



**SHERIDANS**  
CHARTERED ACCOUNTANTS

# **Varley Farms Pty Ltd**

(In Liquidation)

128 630 964

## **Initial information for creditors**

Section 70-30

Insolvency Practice Rules (Corporations) 2016

**15 February 2018**

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<b>Contents</b>	<b>Page</b>
1 Introduction	3
2 Notification of appointment	3
3 What is a creditors' voluntary liquidation?	3
4 What happens to your debt?	3
5 Your rights as a creditor	3
6 Summary of the company's affairs	4
7 Listing of creditors	4
8 What happens next?	4
9 Liquidator's remuneration	4
10 More information	5

### **Annexures**

- A Declaration of Independence, Relevant Relationships and Indemnities
- B Information Sheet - Creditor Rights in Liquidations
- C Form 509 - Summary Report as to Affairs
- D Listing of creditors
- E Initial Remuneration Notice
- F Remuneration Approval Report

### **Enclosures**

- (i) Notice of Proposal to Creditors
- (ii) Form 535 - Formal Proof of Debt or Claim

## **1. Introduction**

- 1.1 The purpose of this document is to provide you with information about the liquidation of Varley Farms Pty Ltd (“the company”) and your rights as a creditor.

## **2. Notification of appointment**

- 2.1 I was appointed Liquidator of the company by a resolution of the company’s members on 2 February 2018.
- 2.2 A copy of my Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) is attached at 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 results in a conflict of interest or duty, or affects my independence.

## **3. What is a creditors’ voluntary liquidation?**

- 3.1 A creditors’ voluntary liquidation, or CVL, is a liquidation initiated by the company because it is unable to pay all of its creditors in full. This means that the company is insolvent.

## **4. What happens to your debt?**

- 4.1 According to the company’s records, you may be a creditor of the company.
- 4.2 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.
- 4.3 If you have leased property to the company, have a retention of title claim or hold a security interest in relation to the company, please immediately contact this office.

## **5. Your rights as a creditor**

- 5.1 Annexure B to this circular contains information about your rights as a creditor, including your right to:
- Make reasonable requests for a meeting.
  - Make reasonable requests for information.
  - Give directions to me.
  - Appoint a reviewing liquidator.
  - Replace me as liquidator.

## 5. Your rights as a creditor (cont.)

- 5.2 I draw your attention to your right to request a meeting in the first 20 business days of a creditors' voluntary liquidation. If I receive a request for a meeting from at least 5% of known creditors that are not a related entity of the company, I am required to hold a meeting, as long as the request is reasonable. Guidance on whether a request is reasonable or not is included in the information sheet at Annexure B.

## 6. Summary of the company's affairs

- 6.1 I received a Report as to Affairs ("RATA") from the director on 9 February 2018. A summary of the company's affairs compiled from the information in the RATA is attached at Annexure C.

## 7. Listing of creditors

- 7.1 Attached at Annexure D is a list of creditors, including their addresses and the estimated amounts of their claims, as shown in the records of the company. Any creditors related to the company are identified.
- 7.2 Enclosed is a Proof of Debt or Claim form to enable you to lodge your claim in the liquidation.

## 8. What happens next?

- 8.1 I will proceed with the liquidation, including:
- (i) Recovering and selling any available property.
  - (ii) Investigating the company's affairs.
  - (iii) Reporting to the corporate regulator, the Australian Securities and Investments Commission ("ASIC").
- 8.2 If I receive a request for a meeting that complies with the guidelines set out in the information sheet at Annexure B, I will hold a meeting of creditors.
- 8.3 I will write to you within three months of my appointment advising whether a dividend is likely and updating you on the progress of my investigations.
- 8.4 I may write to you again after that with further information on the progress of the liquidation.

## 9. Liquidator's remuneration

- 9.1 Attached at Annexure E is my Initial Remuneration Notice. This document provides you with information about how I propose to be paid for undertaking the liquidation.
- 9.2 Attached at Annexure F is a detailed report on my remuneration, called a Remuneration Approval Report. I am unable to pay my remuneration without the approval of creditors or the Court.

