

Initial information for creditors

Different Image Hair & Beauty Australia Pty Ltd (In Liquidation) A.C.N. 604 426 520 ("the Company")

The purpose of this document is to provide you with information about the liquidation of Different Image Hair & Beauty Australia Pty Ltd (In Liquidation) and your rights as a creditor.

1. Information for creditors

1.1 Notification of appointment

I was appointed Liquidator of the Company on 23 November 2018 pursuant to an order made by the Federal Court of Australia. The petitioning creditor, the Deputy Commission of Taxation, lodged a winding up application with the Federal Court of Australia on 3 October 2018.

A copy of my Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") is attached as **Annexure A**. The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. I have considered each relationship and it is my opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affect my independence.

1.2 What is a court liquidation?

A court liquidation is where an order to place a Company into liquidation is made by the court. Usually this is on application of a creditor where the Company has not paid its outstanding debt. In most circumstances, this means that the Company is insolvent.

My role as Liquidator is to administer the affairs of the Company, realise the assets and pay dividends (if any). I am also required to investigate the affairs of the Company and report any offences to Australian Securities and Investment Commission ("ASIC").

1.3 What happens to your debt?

The Company's books and records indicate that you may be a creditor of the Company.

All creditors of the Company are now creditors in the liquidation. As a creditor, you have certain rights, although your debt will now be dealt with in the liquidation. Information regarding your rights as a creditor is provided in the information sheet included at **Annexure B**. This includes your right to:

- To replace me as liquidator.

If you have leased the Company property, have a retention of title claim or hold a Personal Property Security in relation to the Company, please contact my staff as soon as possible.

2. Summary of the Company's affairs

A search of ASIC records indicates the Company was registered in New South Wales on 25 February 2015.

Registered Office: Ideal Accounting & Taxation Pty Ltd, Suite 1, 26 McDonald Street,
Mortlake NSW 2137

Principal Place of Business: 12A Daisy Street, Fairy Meadow NSW 2519

The Director who is also the current Secretary and sole Shareholder of the Company named Ms Songul Cimel ("the Director") was appointed on 24 November 2017.

The Director operated a beauty salon and provided variety of services including haircuts for both women and men.

The premises of the principal place of business (see above) are currently occupied by Art Hair Extension which is a business trading name for an entity with the name Taskin Cimel. Initial investigations indicate that Mr Cimel is the Director's husband.

The petitioning creditor, the Australian Taxation Office ("ATO") is owed approximately \$152,974 mainly from debt arising from outstanding amounts due under the running balance account which includes goods and services tax and PAYG withholding provisions and interest charge payable.

These are initial remarks and further investigations and analysis of the Company's affairs will be provided in my next report to creditors.

3. Update on liquidation to date

Since my appointment, I have attempted to contact the Director of the Company to obtain up to date information including books and records on numerous occasions. As of the date of this report, the Director has not provided the requested information.

On several occasions I was able to contact the Director's husband Mr Cimel who was reluctant to cooperate with my requests and to provide information about the Company.

A formal letter was sent to the Director on 26 November 2018 requesting the completion of the RATA and to provide us with the books and records. I note that I intend to seek ASIC's assistance regarding this matter if a response is not provided in the week following the date of this report.

On 29 November 2018, I engaged the services of Michael Lim of Walker & George solicitors to assist in investigating a possible Phoenix activity for the following reasons:

- (a) On 20 November 2018 (3 days prior to the winding up of the Company), Taskin Cimel registered the business name "Art Hair Extension".
- (b) Art Hair Extension operates a substantially similar business, if not an identical business, to that operated by the Company.
- (c) Art Hair Extension operates from the Fairy Meadow Premises, being the Company's premises.
- (d) There is no agreement between the Company and Art Hair Extension.
- (e) The Facebook page operated by the Company prior now refers to "Art Hair Extension".
- (f) The contact numbers used by the Company previously are now being used by Mr Cimel trading as Art Hair Extension.
- (g) The purported transfer of the Company's business and its assets to Mr Cimel is *prima facie* an attempt to preserve the business without due consideration in the face of demands by creditors and imminent winding up of the Company.

