

**Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 (“the Company”)**

Statutory Report to Creditors

9 November 2022

1. Executive Summary

1.1. Liquidator appointment

I was appointed as Liquidator of the Company by special resolution of the members on 1 August 2022.

This report should be read in conjunction with my initial report to creditors dated 15 August 2022.

1.2. Purpose of this report

The purpose of this report is to:

- provide you with an update on the progress of the liquidation;
- advise you of the likelihood of a dividend being paid in the liquidation; and
- approve the remuneration of the liquidation.

If creditors have not already done so, you are requested to complete and submit to this office a Proof of Debt form (attached as **Annexure A**) and complete and return the current and future remuneration proposals (attached as **Annexure C** and **D**) by 30 November 2022.

Should you have any queries in relation to this matter, please contact Tom Farquhar on (02) 8020 5861 or via email at tfarquhar@hogansprowles.com.au.

Creditors have the right to request a meeting that complies with the guidelines set out in the ARITA information sheet "Creditors Rights in Liquidation" as attached as **Annexure B**. I am not proposing to hold a meeting of creditors at this time.

1.3. Summary of investigations

At this stage, there are insufficient assets or recoveries available in the liquidation to enable a dividend to any class of creditors.

At this stage, I have identified the following possible offences and recovery actions available for me to pursue.

Investigation / Recovery	Corporations Act	Total claim \$
Sale of Intellectual Property		11,000
Insolvent trading	Section 588G	Not commercial to pursue

Should creditors wish to fund my investigations, please contact Tom Farquhar of my office on 02 8020 5861 or via email at tfarquhar@hogansprowles.com.au by 30 November 2022.

2. Update on Liquidation

2.1 Company Background

The Company was registered on 5 May 2020 and traded an online financial services business that offered governance, risk and compliance advisory services.

The Company was impacted by Covid-19 pandemic. However, the Company has also experienced considerable internal issues including shareholder disputes and conflict with its own employees.

The Company ceased to trade immediately prior to my appointment on 1 August 2022.

2.2 Sale of Intellectual Property

The Company's assets consisted of various intellectual property including website, branding, internal documents, and systems.

I have undertaken a marketing campaign to sell the assets of the Company. I received one offer to purchase the Company's intellectual property, which I have accepted, to the sum of \$10,000 excluding GST.

2.3 ASIC Search

An ASIC Search conducted for the Company discloses the following:

Company Details		
Registration Date	5 May 2020	
Registered Office	16-18 Hannah Street, Beecroft NSW 2119	
Principal Place of Business	Level 24, 66 Goulburn Street, Sydney NSW 2000	
Director	Appointed	Ceased
Daniel Wilfred Hilder Ussher	05-05-2020	-
Secretary	Appointed	Ceased
Daniel Wilfred Hilder Ussher	19-08-2021	-
Share Structure	Amount Paid	Amount Unpaid
2,333,334 Ordinary Shares	\$113,100.00	\$0.00
Current Shareholders	Shares Held/Type	Fully Paid
Daniel Wilfrid Hilder Ussher	2,220,334	Yes
Andrew Tierney	50,000	Yes
Claire McGill	25,000	Yes
Christopher Rodriguez	38,000	Yes

2.4 Personal Property Securities Register ("PPSR")

A search of the PPSR indicates that there are no registered security interests.

2.5 Directorship search

A personal historical search has been conducted of ASIC's record for the Director, Daniel Wilfred Hilder Ussher ("Mr Ussher"). Below is a summary of the directorships of the Director held over the last five (5) years:

Company	Position	Commenced
Daniel Wilfred Hilder Ussher		
Firmguard Pty Ltd	Director	05-05-2020
Firmguard Pty Ltd	Secretary	19-08-2021

3. Estimated Position Statement

Below is an estimated position of the Company:

	Notes	RoCAP (\$)	Liquidator's estimate (\$)
Assets			
Cash at Bank	3.1	-	-
Sale of Intellectual Property	3.2	-	10,000
Surplus / Deficiency from secured creditors		TBC	TBC
Circulating assets / recoveries			
Insolvent Trading	3.3	-	Uncommercial
Less: Liquidation costs			
Liquidators remuneration and disbursements	3.4	-	10,000
Total surplus/deficiency for priority creditors		TBC	TBC
Priority unsecured creditors			
Wages, Superannuation, Annual leave and PILN	3.5	20,341	48,944
Total surplus/deficiency for unsecured creditors		TBC	TBC
Unsecured creditors	3.6	320,862	334,331
Total surplus/deficiency		TBC	TBC

Notes

Note 1 Cash at Bank

The Company held a bank account with Westpac Banking Corporation ("Westpac") and Macquarie Bank (Macquarie). The pre-appointment Westpac bank account had a nil balance on the date of my appointment and Macquarie had circa 43 cents.

Note 2 Sale of Intellectual Property

Given the speciality of the business and industry knowledge to attached to the individual, I have contacted two parties to make an offer for the Company's intellectual property. I received one offer from the Director for \$10,000 excluding GST to purchase the intellectual property. Accordingly, I have accepted and in the process of settling the sale.

Note 3 Insolvent Trading

Please refer to section 6.4 of this report for further information.