## 9. Liquidator's remuneration (cont.)

- 9.3 In accordance with the Initial Remuneration Notice and Remuneration Approval Report, my estimated remuneration for the external administration is \$40,000.
- 9.4 I propose to have my remuneration approved by a proposal without a meeting. Information about passing resolutions without a meeting and a Notice of Proposal to Creditors is enclosed. **I request that you return to this office the completed Notice of Proposal to Creditors by 4.00pm on Monday, 12 March 2018.**
- 9.5 **If you are yet to submit your claim in the liquidation, the Notice of Proposal to Creditors should be returned together with a Proof of Debt or Claim form and supporting documentation.**

## 10. More information

- 10.1 The Australian Restructuring Insolvency and Turnaround Association ("ARITA") provides information to assist creditors with understanding liquidations and insolvency.
- 10.2 Information is available from ARITA's website at [arita.com.au/creditors](http://arita.com.au/creditors).
- 10.3 ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at [asic.gov.au](http://asic.gov.au) (search for "insolvency information sheets").

If you have any queries in relation to this matter, please contact David Blanchett or Sarah Marsegaglia of this office.

Yours faithfully



JENNIFER E. LOW  
Liquidator of  
Varley Farms Pty Ltd

**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
**(In Liquidation) (“the company”)**

**DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES**

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Practitioners appointed to an insolvent entity are required to make declarations as to:

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

This declaration is made on my own behalf and on behalf of my firm, Sheridans.

**Independence**

I, Jennifer E. Low, of Sheridans, 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 my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

**Declaration of relationships**

A. *Circumstances of appointment*

This appointment was referred to me by Mr David Falconer of Business Ag, the company’s accountant. I believe that this referral does not result in a conflict of interest or duty because referrals from solicitors, business advisors and accountants are commonplace and do not impact on my independence in carrying out my duties as Liquidator.

On 18 January 2018, a meeting was held between Mr William Hull, Mr David Falconer, me and Mr David Blanchett of this office. Additionally, there were a number of emails and telephone conversations between Mr William Hull, Mr David Falconer, me and Mr David Blanchett of this office between 18 February 2018 and the date of liquidation.

The meeting, emails and telephone conversations were conducted for the purpose of:

- obtaining sufficient information about the company to advise on the solvency of the company;
- discussing the formalities of placing the company into Creditors’ Voluntary Liquidation; and
- Clarifying and explaining the various options available to the company and the nature and consequences of an insolvency appointment.

**Declaration of relationships (cont.)**

In my opinion, the above does not affect my independence for the following reasons:

- the Courts and the Australian Restructuring Insolvency and Turnaround Association's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- the nature of the advice provided to the company is such that it would not be subject to review and challenge during the course of the liquidation; and
- the pre-appointment advice will not influence my ability to be able to fully comply in an objective and impartial manner with the statutory and fiduciary obligations associated with the liquidation of the company.

I have provided prior to my appointment no other information or advice beyond that outlined in this DIRRI to the company or to its director or to any of its advisors.

**B. *Relevant relationships (excluding professional services to the company)***

I and my firm, have, or have had within the preceding 24 months, no relationships with the company, an associate of the company, a former insolvency practitioner appointed to the company or any person or entity that has security over the whole or substantially the whole of the company's property.

**C. *Prior professional services to the company***

I and my firm have provided no professional services to the company in the previous 24 months.

**D. *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 security over the whole or substantially the whole of the company's property that should be disclosed.

**Indemnities and upfront payments**

I have been provided with the following indemnity, in the form of a contribution, for the conduct of the liquidation:

Name	Relationship	Nature of indemnity or payment
William Hull David James Hull	Director Director's father	\$25,000 payable within 21 days from the date of liquidation, being due on 23 February 2018.

This does not include any statutory indemnities. I have not received any other indemnities or upfront payments that should be disclosed.

Dated: 15 February 2018

A handwritten signature in black ink, appearing to read 'J. E. Low'. The signature is written in a cursive style with a large initial 'J' and a long horizontal stroke.

JENNIFER E. LOW

Note:

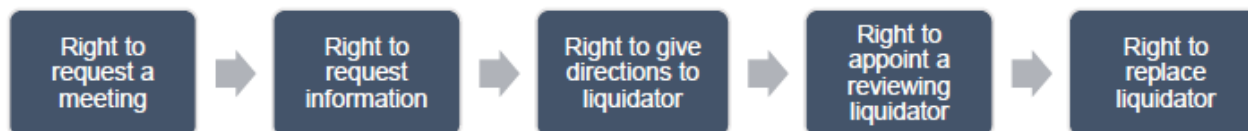
1. If circumstances change, or new information is identified, I am required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as to table a copy of any replacement declaration at the next meeting of the company's creditors.
2. Any relationships, indemnities or upfront payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of the DIRRI is to disclose relationships that, while they do not result in the Practitioner's 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.