On 3 December 2018, the Liquidator's lawyer sent a letter to the Director and Mr Cimel requesting information regarding the potential transfer of the Company's assets to Art Hair Extension for no consideration. Once this information has been provided, I will update creditors in my next report to be issued within three (3) months of my appointment.

The Company's accountant has informed me that they provided limited services to the Company. The following financial records were received as follows:

- 2015, 2016 and 2017 Tax Returns;

My investigations are continuing and in particular with the following:

- Collection of books and records;
- Realisation of property;
- Breaches of director's duties under S180 of the Corporations Act 2001;
- Possible Phoenix activity;
- Voidable Transactions available to the liquidation;
- Insolvent trading;
- Investigating the Company's affairs; and
- Reporting to the corporate regulator ASIC.

I will write to update creditors on the progress of my investigations within three (3) months.

Whilst I have only commenced my preliminary investigations into the Company, I am seeking creditors assistance in providing any additional information which may assist with further asset recoveries. Please

contact Dilyana Panova of my office by e-mail at dpanova@hogansproawles.com.au or by phone on 02 8020 5858, if you have any information which may lead to further asset recoveries.

4. Costs of the liquidation

Included at **Annexure C** is my Initial Remuneration Notice. This document provides you with information about how I propose to be paid for undertaking the liquidation.

I am seeking approval of my proposed remuneration, without a meeting of creditors, via the following circular resolutions:

- Approve the current remuneration of the Liquidator for \$4,886 exclusive of GST (**Annexure D**)
- Approve the future remuneration of the Liquidator for \$15,000 exclusive of GST (**Annexure E**);
- Approve the future disbursements of the Liquidator for \$500 exclusive of GST (**Annexure F**).

I have not been indemnified for my fees and are reliant on recoveries during the liquidation to meet my remuneration.

Detailed relating to the approval of my proposed remuneration are included in the following attachments:

Annexure G is the Proof of Debt Form

Annexure H is the ARITA Information Sheet: Proposals without meeting

Annexure I is a copy of my Liquidator's Remuneration Approval Report

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

This information is available from ARITA's website at <http://www.arita.com.au>.

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

Should you have any questions in relation to this matter, please contact Dilyana Panova via phone (02) 8020 5858 or via email dpanova@hogansproawles.com.au of this office.

DATED this 17th day of December 2018

Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)


Michael Hogan
Liquidator

Attachments

Annexure A	Declaration of Independence, Relevant Relationships and Indemnities
Annexure B	Information Sheet - Creditor Rights in Liquidation
Annexure C	Initial remuneration notice
Annexure D	Proposal 1: Notice of Proposal to Creditors regarding Liquidator's current remuneration
Annexure E	Proposal 2: Notice of Proposal to Creditors regarding Liquidator's future remuneration
Annexure F	Proposal 3: Notice of Proposal to Creditors regarding Liquidator's disbursements
Annexure G	Proof of Debt form
Annexure H	ARITA Information Sheet: Proposals without meeting
Annexure I	Liquidator's Remuneration Report

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

**Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)
ACN 604 426 520 (“the Company”)**

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the Insolvent and others within the previous 24 months;
 - iii any prior professional services for the Insolvent within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my partners and HoganSprowles.

A. Independence

I, Michael Hogan of HoganSprowles have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as liquidator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

On 9 August 2018, I was contacted by Teah McKeown of Hunt & Hunt Lawyers (“Hunt & Hunt”), a firm who was acting on behalf of an applicant creditor, Deputy Commissioner of Taxation (“the ATO”), in winding up proceedings commenced against the Company and they sought my consent to act as Liquidator of the Company.

The reason I believe this relationship does not result in the Liquidator having a conflict of interest or duty are:

- Referral from solicitors are common place and do not impact on my independence in carrying out my duties as Liquidator of the Company;
- Referrals from this source, and associated fees, are not a significant percentage of my business and accordingly, I am by no means dependent on referrals from this source.