Note 4 Liquidators remuneration and disbursements

On 5 September 2022, I received remuneration and disbursements approval from the creditors via proposal without a meeting of \$10,000 and \$1,000 excluding GST respectively.

To this date, I have incurred fees of circa \$17,000. I will be seeking additional current and future remuneration approval of \$12,008.75 excluding GST.

Note 5 Priority creditors

At the date of my appointment there is one employee with outstanding entitlements. The outstanding employee entitlements relates to unpaid wages, annual leave and notice totalling \$47,694 and superannuation of \$1,250.

There will be insufficient recoveries in the liquidation to allow to cover outstanding entitlements or superannuation. Employees will need to apply through the FEG scheme to recover their entitlements.

Note 6 Unsecured creditors

My investigations to date reveal the following unsecured creditors:

Creditor	Amount (\$)
Australian Taxation Office	150,105
ZoomInfo	18,000
IDG	30,828
FST Media	10,599
Andrew Demery	61,244
Project Works	1,600
LegalVision	3,568
StrategyX	50
Propex	1,600
Arc Business Partners / Touchstone Wealth	11,000
CommsChoice	269
Gillard Consulting Lawyers	7,000
Fair Work Commission	Unknown
Icare	38,469
TOTAL	334,331

4. Report on Company Activities and Property (“ROCAP”)

The Act requires the director and secretary to comply and provide to the liquidator a ROCAP, detailing the financial position of the company at the date of my appointment, being 1 August 2022.

The Director returned the ROCAP on Monday, 5 September 2022. A summary of the ROCAP was provided in section 3 of this report.

5. Financial Analysis

At the date of this report, I have obtained the following information which I have based my preliminary investigations on:

- Bank statements for the period 5 May 2020 to 1 August 2022 provided by Westpac;
- Access to the Company’s accounting system, Xero provided by the Director;
- Freedom of Information documents (“FOI documents”) from the ATO;

I have relied on the management accounts with Xero for my review of the financial records for the periods FY20, FY21, FY22 and 1 July 2022 to 1 August 2022 (“YTD23”).

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5.1 Profit and Loss

Profit and Loss	FY20 (\$)	FY21 (\$)	FY22 (\$)	YTD22 (\$)
Operating Income				
Sales	-	-	260,299	(4,147)
Gross Profit	-	-	260,299	(4,147)
Operating Expenses				
Accounting	100	8,825	39,871	-
Consulting	-	19,914	709	-
Contractor	-	142,098	73,310	-
Contractor - Andrew Demery	-	78,750	-	-
Entertainment	-	7,505	260	-
Income Tax Expense	-	(88,875)	-	-
IT	17,582	-	2,951	-
Legal expenses	199	181	19,007	-
Marketing	8,136	33,789	57,902	-
Software Subscription	513	3,444	3,578	-
Superannuation	-	17,100	24,990	-
Telephone & Internet	2,386	1,836	652	-
Travel - National	-	3,257	4,248	-
Wages and Salaries	-	180,000	245,000	-
Other Expenses	2,605	1,303	2,940	-
	31,521	409,125	475,419	-
EBITDA	(31,521)	(409,125)	(215,120)	(4,147)
Interest Income	-	-	7	-
Interest Expense	-	2,368	5,046	-
	-	2,368	5,053	-
Net Profit	(31,521)	(411,494)	(220,159)	(4,147)

My comments on the Company's profit and loss are as follows:

- In FY20 and FY21 the Company incurred considerable costs to start the business. The Company commenced trading around August 2021 and began generating sales revenue.
- The Company's Wages and Salaries expense in FY21 and FY22 was 44% and 52% of total operating expenses respectively.
- The Company's Contractor expenses were significantly higher in FY21 (\$221K) compared to \$73K in FY22, given that the Company only in the start-up and development stage of the business.

5.2 Balance Sheet

Balance Sheet	FY20	FY21	FY22	YTD23
	(\$)	(\$)	(\$)	(\$)
Assets				
Current Assets				
Cash at Bank	100	100	600	600
Accounts Receivable	-	-	9,824	-
ATO ICA Balance	-	-	9,247	9,247
GST	2,702	23,729	2,598	3,013
Income Tax Refund	-	88,875	-	-
	2,802	112,703	22,270	12,860
Total Assets	2,802	112,703	22,270	12,860
Liabilities				
Current Liabilities				
Accounts Payable	-	3,267	69,006	69,006
FirmGuard Pty Ltd Business One	-	-	5,502	239
PAYG Withholdings Payable	-	55,332	123,336	123,336
Superannuation Payable	-	17,100	30,350	30,350
Wages Payable - Payroll	-	-	7,394	7,394
	-	75,699	235,588	230,326
Non-Current Liabilities				
Convertible Notes - Leo Browne	-	-	50,000	50,000
Convertible Notes - Tony Kesby	-	-	20,000	20,000
Loan from Andrew John Demery	9,514	101,694	101,694	101,694
Loan from Daniel Wilfrid Hilder Ussher	24,709	378,225	168,061	168,061
	34,223	479,920	339,756	339,756
Total Liabilities	34,223	555,618	575,344	570,081
Net Assets	(31,421)	(442,915)	(553,074)	(557,221)
Equity				
Current Year Earnings	(31,521)	(411,494)	(220,159)	(4,147)
Retained Earnings	-	(31,521)	(443,015)	(663,174)
Share Capital	100	100	110,100	110,100
Total Equity	(31,421)	(442,915)	(553,074)	(557,221)

