of the company disclosed ordinary unsecured claims totalling \$2.1M

To date we have received Proof of Debt forms from creditors totalling \$3.6M (including a disputed claim from debtor Red 8 Roofing in the amount of \$1.5M). Based on the limited funds in the liquidation a dividend to ordinary unsecured creditors is unlikely. Accordingly, we do not propose to call for formal POD's or adjudicate on creditor claims.

#### **5. Dividend prospects**

Section 556 of the Act sets out the order or priority of distributions in a liquidation. In summary, the priority of payments are:

- (i) Liquidators' remuneration and disbursements;
- (ii) Employee entitlements (including any distributions made by FEG);
- (iii) Unsecured creditors; and
- (iv) Shareholders.

Pursuant to section 561 of the Act employee entitlements are afforded a priority from the realisation of circulating assets that are subject to a circulating security interest. To date, the only circulating asset realisations made has been the cash at bank of \$33.3K. This amount, less costs of recovery, will be included in the upcoming priority dividend in respect of wages and superannuation, noting we are not aware of any unpaid wages.

A priority dividend in respect of wages and superannuation has been declared for 9 December 2020. At this stage, we estimate the total funds to be distributed will be c. \$40K, resulting in a dividend to the ATO of approximately 60 cents in the dollar in respect to superannuation.

#### **6. Liquidators' Remuneration**

Creditors previously approved the Liquidators' remuneration up to an amount of \$40,000 excluding GST via proposal with a meeting. This amount has been incurred and drawn in full as 11 February 2020. Additional time costs have been incurred for the period 12 February 2020 to 11 November 2020 in the amount of \$87,495.50 excluding GST.

At this stage, we propose to have our additional remuneration approved by a proposal without a meeting. The resolution we are seeking creditor approval for is as follows:

- That the remuneration of the Joint and Several Liquidators Joseph Hayes and Andrew McCabe from 12 February 2020 to 11 November 2020, 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 Remuneration Approval Report provided to creditors, be approved in the amount of \$40,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration.

A detailed report on the accrued remuneration for the liquidators and their staff is set out in **Appendix A**.






## 7. Further information and contact details

Should creditors have any further information that may assist us in our investigation or require further information in regard to this matter, please contact Mr Patrick Skippen of this office on telephone number (02) 9210 1711 or via email at [pskippen@wexted.com](mailto:pskippen@wexted.com).

DATED this 12<sup>th</sup> day of November 2020  
**Ezi Installation Pty Limited (In Liquidation)**

  
Joseph Hayes  
**Joint and Several Liquidator**

  
Andrew McCabe  
**Joint and Several Liquidator**



## Appendix A: Remuneration 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 Ezi Installation Pty Limited (In Liquidation) 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 \$40,000.00 remuneration in the Liquidation. The Liquidators have drawn \$40,000.00 in remuneration to date relating to the period from appointment 20 December 2019 to 11 February 2020.

This remuneration report details approval sought for the following fees:

| Current remuneration approval sought:  | Reference | Amount (excl. GST) |
|--|-----------|--------------------|
| <b>Liquidators fees</b>  |           |                    |
| <b>Resolution 1</b><br><i>"That the remuneration of the Joint and Several Liquidators Joseph Hayes and Andrew McCabe from 12 February 2020 to 11 November 2020, 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 \$40,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration".</i> | 3.1       | \$40,000.00        |
| <b>Total - Liquidators Remuneration</b>  |           | <b>\$40,000.00</b> |

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

### 3. Description of work completed / to be completed

#### 3.1 Resolution 1 – Liquidators' accrued remuneration

"That the remuneration of the Joint and Several Liquidators Joseph Hayes and Andrew McCabe from 12 February 2020 to 11 November 2020, 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 \$40,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration".