I was subsequently appointed as Liquidator by the Federal Court of Australia NSW on 23 November 2018.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company's property.

iii. Prior Professional services to the Insolvent

Neither I, nor my firm, have provided any professional services to the Company in the previous 24 months.

iv. No other relevant relationships to disclose

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

C. Indemnities and up-front payments

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

Dated: 17 December 2018



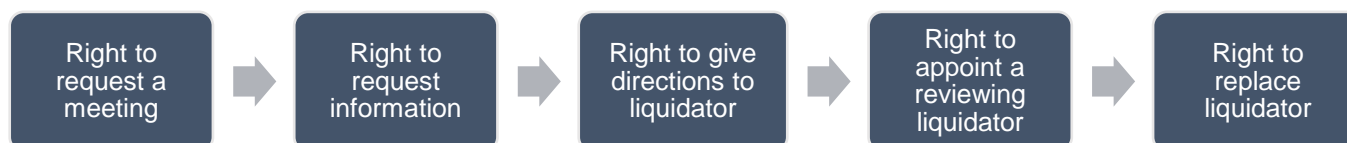
Michael Hogan
Liquidator

Note:

1. If circumstances change, or new information is identified, I am/we are required under the Corporations Act and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

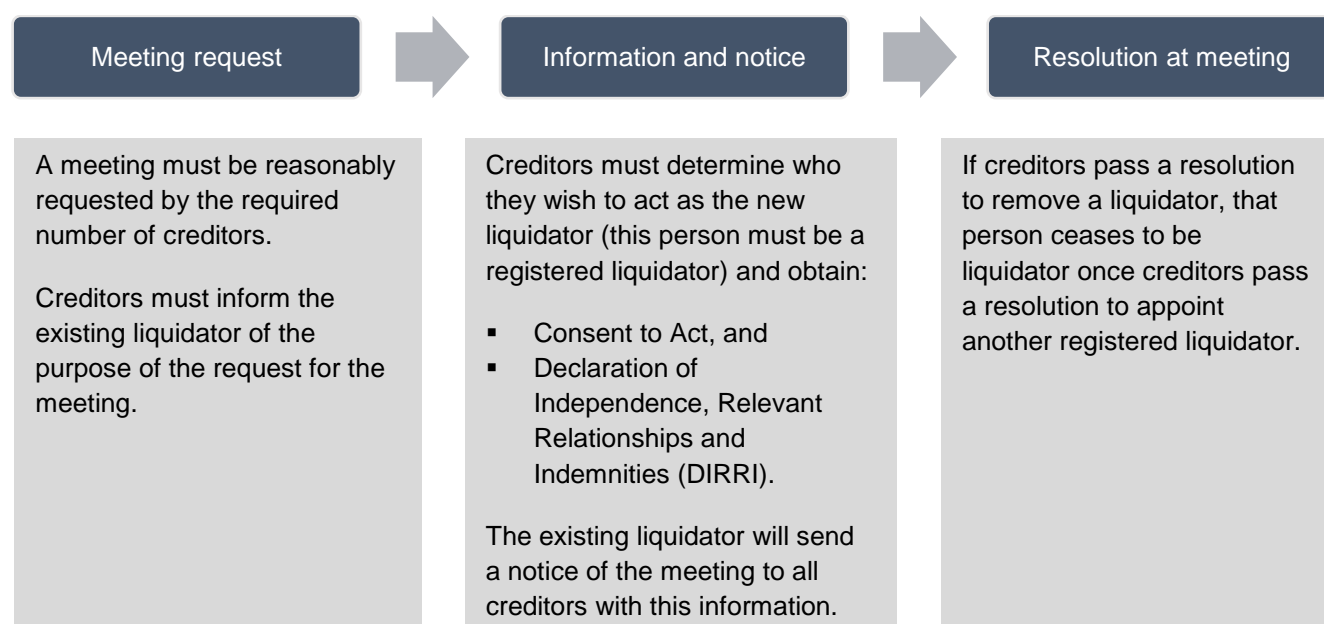
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporation) 70-35

Different Image Hair & Beauty Australia Pty Ltd (In Liquidation) A.C.N. 604 426 520 (“the Company”)

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

1 Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

- A. *Time based / hourly rates:*** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- B. *Fixed Fee:*** The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.
- C. *Percentage:*** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- D. *Contingency:*** The practitioner’s fee is structured to be contingent on a particular outcome being achieved.