My comments on the Company's balance sheet are as follows:

- The Company's net asset position decreased by \$526K from FY20 to YTD23. This is a result of loans, obtained by the Company and from the Director and other parties in FY21, totalling \$480K and an increase in wage expenses.
- Accounts payable increases from \$3K in FY21 to \$69K in YTD23.
- The Company only had one employee other than the Director. The employee's employment was terminated shortly prior to my appointment. At the date of my appointment, the employee had outstanding employee entitlements totalling \$42K plus superannuation.
- Share Capital was injected by unrelated third parties totalling \$110K in FY22.

6. Investigations

6.1 Books and records

Based on my review of Xero, and the books and records I have received to date, I am of the view that the Company's books and records were kept in a manner that complies with Section 286 of the Act.

Failure to maintain books and records may also give rise to a presumption of insolvency pursuant to Section 588E of the Act. This presumption may be relied upon by the Liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Part 5.7B of the Act from the directors and related parties.

6.2 Reasons for Failure

The Director's comments on the reason for business failure was attributed to the following:

- Covid-19 Pandemic; and
- Internal conflict with employees and shareholders.

My preliminary investigations reveal the Company's failure was also attributed to the following factors:

- The impact of Covid-19 restrictions on the ability to operate;
- Trading losses; and
- Insufficient working capital.

6.3 Recoveries, offences and voidable transactions

The liquidator is required to complete and lodge a report with the ASIC pursuant to Section 533 of the Act where it appears to the liquidator that a past or present officer of the Company may have been guilty of an offence in relation to the Company and in other limited circumstances. I intend to lodge a report pursuant to this section of the Act.

Pursuant to Part 5.7B of the Act, the liquidator is permitted to recover transactions that appear to be voidable transactions in respect of money, property or other benefits.

To the extent that information has been available, I have conducted the following preliminary investigations in relation to recoveries, offences and voidable transactions:

- Review books and records for the period approximately six months prior to the appointment of the liquidator to determine whether any creditors have been preferred over the general body of creditors as a result of any transaction; and
- Investigations into the Director's misconducts and breaches of director's duties.

The relation back date period is 1 February 2022 to 1 August 2022.

a) Unfair Preferences (Section 588FA)

Unfair preferences are transactions between the Company and a creditor resulting in the creditor receiving more than the creditor would receive if the transactions were set aside and the creditor was to prove for this amount in the winding-up. Voidable transactions must have taken place in the period beginning six (6) months prior to the relation back day and ending on the date of liquidation.

Based on my review of the Company's bank statements, I have not identified any unfair preference transactions. Further investigations are required to verify this claim.

b) Uncommercial Transactions (Section 588FB)

Section 588FB of the Corporations Act provides for transactions that were not beneficial or were detrimental to the Company as being void. The transaction must have occurred when the Company was insolvent or would become insolvent.

For an uncommercial transaction to be voidable, the transaction would have taken place during the two (2) years ending on the relation-back day or if a related entity was the other party to the transaction, during the four (4) years ending on the relation-back day.

Based on the Company books and records available to me, I have not identified any transactions that would be subject to this Section of the Act.

c) Unfair Loans (Section 588FD)

Section 588FD of the Act provides for loans to be voided in circumstances where interest or charges are considered extortionate.

Based on the Company books and records available to me, I have not identified any transactions that would be subject to this Section of the Act.

d) Unreasonable Director-Related Transactions (Section 588FDA)

Section 588FDA of the Corporations Act provides for transactions where it may be expected that a reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefits, detriments and respective benefits to other parties.

Based on the Company books and records available to me, I have not identified any transactions that would be subject to this Section of the Act.

e) Related Party Transactions (Section 588FE(4))

Section 588FE(4) of the Act provides for payments to related parties may be voided where the Company was insolvent at the time of the transaction.

Based on the Company books and records available to me, I have not identified any transactions that would be subject to this Section of the Act.

6.4 Insolvent Trading (Section 588G)

Section 588G of the Act provides that a company's director(s) has a duty to protect the Company from incurring debt when there are reasonable grounds for suspecting that the Company will be unable to pay its debts as and when they fall due. Section 588M of the Act provides that a Liquidator is able to recover 'damages' from the director(s) of an insolvent company, in an amount equal to the loss or damage suffered by the Company as a result of a breach of duty.

Section 95A(1) of the Corporations Act 2001 provides a definition of a solvent entity as follows:

"A person is Solvent if, and only if, the person is able to pay all of its debts, as and when they become due and payable"

An insolvent entity is defined under Section 95A(2) of the Corporations Act 2001 as:

"A person which is not Solvent is Insolvent"

Based on the above definition of insolvency and the information available to me, I am of the view that the Company was insolvent from at least 31 October 2021.

a) Presumption of Insolvency

Pursuant to Section 286 of the Act, the Company is required to maintain financial records that would:

- correctly record and explain its transactions and financial position and performance; and
- would enable true and fair financial statements to be prepared and audited for the period of 7 years.