**Company:** Ezi Installation Pty Limited (In Liquidation)

**Period from:** 12 February 2020

**Period to:** 11 November 2020

**Practitioner(s):** Joseph Hayes and Andrew McCabe

**Type:** Liquidation

**Firm:** Wexted Advisors

| <b>Task Area</b>  | <b>General Description</b>       | <b>Includes</b>   |
|---|----------------------------------|---|
| <b>Assets</b><br><b>61.9 Hours</b><br><b>\$32,333.00</b><br><b>(excl. GST)</b>        | Debtors                          | Reviewing and assessing debtor ledgers<br>Issuing demand letters to debtors<br>Legally Pursuing debtors<br>Extensive liaison with solicitors regarding debtor recoveries<br>Investigations into validity of debtor claims                               |
| <b>Creditors</b><br><b>19.4 Hours</b><br><b>\$8,198.00</b><br><b>(excl. GST)</b>      | Creditor Enquiries               | Receive and follow up creditor enquiries via telephone<br>Maintaining creditor enquiry register<br>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       | Responding to secured creditors' queries  |
| <b>Dividend</b><br><b>0.5 Hours</b><br><b>\$212.50</b><br><b>(excl. GST)</b>          | Processing proofs of debt (POD)  | Preparation of correspondence to creditors regarding PODs<br>Maintain POD register  |
|   | Dividend Procedures              | Advertisement of intention to declare dividend  |
| <b>Employees</b><br><b>36.4 Hours</b><br><b>\$16,023.00</b><br><b>(excl. GST)</b>     | Employees enquiry                | Receive and follow up employee enquiries via telephone<br>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  |
|   | Fair Entitlements Guarantee      | Correspondence with FEG quantifying and verifying claims<br>Preparing notification spreadsheet  |
| <b>Trade On</b><br><b>0.5 Hours</b><br><b>\$212.50</b><br><b>(excl. GST)</b>          | Trade on management              | Preparing and authorising receipt vouchers<br>Preparing and authorising payment vouchers  |
|   | Processing receipts and payments | Entering receipts and payments into accounting system   |
| <b>Investigation</b><br><b>45.2 Hours</b><br><b>\$17,874.00</b><br><b>(excl. GST)</b> | Conducting investigation         | Collection of company books and records<br>Reviewing company's books and records<br>Preparation of comparative financial statements<br>Preparation of investigation file<br>Investigation into possible insolvent trading / breach of directors' duties |
|   | Litigation / Recoveries          | Internal meetings to discuss status of litigation<br>Preparation of voidable transaction claim against Australian Taxation Office   |

| <b>Task Area</b>   | <b>General Description</b>                        | <b>Includes</b>   |
|--|---|---|
|  |   | Preparing briefs to solicitors<br>Liaising with solicitors regarding recovery actions   |
| <b>Administration</b><br><br><b>30.4 Hours</b><br><b>\$12,642.50</b><br><b>(excl. GST)</b> | Document maintenance /<br>file review / checklist | Filing of documents<br>File reviews<br>Updating checklists  |
|  | Correspondence                                    | Correspondence with various parties and<br>maintaining file notes   |
|  | Insurance   | Reviewing insurance policies  |
|  | Bank account<br>administration                    | Preparing correspondence opening accounts<br>Requesting bank statements<br>Bank account reconciliations<br>Correspondence with bank regarding specific<br>transfers |
|  | ASIC Forms and<br>lodgements                      | Preparing and lodging ASIC forms  |
|  | ATO & other statutory<br>reporting                | Preparing BAS   |
|  | Books and records /<br>storage                    | Sending job files to storage  |
|  | Planning/review                                   | Discussions regarding status of Liquidation   |
| <b>Total: \$87,495.50 (excl. GST)</b>  |   |   |
| <b>Total Hours: 194.3</b>  |   |   |
| <b>Net of Write-off: \$40,000.00 (excl. GST)</b>   |   |   |

#### 4. Remuneration Reconciliation

On 20 February 2020, creditors approved the Liquidators future remuneration for the period 7 January 2020 to finalisation of the liquidation via circular resolution up to a capped amount of \$29,528.50. This was incurred in full on 11 February 2020 and was fully drawn on 21 February 2020 after the proposal deadline date of 20 February 2020. In the period from 12 February 2020 to 11 November 2020, we incurred additional time above the capped amount of \$87,495.50.

Accordingly, we are seeking approval for accrued remuneration for the period from 12 February 2020 to 11 November 2020 in the amount of \$40,000 excluding GST and propose to write off \$47,495.50.