2 Method chosen

Given the nature of this liquidation I propose that my remuneration be calculated on a time based/hourly rates basis. The amount of work required and the recoveries from Company assets are at this stage not known to me and accordingly the time based/hourly rates basis best allows me to accurately determine how much work has been completed in the liquidation and remunerate accordingly. I have chosen the time based/hourly rates method because:

- This method is considered to be the most suitable for this appointment as it ensures creditors are only charged for work that is performed in the liquidation, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time-based method in this case again ensures that creditors are only charged for work that is actually performed in the external Liquidation.

- The practitioner is required to perform a number of tasks which do not relate to the realisation of assets, for example, reporting to the Australia Securities and Investments Commission (“ASIC”), undertaking investigations, responding to creditor enquiries and distributing funds to creditors.
- The practitioner has a time recording system that can produce a detailed analysis of the time spent on each type of task by each individual staff member in the liquidation.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.

3 Explanation of Hourly Rates

The rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. Time is charged in six-minute increments.

Title	Description	Hourly rate (Excl. GST) (\$)
Partner	Registered liquidator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. Leads engagements with full accountability for strategy and execution.	545
Director	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner.	490
Senior Manager	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.	429
Manager	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.	385
Supervisor	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements.	363
Senior Analyst 1	Generally degree qualified and undertaking Chartered Accountant’s qualification. Controls certain tasks on small engagements and assists staff with completing tasks on medium to large engagements.	319
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	308
Analyst 1	Experienced graduate. Required to assist senior staff in completing tasks on small to large engagements.	264
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	198
Graduate	Generally degree qualified and undertaking or about to undertake Chartered Accountant’s qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.	182

Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	165
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	165
Bookkeeper	Assist senior staff with accounting functions of engagement.	154
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	132
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	105

4 Estimated remuneration

I have estimated that this liquidation will cost approximately \$19,886 exclusive of GST to completion, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine at this early stage in the administration:

- The time required to obtain the Company books and records from the director and third parties;
- The recovery of the Company's assets (if any);
- Investigations required into the business affairs of the Company and identify any assets or recoveries available to the liquidator; and
- Any matters identified that are required to be reported to statutory authorities, such as ASIC.

The Liquidator's time costs are recoverable only against the asset realisations available.

5 Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** such as travel, accommodation and search fees - these are recovered at cost.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

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

I am required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the liquidation.

Details of the basis of recovering disbursements in this liquidation are provided below.

Basis of disbursement claim

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost
Search fees	At cost
Courier	At cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At cost
Stationary and other incidental disbursements	At cost
Travel - Staff by own vehicle	\$0.68 per km
Travel - other	At cost

Scale applicable for the financial year ending 30 June 2019.

Queries

Creditors have the right to request and obtain further information from the liquidator.

Information Sheet

Creditors may access the remuneration information sheet (ASIC Information Sheet 85 – Approving fees: a guide for creditors) at ASIC’s website under Regulatory Resources.

<http://www.asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/approving-fees-a-guide-for-creditors/>

Dated: 17 December 2018



Michael Hogan
Liquidator

NOTICE OF PROPOSAL TO CREDITORS

Dated: 17 December 2018

Voting Poll Closes: 18 January 2019

**Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)
A.C.N 604 426 520 ("the Company")**
Proposal No. 1 for creditor approval

That the current remuneration of the Liquidator from 23 November 2018 to 16 December 2018 is determined at a sum equal to the cost of time spent by the Liquidator, and the Liquidator's partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 17 December 2018 such sum to be capped at the amount of \$4,886 exclusive of GST and that the Liquidator may draw the remuneration on a monthly basis or as required.

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 Liquidator. 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.
- I am unable to pay my 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 my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- Approval by Creditors, by circulating resolution from the Notice of Proposal to Creditors, is less costly than convening a meeting of creditors to obtain remuneration approval.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidators staff, by email or telephone, for an update on the liquidation.