Failure to maintain sufficient books and records will give rise to presumption of insolvency throughout the period. As mentioned in section 6.1 above, it is my opinion that the books and records have been kept in a manner that complies with Section 286 of the Act.

b) Balance sheet test/net asset deficiency

The balance sheet test is commonly used in assessing a company's solvency as an indicator whether the company has sufficient realisable assets to meet its liabilities.

As discussed in section 4.2 of this report, the Company's management account discloses net assets deficit since early FY20. The Company started generating income from around August 2021. At that stage, the Company had sufficient working capital, however, the Company's working capital deteriorated from October 2021 to the date of my appointment.

Working Capital (\$)	31-Aug-21	30-Sep-21	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22	28-Feb-22	31-Mar-22	30-Apr-22	31-May-22	30-Jun-22	31-Jul-22
Working Capital	3,060	5,897	(31,793)	(26,978)	(90,244)	(107,785)	(125,124)	(195,310)	(216,111)	(224,401)	(213,919)	(218,066)
Current Ratio	1.03	1.05	0.83	0.87	0.56	0.52	0.45	0.16	0.10	0.06	0.09	0.05

Failure to lodge and pay Commonwealth and State taxes

The Australian Taxation Office ("ATO") advised that the Company has yet to lodge Income tax return for FY22, business activity statements for July to September Qtr. 2022. The ATO has a POD claim that

it is yet to submit. The running balance account indicates there is no claim. However, I anticipate the ATO will have a claim for PAYG and superannuation based on the Company's management accounts of \$153,686.

The records indicate that the Company has been lodging nil PAYG withholding and may need to be adjusted.

Below is a table summarising the potential ATO claim for the previous three (3) financial years.

ATO	Jun-20	Jun-21	Jun-22	YTD-23
PAYG & Superannuation	Nil	55,332	68,004	153,686

6.4.1 Insolvent Trading Quantum/Claim

On 24 March 2020, the Coronavirus Economic Response Package Omnibus Bill 2020 was implemented and specifically section 588GAAA was introduced into the *Corporations Act 2001* granting temporary relief for financially distressed businesses. This amendment provides relief for directors from potential personal liability for insolvent trading.

On 7 September 2020, the Australian Government announced that the temporary relief would be extended until 31 December 2020. Accordingly, the liquidator will not have any ability to pursue the director for insolvent trading for this period.

Pursuant to section 588GAAA(i) the Director would be protected from any insolvent trading claim for any debt incurred in the ordinary course of business during the relief period.

Accordingly, the Director is granted relief from personal liability for insolvent trading pursuant to the Coronavirus Economic Response Package Omnibus Bill 2020 and section 588GAAA of the Act.

The insolvent trading claim after taking consideration the Covid-19 relief is estimated to be \$334,331, being the debts owed to creditors at the date of my appointment.

The likelihood of dividend from the above depends on the commerciality of the recovery, which lead me with the following factors to consider:

- The quantum of the claim;
- The litigation funding involved;
- The Director's ability to pay;
- The defences available for the Director; and
- The available Liquidator's fund for insolvent trading.

5.4.2 Insolvent Trading Defences

The defences available to directors pursuant to section 588FGB of the Act include:

- If it is provided that, at the payment time, the person had reasonable grounds to expect, and did expect, that the company was solvent at that time and would remain solvent if it made the payment;
- Had reasonable grounds to believe and did believe:

- That a competent and reliable person (the other person) was responsible for providing to the first-mentioned person adequate information about whether the company was solvent; and
- That the other person was fulfilling that responsibility.
- Expected, on the basis of information provided to the first mentioned person by the other person, that the company was solvent at that time and would remain solvent even if it made the payment.
- Because of illness or for some other good reason, the person did not take part in the management of the company at the payment time.
- The person took all reasonable steps to prevent the company from making the payment; or there were no such steps the person could have taken.

Director's personal financial position

A search conducted on NSW Land Title registry revealed the Company and the Director owned no property.

Based on my preliminary review of the likely quantum of any potential claim, the likely costs to be incurred in pursuing any claim and the present uncertainty as to the current financial position of the Director, it is my view at this stage that it would not be commercial to pursue any insolvent trading claim.

6.4 Breach of Directors' Duties

Section 180 to 183 of the Act sets out duties and powers of directors and officers of a company to enable Directors act in the interest of the Company. The duties include:

- Section 180 – Care and Diligence
- Section 181 – Good Faith
- Section 182 – Use of Position
- Section 183 – Use of Information
- Section 184 – Good Faith, Use of Position and Use of Information – Criminal Offences

Section 180 – Care and Diligence

Pursuant to section 180 of the Act a director or other officer of a corporation must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:

- a) Were a director or officer of a corporation in the corporation's circumstances; and
- b) Occupied the office held by, and had the same responsibilities within the corporation as, the director or officer.

In considering whether a director has met their duties in exercising care and diligence, various circumstances may be considered including the type of company, the size and nature of its business, the composition of its board and distribution of work between the board.

Based on my preliminary investigations, I have not identified any breaches of director's duties.