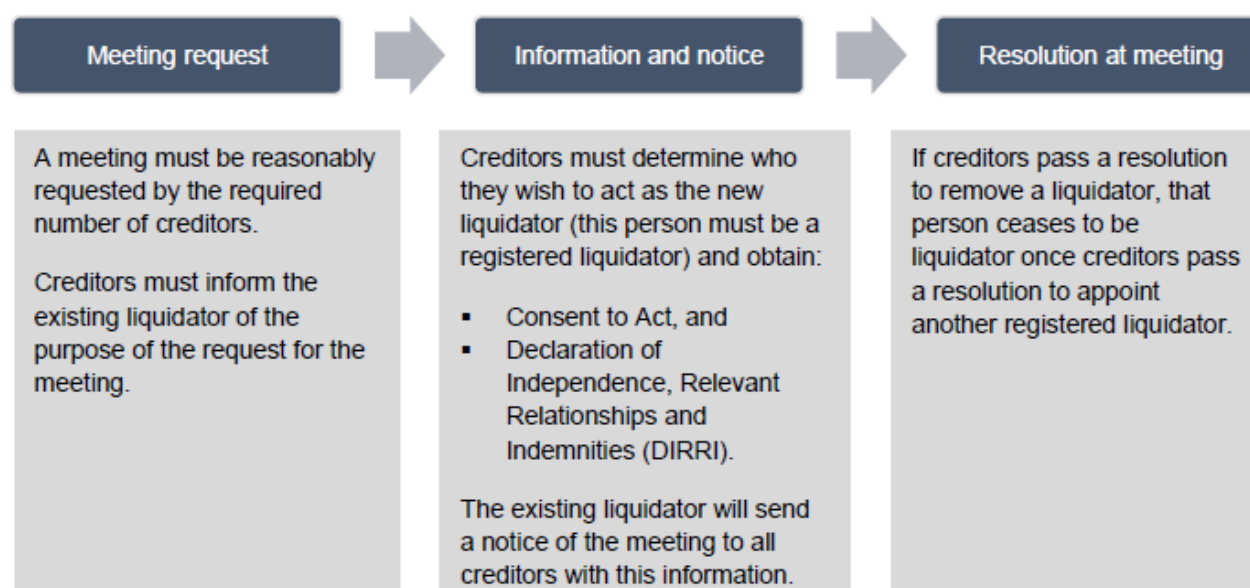
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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](http://www.arita.com.au/creditors)**

Australian Securities & Investments Commission



Form 509  
Corporations Act 2001  
497(1)(a)(i)

# Presentation of summary of affairs of a company

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Related forms:  
5604 Information about the company's affairs sent to creditors

### Company details

Company name

ACN

### Lodgement details

An image of this form will be available as part of the public register.

Who should ASIC contact if there is a query about this form?  
 ASIC Registered agent number (if applicable)

Firm/organisation

Contact name/position description

Telephone number (during business hours)

Email address (optional)

Postal address

Suburb/City

State/Territory

Postcode

### Summary of assets and liabilities

Date to which summary is made up  
  
 [D] [D] [M] [M] [Y] [Y]

Continued... Summary of assets and liabilities

	Valuation (for each entry show whether cost or net book amount) \$	Estimated Realisable Values \$
1 Assets not specifically subject to security interest		
(a) interest in land		
(b) sundry debtors		
(c) cash on hand		
(d) cash at bank	403	403
(e) stock		
(f) work in progress		
(g) plant and machinery	18558 (WDTV)	5100
(h) other assets		
<b>Sub-total</b>	19261	5503
2 Assets subject to specific security interests	12500	12500
Less amounts owing		
<b>Total Assets</b>	(\$ 6761 )	
<b>Total Estimated Realisable Values</b>		(\$ - 6997 )
3 Less amounts payable in advance of secured creditor(s) including employee entitlements		Ø
4 Less amounts owing and secured by debenture or circulating security interests over assets		Ø
5 Less preferential claims ranking behind secured creditors		Ø
6 Less balances owing to partly secured creditors		
<b>Total Claims</b>	(\$ Ø )	Ø
<b>Security Held</b>	(\$ Ø )	Ø
7 Less creditors (Unsecured) Amount claimed		4931354
8 Add contingent assets Estimated to produce		Ø
9 Less contingent liabilities Estimated to rank		Ø
<input checked="" type="checkbox"/> Estimated deficiency or <input type="checkbox"/> Estimated surplus		\$ 4938351
<input type="checkbox"/> Subject to costs of administration or <input type="checkbox"/> Subject to costs of liquidation		
<b>Share capital</b> \$	4.00	
<b>Issued</b> \$	4.00	
<b>Paid Up</b> \$	4.00	

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**Signature**

This form must be signed by a director, secretary or liquidator.