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 **Friday, 18 January 2019**, by email to Dilyana Panova at dpanova@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Dilyana Panova on (02) 8020 5858.

HoganSproles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 17 December 2018

Voting Poll Closes: 18 January 2019

**Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)
A.C.N 604 426 520 ("the Company")**
Proposal No. 2 for creditor approval

That the future remuneration of the Liquidator from 17 December 2018 to the conclusion is determined at a sum equal to the cost of time spent by the Liquidator, and the Liquidator's partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 17 December 2018 such sum to be capped at the amount of \$15,000 exclusive of GST and that the Liquidator may draw the remuneration on a monthly basis or as required.

Vote on the Proposal No. 2

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 Liquidator. 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.
- I am unable to pay my 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 my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- Approval by Creditors, by circulating resolution from the Notice of Proposal to Creditors, is less costly than convening a meeting of creditors to obtain remuneration approval.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidators staff, by email or telephone, for an update on the liquidation.

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 **Friday, 18 January 2019**, by email to Dilyana Panova at dpanova@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Dilyana Panova on (02) 8020 5858.

HoganSproles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

NOTICE OF PROPOSAL TO CREDITORS
Dated: 17 December 2018**Voting Poll Closes: 18 January 2019**

**Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)
A.C.N 604 426 520 (“the Company”)**
Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** (eg legal fees) – these are recovered at cost.
- **Externally provided non-professional costs** (eg travel, accommodation and search fees) – these are also recovered at cost.
- **Internal disbursements** (eg photocopying, telephone, fax, printing and postage costs) – these are generally recovered at cost, however, expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties, however, I am required to account to creditors for such expenses and I must be satisfied that those disbursements are appropriate, justified and reasonable. In respect of Internal disbursements, to the extent that these may be recovered at more than their cost, they may be considered as deriving a profit or advantage and must therefore be approved by creditors, a committee of inspection (if one is appointed), or by the Court prior to them being drawn.

Declaration

I, Michael Hogan of HoganSprowles have undertaken a proper assessment of disbursements claimed in the matter of the Company, in accordance with the law and applicable professional standards and I am satisfied that the disbursements claimed are necessary and proper.

It is proposed that future disbursements to be provided by my firm will be charged to the Company on the following basis:

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost
Search fees	At cost
Courier	At cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At cost
Stationary and other incidental disbursements	At cost
Travel - Staff by own vehicle	\$0.68 per km
Travel - other	At cost

Proposal No. 3 for creditor approval

That the future disbursements of the Liquidator from 23 November 2018 is determined at a sum equal to the cost spent by the Liquidator and the Liquidator's partners and staff, calculated at the rates as detailed in the remuneration report dated 17 December 2018 such sum to be capped at the amount of \$500 exclusive of GST, and that the Liquidator may draw the disbursements on a monthly basis or as required.

Vote on the Proposal No. 3

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 Liquidator. 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.
- I am unable to pay my disbursements 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 my disbursements will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- This may negatively impact on creditors, as a formal meeting of creditors may be convened later than it may otherwise be convened, or not convened at all. That said, creditors are welcome to contact the Liquidator's staff, by email or telephone, for an update on the liquidation.

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

**Name of creditor /
authorised person:** _____

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 **Friday, 18 January 2019**, by email to Dilyana Panova at dpanova@hogansprowles.com.au. Should you have any queries in relation to this matter, please contact Dilyana Panova on (02) 8020 5858.

HoganSproles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Different Image Hair & Beauty Australia Pty Ltd (In Liquidation)

1. This is to state that the company was, on 23 November 2018 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
('Creditor')

.....
of (full address)

for \$ dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating 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 ⁽⁵⁾
- I am a related creditor of the Company ⁽⁵⁾
relationship: _____

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 2018

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 CRA/RATA	\$	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").

Liquidators Remuneration Approval Report

Different Image Hair & Beauty Australia Pty Ltd (In Liquidation) A.C.N 604 426 520 (“the Company”)

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the liquidation of Different Image Hair & Beauty Pty Ltd (In Liquidation).