Section 181 – Good Faith

Pursuant to Section 181 of the Act, a director or other officer of a corporation must exercise their powers and discharge their duties:

- a) in good faith in the best interest of the corporation; and
- b) for a proper purpose

My investigations and enquiries as at the date of this report does not identify any breaches of this section of the Act.

Section 182 – Use of Position

Pursuant to Section 182 of the Act, a director or other officer or employee of a corporation must not improperly use their position to:

- a) Gain advantage for themselves or someone else; or
- b) Cause detriment to the corporation.

My investigations as at the date of this report does not identify any breaches of this section of the Act.

7. What happens next?

I will proceed with the liquidation, including, but not limited to:

- Reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission (“ASIC”);
- Realisation of intellectual property;
- Continue my investigations into the affairs of the Company; and
- Any other matters relevant to the liquidation.

If I receive a request for a meeting that complies with the guidelines set out in the ARITA information sheet “Creditors Rights in Liquidation as attached at **Annexure B**, I will hold a meeting of creditors.

If you have not already submitted your claim, please complete the Proof of Debt form (attached as **Annexure A**) and complete and return the current and future remuneration proposals (attached as **Annexure C and D**) by 30 November 2022.

I expect to have completed this liquidation within three (3) to six (6) months.

8. Likelihood of a Dividend

At this stage, there are insufficient recoveries to meet the costs of the liquidation and accordingly, there is unlikely to be a dividend distribution to any class of creditors.

Should creditors wish to fund further investigations they can by 30 November 2022.

9. Costs of the Liquidation

On 5 September 2022, creditors approved by circular resolution my fees in the amount of \$10,000 plus GST. To this date, I have incurred fees of circa \$17,000.

I will be seeking further remuneration approval of \$12,008.75 exclusive of GST, without a meeting of creditors via the following resolutions:

- Approve the current remuneration of Liquidator for \$7,008.75
- Approve the future remuneration of Liquidator for \$5,000.00

Our fees have exceeded our initial estimate due to the following reasons:

- Workers' compensation claim lodged by former employee;
- Claim for outstanding wages by former employee; and
- Tasks associated with sale of intellectual property.

Please complete and return the below proposals by no later than 30 November 2022.

10. Receipts and payments

To this date, there have been no receipts or payments.

11. Where can you get more information?

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

You can 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").

If you have any queries or have any information to support the liquidation you can contact my office and speak with Tom Farquhar on 02 8020 5861 or via email on tfarquhar@hogansprogles.com.au.

Dated: 9 November 2022

Firmguard Pty Ltd (In Liquidation)



Christian Sprowles
Liquidator

Attachments

Annexure A	Proof of Debt form
Annexure B	Information Sheet - Creditor Rights in Liquidation
Annexure C	Proposal 1 Notice of Proposal to Creditors - Current Remuneration
Annexure D	Proposal 2 Notice of Proposal to Creditors - Future Remuneration
Annexure E	Remuneration Report
Annexure F	Information Sheet for Proposals Without a Meeting

INFORMAL PROOF OF DEBT FORM

Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 ("the Company")

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....
Signature of Creditor
(or person authorised by creditor)

.....
Dated

Notes:

Under the Insolvency Practice Rules (Corporations) (IPR) 75-85, a creditor is not entitled to vote at a meeting unless:

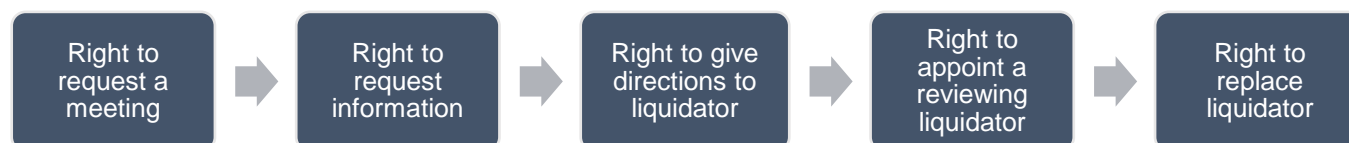
- a. his or her claim has been admitted, wholly or in part, by the Liquidator; or
- b. he or she has lodged with the Liquidator particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR 75-87).

Proxies must be made available to the Liquidator.

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.

Specific queries about the liquidation should be directed to the liquidator's office.

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.