The table below compares our original fee approval for fees incurred to 11 November 2020 on a task basis and provides an explanation for the discrepancy.

| <b>Task</b>           | <b>Current Fee Approval (\$)</b> | <b>Fees Incurred 7 Jan-20 to 11-Nov-20 (\$)</b> | <b>Difference (\$)</b> | <b>Reasons for difference</b>   |
|-----------------------|----------------------------------|---|------------------------|---|
| <b>Assets</b>         | 10,110.50                        | 42,443.50                                       | 32,333.00              | We have exceeded our fee approval for Assets due to the quantum of the debtor claims against Red 8 Roofing and Broad Construction. We incurred a significant amount of time instructing our solicitors to prepare various correspondence and provide us with advice on the strength of the claims. We also incurred a significant amount of time reviewing company books and records and liaising with the Director.                            |
| <b>Creditors</b>      | 8,760.00                         | 16,958.00                                       | 8,198.00               | We have exceeded our estimated fees primarily due to the preparation of a further report to creditors in which we advised of a proposed dividend to priority employee creditors.  |
| <b>Employees</b>      | 3,257.50                         | 19,280.50                                       | 16,023.00              | We have exceeded our fee approval for employees as we have incurred significant time liaising with FEG and employees of the Company with outstanding employee entitlements owing. These costs were largely unforeseen in the liquidation as the Company's books and records did not disclose any outstanding entitlements owing at our appointment.   |
| <b>Trade On</b>       | 0.00                             | 212.50  | 212.50                 | Difference immaterial.  |
| <b>Investigation</b>  | 4,375.50                         | 22,249.50                                       | 17,874.00              | Significant investigation costs have been incurred above our initial fee estimate and fee approval as significant time was incurred to investigate a voidable transaction claim including against the Australian Taxation Office for c.\$79K for which a settlement was reached. These investigations included reviewing the Company's MYOB Accounting records and ATO records and pursuing this claim.   |
| <b>Dividend</b>       | 0.00                             | 212.50  | 212.50                 | Difference immaterial.  |
| <b>Administration</b> | 3,421.50                         | 15,667.50                                       | 12,246.00              | Administration costs incurred relate to both statutory obligations such as preparing and lodging BAS and ASIC forms, as well as general administrative tasks.<br><br>Administration costs are a function of the size and complexity of the liquidation. As the complexity of the liquidation has increased due to the debtor and voidable transaction claims since our fee approval, we have incurred additional time than initially estimated. |
| <b>Total</b>          | <b>29,528.50</b>                 | <b>117,024.00</b>                               | <b>87,495.50</b>       |   |

## Appendix A: Remuneration Report

### 5. Calculation of Remuneration

| Remuneration for hours incurred for the period from 12 February 2020 to 11 November 2020 |                |                    |                    |                  |             |                  |             |                 |             |                  |             |               |                |                  |             |               |             |                  |
|--|----------------|--------------------|--------------------|------------------|-------------|------------------|-------------|-----------------|-------------|------------------|-------------|---------------|----------------|------------------|-------------|---------------|-------------|------------------|
| Employee   | Position       | \$ /hour (exc GST) | Total actual hours | Total (\$)       | Task area   |                  |             |                 |             |                  |             |               |                |                  |             |               |             |                  |
|  |                |                    |                    |                  | Assets      |                  | Creditors   |                 | Employees   |                  | Trade On    |               | Investigations |                  | Dividend    |               | Admin       |                  |
|  |                |                    |                    |                  | hrs         | \$               | hrs         | \$              | hrs         | \$               | hrs         | \$            | hrs            | \$               | hrs         | \$            | hrs         | \$               |
| Andrew McCabe  | Partner        | 700                | 14.8               | 10,360.00        | 8.1         | 5,670.00         | 0.4         | 280.00          | 1.5         | 1,050.00         | -           | -             | 3.1            | 2,170.00         | -           | -             | 1.7         | 1,190.00         |
| Rajiv Goyal  | Partner        | 700                | 0.5                | 350.00           | 0.3         | 210.00           | -           | -               | -           | -                | -           | -             | -              | -                | -           | -             | 0.2         | 140.00           |
| James Le Messurier   | Manager        | 515                | 58.3               | 30,024.50        | 42.0        | 21,630.00        | 1.6         | 824.00          | 1.8         | 927.00           | -           | -             | 2.2            | 1,133.00         | -           | -             | 10.7        | 5,510.50         |
| Patrick Skippen  | Senior Analyst | 425                | 99.6               | 42,330.00        | 11.2        | 4,760.00         | 16.0        | 6,800.00        | 33.0        | 14,025.00        | 0.5         | 212.50        | 28.8           | 12,240.00        | 0.5         | 212.50        | 9.6         | 4,080.00         |
| Lachlan Minogue  | Junior Analyst | 210                | 8.6                | 1,806.00         | -           | -                | 0.2         | 42.00           | -           | -                | -           | -             | 3.0            | 630.00           | -           | -             | 5.4         | 1,134.00         |
| Angus Malouf   | Junior Analyst | 210                | 12.5               | 2,625.00         | 0.3         | 63.00            | 1.2         | 252.00          | 0.1         | 21.00            | -           | -             | 8.1            | 1,701.00         | -           | -             | 2.8         | 588.00           |
| <b>Subtotal (exc GST)</b>  |                |                    | <b>194.3</b>       | <b>87,495.50</b> | <b>61.9</b> | <b>32,333.00</b> | <b>19.4</b> | <b>8,198.00</b> | <b>36.4</b> | <b>16,023.00</b> | <b>0.50</b> | <b>212.50</b> | <b>45.2</b>    | <b>17,874.00</b> | <b>0.50</b> | <b>212.50</b> | <b>30.4</b> | <b>12,642.50</b> |
| GST  |                |                    |                    | 8,749.55         |             |                  |             |                 |             |                  |             |               |                |                  |             |               |             |                  |
| <b>Total remuneration (inc GST)</b>  |                |                    |                    | <b>96,245.05</b> |             |                  |             |                 |             |                  |             |               |                |                  |             |               |             |                  |
| Average hourly rate (exc GST)  |                |                    |                    | 450              | 522         |                  | 423         |                 | 440         |                  | 425         |               | 395            |                  | 425         |               | 416         |                  |