This report has the following information included:

Contents

Part 1: Declaration.....	2
Part 2: Executive Summary	2
Part 3. Remuneration.....	3
Part 4: Disbursements.....	9
Part 5: Summary of Receipts and Payments.....	10
Part 6: Queries	10
Part 7: Approval of remuneration and internal disbursements.....	10
Schedule A – Resolution 1 - Table of major tasks for remuneration	Error! Bookmark not defined.

What do you need to do next?

You should read this report and the other documentation that I have sent you.

To minimise the costs in the administration and this liquidation, I have elected to seek the approval of creditors for my remuneration and internal disbursements without a meeting. Information about the proposals without a meeting process is included at part 8 of this report.

You can cast your vote by using the included voting form. This form needs to be returned to my office by post, scanned and emailed or faxed. I need to receive your forms **by Friday, 18 January 2019** for your vote to count. If you choose to use post, please allow enough time for your letter to be delivered.

If you have any questions, or need any assistance with understanding the materials I have sent to you, please contact Dilyana Panova of my office on (02) 8020 5858 or via email at dpanova@hogansprowles.com.au.

Part 1: Declaration

I, Michael Hogan of HoganSprowles, have undertaken a proper assessment of this remuneration claim for my appointment as liquidator of the Company in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the liquidation.

Part 2: Executive Summary

The total remuneration for this appointment is estimated to be \$19,886 exclusive of GST. I have not sought approval for my remuneration since my appointment.

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (ex GST)
Current Remuneration claim:		
Resolution [1]: 23 November to 16 December 2018	Part 3	\$4,886.00
Future Remuneration claim:		
Resolution [2]: 17 December 2018 to the conclusion	Part 3	\$15,000.00
Total – Remuneration		\$19,886.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Internal disbursements currently claimed are summarised below:

Period	Report Reference	Amount (ex GST)
Future Internal disbursements approval		
Resolution [3]: 23 November 2018 to the conclusion	Part 4	\$500.00
Total – future disbursements		\$500.00
* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the liquidation. Should additional disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.		

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

Part 3. Remuneration

3.1 Remuneration claim resolutions

I will be seeking approval of the following resolution to approve my remuneration. Details to support this resolution is included in section 3.2 and in the attached Schedule.

Resolution 1: from 23 November 2018 to 16 December 2018

“That the current remuneration of the Liquidator from 23 November 2018 to 16 December 2018 is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report dated 17 December 2018 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$4,886 exclusive of GST, and that the liquidator can draw the remuneration on a monthly basis or as required”.

Resolution 2: from 17 December 2018 to the conclusion of the liquidation

“That the future remuneration of the Liquidator from 17 December 2018 to completion is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report of 17 December 2018 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$15,000 exclusive of GST, and that the liquidator can draw the remuneration on a monthly basis or as required”.

3.2 Details of remuneration

Resolution 1: from 23 November 2018 to 16 December 2018

The tables at Schedule A set out time charged to each major task area by staff members working on the liquidation for the period between 23 November 2018 to 16 December 2018 which is the basis of the Resolution 1 claim. The tables also provide detailed descriptions of the tasks performed within each task area during the course of the Liquidation.

Resolution 2: from 17 December 2018 to the conclusion of the liquidation

The tables at Schedule B set out the expected time costs for major tasks likely to be performed by the Liquidator and their staff for the period between 17 December 2018 to the conclusion of the Liquidation to which is the basis of the Resolution 2 claim. The tables also provide detailed descriptions of the tasks to be undertaken within each task area during the course of the Liquidation.