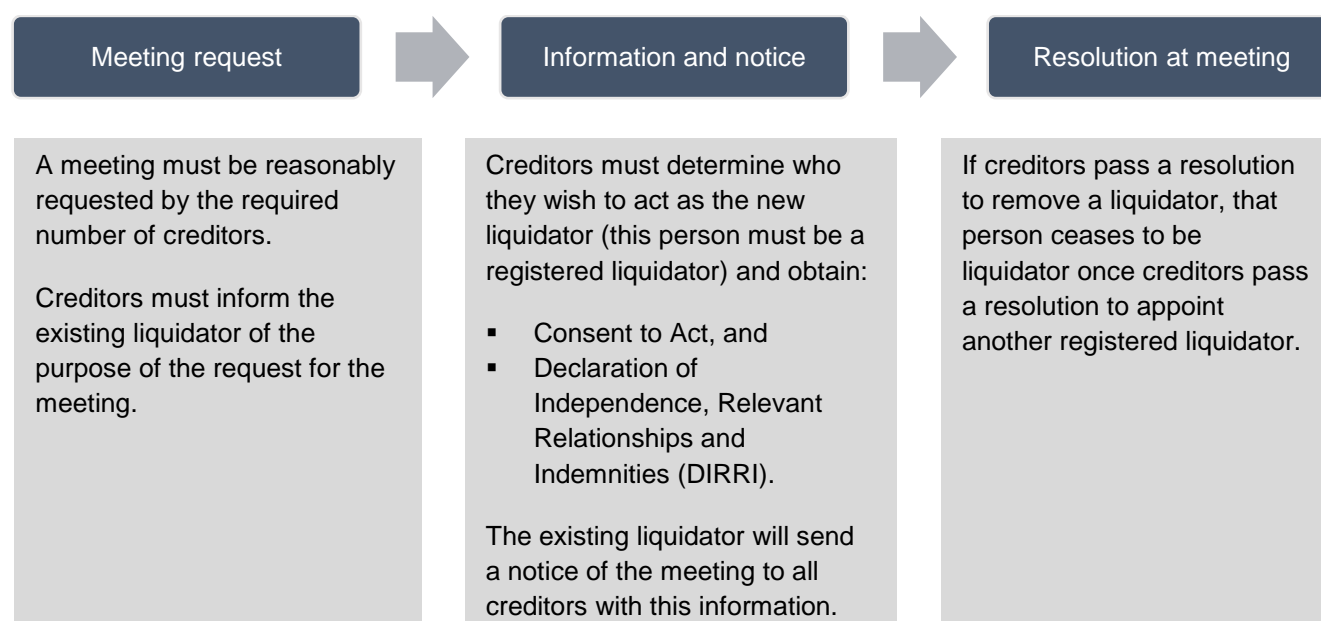
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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.
Specific queries about the liquidation should be directed to the liquidator's office.**

NOTICE OF PROPOSAL TO CREDITORS

Dated: 9 November 2022

Voting Poll Closes: 30 November 2022

**Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 ("the Company")**

Proposal No. 1 for creditor approval

“That the current remuneration of the Liquidator from 19 August 2022 to 8 November 2022 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 9 November 2022 such sum to be capped at the amount of \$7,008.75 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 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.
- 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 **30 November 2022**, by email to **Tom Farquhar** at **tfarquhar@hogansprowles.com.au**. Should you have any queries in relation to this matter, please contact Tom Farquhar on (02) 8020 5861.

HoganSproles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

NOTICE OF PROPOSAL TO CREDITORS

Dated: 9 November 2022

Voting Poll Closes: 30 November 2022

**Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 ("the Company")**

Proposal No. 1 for creditor approval

“That the future remuneration of the Liquidator from 9 November 2022 to the conclusion of the Liquidation 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 9 November 2022 such sum to be capped at the amount of \$5,000.00 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 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.
- 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 **30 November 2022**, by email to **Tom Farquhar** at **tfarquhar@hogansprowles.com.au**. Should you have any queries in relation to this matter, please contact Tom Farquhar on (02) 8020 5861.

HoganSproles
Level 9,
60 Pitt Street
SYDNEY NSW 2000

Liquidators Remuneration Approval Report

Firmguard Pty Ltd (In Liquidation) A.C.N. 640 712 634 (“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 the Company.

This report has the following information included:

Contents

Part 1: Declaration	1
Part 2: Executive Summary	2
Part 3. Remuneration.....	2
Part 4: Summary of Receipts and Payments.....	5
Part 5: Queries	5
Part 6: Approval of remuneration	6
Schedule A – Resolution 1 - Table of major tasks for current remuneration	6
Schedule B – Resolution 2 - Table of major tasks for actual remuneration	8

What do you need to do next?

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

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

If you have any questions, or need any assistance with understanding the materials I have sent to you, please contact Tom Farquhar of my office on (02) 8020 5861 or via email at tfarquhar@hogansprowles.com.au.

Part 1: Declaration

I, Christian Sprowles of HoganSprowles, have undertaken a proper assessment of this remuneration claim for my appointment as administrators 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.

I have reviewed the work in progress report for the liquidation to ensure that remuneration is only being claimed for necessary and proper work performed.

Part 2: Executive Summary

The total remuneration for the appointment of Liquidator is estimated to be \$22,008.75 exclusive of GST. This has increased compared to my previous estimate because of the following:

- Workers' compensation claim lodged by former employee;
- Claim for outstanding wages by former employee;
- Tasks associated with sale of intellectual property.

Remuneration currently claimed and previously approved (if applicable) is summarised below:

Period	Report Reference	Amount (ex GST)
Current Remuneration claim:		
Resolution [1]: Period: 19 August 2022 to 8 November 2022	Part 3	\$7,008.75
Future Remuneration claim:		
Resolution [2]: Period: 9 November 2022 to the conclusion	Part 3	\$5,000.00
Total remuneration approval sought		\$12,008.75
* 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.		

Please refer to report section references detailed in the above table for full details 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 19 August 2022 to 8 November 2022

"That the current remuneration of the Liquidator from 19 August 2022 to 8 November 2022 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 9 November 2022 such sum to be capped at the amount of \$7,008.75 exclusive of GST and that the Liquidator may draw the remuneration on a monthly basis or as required."