## **Appendix A: Remuneration Report**

### **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 priority 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 Joseph Hayes and Andrew McCabe from 12 February 2020 to 11 November 2020, 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 \$40,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration.”

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 12 November 2020.

### **11. Summary of Receipts and Payments**

Please refer to the Liquidators report to creditors dated 12 November 2020.

### **12. Queries**

Creditors have the right to request further information from the external administrator if they wish to do so. Please contact Patrick Skippen of this office on (02) 9210 1711 or at [pskippen@wexted.com](mailto:pskippen@wexted.com).

### **13. Information Sheet**

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



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**NOTICE OF PROPOSAL TO CREDITORS**

Dated: 12 November 2020

Voting Poll Closes: 4 December 2020

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**EZI INSTALLATION PTY LIMITED (IN LIQUIDATION)  
ACN 124 818 159 (“the Company”)****Proposal No. 1 for creditor approval**

*“That the remuneration of the Joint and Several Liquidators Joseph Hayes and Andrew McCabe from 12 February 2020 to 11 November 2020, 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 \$40,000.00 (exclusive of GST), and that the Joint and Several Liquidators can draw the remuneration”.*

**Vote on the Proposal No. 1**

Please select the appropriate Yes, No or Object box referred to below with a  to indicate your preferred position.

- Yes  I approve the proposal
- No  I do not approve the proposal
- Object  I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Joint and Several Liquidators. Please select the option that applies to you:

- 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
- I am **not** a related creditor of the Company
- I am a related creditor of the Company\*  
relationship: \_\_\_\_\_

\*eg Director, relative of Director, related company, beneficiary of a related trust.

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

- A liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- We are unable to pay our remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely and is less costly than an application to the Court.
- Approval of our remuneration will allow us to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.

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**Name of creditor /  
authorised person:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

---

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than close of business on **4 December 2020** by email to Patrick Skippen at [pskippen@wexted.com](mailto:pskippen@wexted.com)

Should you have any queries in relation to this matter, please contact Patrick Skippen on (02) 9210 1711.

Wexted Advisors  
Level 12  
28 O'Connell Street  
Sydney NSW 2000

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

1. To the Joint and Several Liquidators of Ezi Installation Pty Limited (In Liquidation)  
This is to state that the company was, on 20 December 2019 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)  
.....  
of (full address)

for \$ ..... dollars and ..... cents.

Particulars of the debt are:

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

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 <sup>(5)</sup>
- I am a related creditor of the Company <sup>(5)</sup>  
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.<sup>(6)\*</sup> 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.<sup>(6)\*</sup> 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                      2020

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       | \$ |
| <b>Reason for Admitting / Rejection</b> |     |  |    |
| PREP BY/AUTHORISED                      |     | <b>TOTAL PROOF</b>                       | \$ |
| 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](http://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](http://asic.gov.au) (search for "insolvency information sheets").