Schedule A

Diferent Image Hair & Beauty Pty Ltd (In Liquidation)

A.C.N. 604 426 520

ACTUAL HOURS INCURRED FOR THE PERIOD 23 NOVEMBER 2018 TO 16 DECEMBER 2018

CALCULATION OF REMUNERATION

Employee	Position	\$/hour	Total actual hours	Total (\$)	Task Area					
					Creditors hrs	\$	Investigation hrs	\$	Administration hrs	\$
Michael Hogan	Partner	545.0	1.0	545	0.00	0	0.80	436	0.20	109
Brendan Copeland	Partner	545.0	1.0	545	0.00	0	1.00	545	0.00	0
Dilyana Panova	Senior Analyst 1	319.0	10.0	3,190	2.50	798	5.00	1,595	2.50	798
Jonas Wu	Graduate	182.0	1.5	273	0.00	0	0.50	91	1.00	182
Tom Farquhar	Undergraduate	165.0	0.3	50	0.00	0	0.00	0	0.30	50
Natalie Lu	Administrator	105.0	2.7	284	0.00	0	0.00	0	2.70	284
Total			17	4,886	3	798	7	2,667	7	1,422
GST				489						
Total (Incl GST)				5,375						
Average hourly rate				296						

Task Area	General Description	Includes
Creditors [2.5 hours] [\$7,955]	Reports to creditors	Preparation of initial report to creditors
Investigation [7.3 hours] [\$2,667]	Conducting investigation	Collection of company books and records Review and preparation of company nature and history Conducting and summarising statutory searches
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions
Administration [6.7 hours] [\$1,422]	Correspondence	With various stakeholders Day one notices Meeting with Directors and Lawyers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 5602, 5011 etc
	ATO and other statutory reporting	Notification of appointment Preparing BAS'
	Planning / Review	Discussions regarding status of administration

Schedule B

Diferent Image Hair & Beauty Pty Ltd (In Liquidation)
A.C.N. 604 426 520
 ESTIMATED HOURS TO BE INCURRED FOR THE PERIOD 17 DECEMBER 2018 TO THE CONCLUSION OF THE LIQUIDATION
 CALCULATION OF REMUNERATION

Employee	Position	\$/hour	Total actual hours	Total (\$)	Task Area							
					Assets hrs	\$	Creditors hrs	\$	Investigation hrs	\$	Administration hrs	\$
Michael Hogan	Partner	545.0	5.0	2,725	1.00	545	1.00	545	1.00	545	2.00	1,090
Brendan Copeland	Partner	545.0	6.5	3,543	1.00	545	2.00	1,090	2.50	1,363	1.00	545
Dijyana Panova	Senior Analyst 1	319.0	15.0	4,785	2.00	638	5.00	1,595	6.00	1,914	2.00	638
Jonas Wu	Graduate	182.0	17.0	3,094	2.00	364	5.00	910	6.00	1,092	4.00	728
Natalie Lu	Administrator	105.0	8.0	840	0.00	0	1.00	105	2.00	210	5.00	525
Total			52	14,987	6	2,092	14	4,245	18	5,124	14	3,526
But Say				15,000								
GST				1,500								
Total (Incl GST)				16,500								
Average hourly rate				291								

Task Area	General Description	Includes
Assets [6.0 hours] [\$2,092]	Other Assets	Tasks associated with realising other assets, including stock and PPE Liaising with valuers regarding valuation of stock on hand Proceedings regarding to sale of assets
Creditors [14.0 hours] [\$4,245]	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
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD's when not related to a dividend
	Reports to creditors	Preparation of report to creditor, initial creditors report and statutory report
Investigation [18.0 hours] [\$5,124]	Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, company's books and records and Report as to Affairs Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC
Administration [14.0 hours] [\$3,526]	Correspondence	With various stakeholders Day one notices Meeting with Directors and Lawyers

Task Area	General Description	Includes
	Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Correspondence with pre-appointment bank regarding closure of account
	ASIC forms	Preparing and lodging ASIC forms including 505, 5602, 5011 etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS' Correspondence with ATO regarding lodgements and registration
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage

3.3 Total remuneration reconciliation

To date, I have not drawn any fees. In preparing this remuneration approval report, I have made my best estimate at what I believe the liquidation will cost to complete and I do not anticipate that I will have to ask creditors to approve any further remuneration. However, should the liquidation not proceed as expected, I will advise creditors and I may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the liquidation, include the task involved in pursuing recoveries.

3.4 Likely impact on dividends

The dividend to any creditor will ultimately be impacted by the realisations achieved by the liquidator and the value of creditor claims admitted to participate in the dividend and the fees for the work performed to achieve realisations has prior.