Resolution [2]: from 9 November 2022 to Conclusion of the Liquidation

“That the future remuneration of the Liquidator from 9 November 2022 to the conclusion of the Liquidation 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 9 November 2022 such sum to be capped at the amount of \$5,000.00 exclusive of GST and that the Liquidator may draw the remuneration on a monthly basis or as required.”

3.2 Details of Remuneration

3.2.1 Details of Current Remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedule A of this report.

The below table set out the current time charges incurred to each major task area by staff members working on the liquidation for the period between 19 August 2022 to 8 November 2022 which is the basis of the resolutions are claimed. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule A of this report.

Resolution [1]: from 19 August 2022 to 8 November 2022

Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 ("the Company")
ESTIMATED HOURS TO BE INCURRED FROM 19 AUGUST 2022 TO 8 NOVEMBER 2022
CALCULATION OF REMUNERATION

Employee	Position	\$ /hour (ex GST)	Total actual hours	Total (\$)	Task Area										
					Assets hrs	\$	Creditors hrs	\$	Employees hrs	\$	Investigation hrs	\$	Administration hrs	\$	
Christian Sprowles	Partner	595.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Anny Ngo	Director	550.00	1.90	2,035.00	0.60	330.00	0.80	440.00	1.80	990.00	0.50	275.00	0.00	0.00	
Anny Ngo	Senior Manager	500.00	2.00	2,250.00	0.40	200.00	0.00	0.00	2.50	1,250.00	1.50	750.00	0.10	50.00	
Thomas Farquhar	Analyst	240.00	7.05	1,608.00	0.00	0.00	4.65	1,115.75	4.30	1,032.00	0.00	0.00	2.40	576.00	
Total			10.95	7,008.75	1.00	530.00	5.45	1,555.75	8.60	3,272.00	2.00	1,025.00	2.50	626.00	
GST														700.88	
TOTAL (Including GST)															7,709.63

3.2.2 Details of Future Remuneration

The below table set out the expected costs for the major task likely to be performed by the Liquidator and the Administrators and their staff for the period between 9 November 2022 to the conclusion of the Liquidation. More detailed descriptions of the tasks likely to be performed within each task area, matching the amounts below, are contained in Schedule B of this report.

Resolution [2]: from 9 November 2022 to Conclusion of the Liquidation

Firmguard Pty Ltd (In Liquidation)
A.C.N. 640 712 634 ("the Company")
ESTIMATED HOURS TO BE INCURRED FROM 9 NOVEMBER 2022 TO COMPLETION
CALCULATION OF REMUNERATION

Employee	Position	\$ /hour	Total actual hours	Total (\$)	Task Area									
					Assets hrs	\$	Creditors hrs	\$	Employees hrs	\$	Investigation hrs	\$	Administration hrs	\$
Christian Sprowles	Partner	595.00	1.00	892.50	0.00	0.00	0.50	297.50	0.50	297.50	0.00	0.00	0.50	297.50
Anny Ngo	Director	550.00	2.60	1,980.00	1.00	550.00	0.50	275.00	1.00	550.00	0.10	55.00	1.00	550.00
Thomas Farquhar	Analyst	240.00	6.50	1,800.00	1.50	360.00	2.00	480.00	3.00	720.00	1.00	240.00	2.00	480.00
Total			10.10	5,152.50	2.50	910.00	3.00	1,052.50	4.50	1,567.50	1.10	295.00	3.50	1,327.50
But Say				5,000.00										
GST				515.25										
TOTAL (including GST)				5,515.25										
Average hourly rate (Excluding GST)				510.15										

3.3 Total remuneration reconciliation

At this point in time, I estimate that the total remuneration for the liquidation will be \$22,008.75

On 5 September 2022, creditors approved by circular resolution my fees in the amount of \$10,000 plus GST.

To this date, I have incurred fees of \$17,008.75, which has exceeded my initial estimate, and in this report, I am now seeking approval of a further capped amount of \$12,008.75 exclusive of GST, including current remuneration of \$7,008.75 and future remuneration of \$5,000.00 to enable me to complete the liquidation.

In the following table is a comparison on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved as at 19 August 2022	Approval sought for work already done	Approval sought for future work	Total per task
	\$	\$	\$	\$
Assets	-	530	910	1,440
Creditors	3,791	1,556	1,053	6,399
Employees	763	3,272	1,568	5,603
Investigation	3,420	1,025	295	4,740
Administration	2,026	626	1,328	3,980
Total	10,000	7,009	5,000	22,009
Total remuneration previously approved				10,000
Difference				12,009
Payment Reconciliation:				
TOTAL (incl. amount claim now)				12,009
Amount paid to date				-
Amount outstanding (incl amount claimed now)				12,009

I have provided an explanation in Part 2 of this report regarding the progress of the liquidation that have affected my previous remuneration estimate.

In preparing this remuneration approval report, I have made my best estimate at what I believe the administration 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/administration 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.

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.

Part 4: Summary of Receipts and Payments

To this date, there have been no receipts or payments.

Part 5: Queries

If you have any queries in relation to the information in this report, please contact Tom Farquhar on (02) 8020 5861 or via email at tfarquhar@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”).