At this stage there are insufficient funds to cover my time costs incurred to date. Accordingly, there is no likelihood of a dividend to any class of creditors. Should circumstances change, creditors will be notified.

Part 4: Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Liquidation, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

I have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.

I will be seeking creditor approval to pay my internal disbursements from creditors in the amount of \$500 plus any GST applicable.

4.1 Future basis of internal disbursements

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

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Advertising	At cost
Search fees	At cost
Courier	At cost
Printing, Faxes & Photocopies	\$0.20 per page
Postage	At cost
Stationary and other incidental disbursements	At cost
Travel - Staff by own vehicle	\$0.68 per km
Travel - other	At cost

Rates applicable for financial year ending 30 June 2019.

Approval of the payment of these disbursements at the above rates to a capped amount of \$500 exclusive of GST is being sought from creditors via a proposal without a meeting.

Part 5: Summary of Receipts and Payments

There have been no receipts or payments to date.

Part 6: Queries

If you have any queries in relation to the information in this report, please contact Diliyana Panova on (02) 8020 5858 or via email at dpanova@hogansproawles.com.au.

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

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

Part 7: Approval of remuneration and internal disbursements

At **Annexure D to F**, we have enclosed the following for your completion by **Friday, 18 January 2019**:

- Voting slip for the liquidator’s current remuneration;
- Voting slip for the liquidator’s future remuneration;
- Voting slip for the liquidator’s disbursements; and
- Proof of debt form.

In my report I am seeking creditors to vote via a proposal without a meeting on the following resolutions:

“That the current remuneration of the Liquidator from 23 November 2018 to 16 December 2018 is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report of 17 December 2018 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$4,886 exclusive of GST, and that the liquidator can draw the remuneration on a monthly basis or as required”.

“That the future remuneration of the Liquidator from 17 December 2018 to completion is determined at a sum equal to the cost of time spent by the liquidator and his partners and staff, calculated at the hourly rates as detailed in the Remuneration Approval Report of 17 December 2018 that may be increased at a rate of 10% at 1 July each year (rounded to the nearest \$10), up to a capped amount of \$15,000 exclusive of GST, and that the liquidator can draw the remuneration on a monthly basis or as required”.

AND

“That the disbursements of the liquidator for the period 23 November 2018 to the conclusion of the liquidation at the rates outlined in the Remuneration Approval Report dated 17 December 2018 be capped at the amount of \$500 plus GST and can be drawn by the liquidator as required.”



Schedule of rates as @ 1 July 2018

Private & Confidential

Title	Description	Hourly rate (Excl. GST) (\$)
Partner	Registered liquidator, Chartered Accountant, degree qualified with more than fifteen years of extensive experience in insolvency, restructuring and business advisory matters. experience. Leads engagements with full accountability for strategy and execution.	545
Director	Generally Chartered Accountant and degree qualified with more than ten years of experience. Extensive experience in managing large, complex engagements at a senior level. Autonomously leads complex insolvency appointments reporting to Partner.	490
Senior Manager	Generally Chartered Accountant and degree qualified with more than seven years of experience. Significant experience across all types of engagements. Self-sufficiently conducts small to medium insolvency appointments.	429
Manager	Generally Chartered Accountant and degree qualified with more than five years of experience. Experience in complex matters, day to day conduct of small to medium engagements. Assists senior staff on complex matters.	385
Supervisor	Generally Chartered Accountant and degree qualified with more than three years of experience. Assists senior staff in planning and conduct of small to large engagements. Supervise a small team and control small engagements.	363
Senior Analyst 1	Generally degree qualified and undertaking Chartered Accountant's qualification. Controls certain tasks on small engagements and assists staff with completing tasks on medium to large engagements.	319
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	308
Analyst 1	Experienced graduate. Required to assists senior staff in completing tasks on small to large engagements.	264
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	198
Graduate	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification with less than one year of experience. Assists with day to day tasks under the supervision of senior staff.	182
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	165
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	165
Bookkeeper	Assist senior staff with accounting functions of engagement.	154
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	132
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	105