Supporting documentation for my remuneration claim may be viewed if requested, provided sufficient notice is given.

Part 6: Approval of remuneration and internal disbursements

At **Annexure A, C and D**, I have enclosed the following for your completion **by 30 November 2022**:

- Proof of debt form (Annexure A)
- Voting slip for the liquidator’s current remuneration (Annexure C);
- Voting slip for the liquidator’s future remuneration (Annexure D);

Schedule A – Resolution 1 - Table of major tasks for current remuneration

The below table provides a description of the work which has been undertaken in each major task area during the course of the Liquidation.

Task Area	General Description	Includes
Assets 1.00 hours \$530.00	Plant & Equipment	Identifying assets Collection of plant & equipment
	Sale of Intellectual Property	Reviewing Sale of Intellectual Property Liaising with owners/lessors/agent
	Other Assets	Tasks associated with realising other assets
Creditors 5.45 hours \$1,555.75	Creditor Enquiries, Requests & Directions	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare correspondence to creditors and their representatives
	Creditor reports	Preparation statutory report to creditors Prepared estimated position and return to creditors
	Dealing with proofs of debt	Receipting and filing POD’s when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Proposals to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
Employees 8.60 hours \$3,272.00	Employee Enquiries, Requests & Directions	Receive and respond to employee enquiries Review and prepare correspondence to employees
	FEG	Liaising with FEG regarding employee entitlements
	Workers Compensation Claim	Liaising with FairWork regarding workers compensation
		Collection of company’s books and records Reviewing company’s books and records

Task Area	General Description	Includes
Investigation 2.0 hours \$1,025.00	Conducting investigations	Review and preparation of company nature and history Extracting financial reports from accounting system 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 Consider and review related party loans and transactions. Preparation and lodgement of supplementary report if required
	ASIC Reporting	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
Administration 2.50 hours \$626.00	Correspondence	With various stakeholders Liaise with director, solicitor and/or accountant to discuss financial position
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklist
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms Preparing form 525 regarding disclaimer

Task Area	General Description	Includes
	ATO and other statutory reporting	Notification of appointment Correspondence with ATO regarding lodgements and registration Notifying ATO of finalisation
	Planning / Review	Discussions regarding status of liquidation
	Books and records / storage	Dealing with records in storage Recall records for investigations and collation of documents

Schedule B – Resolution 2 - Table of major tasks for future remuneration

The below table provides a description of the work which will be undertaken in each major task area during the course of the liquidation.

Task Area	General Description	Includes
Assets 2.50 hours \$910.00	Plant & Equipment	Identifying assets Collection of plant & equipment
	Sale of Intellectual Property	Sale of Intellectual Property Liaising with owners/lessors/agent
	Other Assets	Tasks associated with realising other assets
Creditors 3.00 hours \$1,052.50	Creditor Enquiries, Requests & Directions	Receive and respond to creditor enquiries Maintaining creditor request log Review and prepare correspondence to creditors and their representatives
	Creditor reports	Prepared estimated position and return to creditors
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Proposals to Creditors	Preparing proposal notices and voting forms Forward notice of proposal to all known creditors Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC
Employees 4.50 hours \$1,567.50	Employee Enquiries, Requests & Directions	Receive and respond to employee enquiries Review and prepare correspondence to employees
	FEG	Liaising with FEG regarding employee entitlements
	Workers Compensation Claim	Liaising with FairWork regarding workers compensation
		Reviewing company's books and records

Task Area	General Description	Includes
Investigation 1.10 hours \$295.00	Conducting investigations	Extracting financial reports from accounting system Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Consider and review related party loans and transactions. Preparation and lodgement of supplementary report if required
	ASIC Reporting	Preparing statutory investigation reports Liaising with ASIC
Administration 3.50 hours \$1,327.50	Correspondence	With various stakeholders Liaise with director, solicitor and/or accountant to discuss financial position
	Document maintenance/file review/checklist	First month, then six monthly administration reviews Filing of documents File reviews Updating checklist Finalisation
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Forms and lodgements	Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms Preparing form 525 regarding disclaimer
	ATO and other statutory reporting	Correspondence with ATO regarding lodgements and registration Notifying ATO of finalisation
	Planning / Review	Discussions regarding status of liquidation
	Books and records / storage	Dealing with records in storage Recall records for investigations and collation of documents



Schedule of rates as @ 1 July 2022

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.	595
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.	550
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.	500
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.	450
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.	420
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.	370
Senior Analyst 2	Experienced graduate controlling certain tasks on small engagements. Assists senior staff in completing tasks on small to large engagements.	360
Analyst 1	Experienced graduate. Required to assists senior staff in completing tasks on small to large engagements.	310
Analyst 2	Generally a university graduate with appropriate qualifications. Assists with day to day tasks under the supervision of senior staff.	240
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.	215
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	190
Senior Bookkeeper	Experienced bookkeeper with more than 18 months experience. Assist senior staff with accounting functions of engagement.	190
Bookkeeper	Assist senior staff with accounting functions of engagement.	170
PA	Appropriate skills and experience to support professional staff in an administrative capacity.	150
Administration	Appropriate skills and experience to support professional staff in an administrative capacity.	120

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").