Name of person signing

William Hull

Capacity

Director

Signature



Date signed

05/02/18  
[D] [D] [M] [M] [Y] [Y]

---

**Lodgement**

Send completed and signed forms to:  
Australian Securities and Investments Commission,  
PO Box 4000, Gippsland Mail Centre VIC 3841.

**For more information**

Web [www.asic.gov.au](http://www.asic.gov.au)  
Need help? [www.asic.gov.au/question](http://www.asic.gov.au/question)  
Telephone 1300 300 630

**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
(In Liquidation) (“the company”)

**LISTING OF CREDITORS**

Name	Address	Amount \$
<b>Secured creditors</b>		
BMW Finance	PO Box 611 MULGRAVE VIC 3170	12,500
<b>Total secured creditors</b>		<b>12,500</b>
<b>Unsecured creditors</b>		
Australian Taxation Office	Insolvency Department PO Box 9003 PENRITH NSW 2740	30,985
Hull Farming Pty Ltd ①	PO Box 470 BELMONT WA 6984	522,698
Laurie Leader ①	Suppressed	215,931
Vicstock Grain	c/- Michael Swift PO Box 7499 CLOISTERS SQUARE WA 6850	450,000
William Hull ①	Suppressed	3,711,740
<b>Total unsecured creditors</b>		<b>4,931,354</b>
<b>Total creditors</b>		<b>4,943,854</b>

① Related entities



**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
(In Liquidation) (“the company”)

**INITIAL REMUNERATION NOTICE**

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The purpose of this 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 asset realisations.
- D. **Contingency:** The practitioner’s fee is structured to be contingent on the achievement of a particular outcome.

**2. Method chosen**

Given the nature of this administration I propose that my remuneration be calculated at an hourly rate for the time spent by each member of my staff. I believe this method to be appropriate because it accurately reflects the work required to administer this matter.

**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.

Staff Level	Hourly rate (excl. GST) \$	Experience rate classification
Registered Liquidator	538	Liquidator & Bankruptcy Trustee bringing her specialist skills to the administration or insolvency task.
Director	432	More than 10 years’ insolvency experience, more than 4 years as a manager. Answerable to the appointee but otherwise responsible for all aspects of administration.
Senior Manager	381	More than 7 years’ insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for most aspects of administration. Experienced and competent at all levels. Controls staff and their training.
Manager	301	6 - 7 years. Qualified accountant, with well-developed technical and commercial skills. Has significant conduct of most administrations. Answerable to the appointee but otherwise manages administrations on a day to day basis. Controls 2 - 4 staff.

### 3. Explanation of hourly rates (cont.)

Staff Level	Hourly rate (excl. GST) \$	Experience rate classification
Supervisor	265	4 - 6 years. CA Program complete. Has conduct of minor administrations and experience in controlling 1 - 3 staff. Assists planning and control of medium to larger jobs.
Senior 1	243	2 - 4 years. CA Program normally completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Senior 2	221	2 - 3 years. CA Program would normally be commenced. Required to control the fieldwork on small jobs and is responsible for helping to complete fieldwork on medium to large jobs.
Intermediate 1	185	1 - 2 years. Graduate required to assist in day-to-day field work under supervision of more senior staff.
Intermediate 2	175	0 - 1 year. Trainee / graduate required to assist in day-to-day field work under supervision of more senior staff.
Graduate	147	0 - 1 year. HSC, graduate or completing part-time degree. Required to assist in administration and day-to-day field work under supervision of more senior staff.
Secretary	137	Appropriate skills including word processing competency.

*Sheridans' Scale of Fees is increased on 1 August each year (effective from 2014) in line with the CPI amount. Sheridans' current Scale of Fees is available from Sheridans' office on request.*

### 4. Estimated remuneration

I estimate that this administration will cost approximately \$40,000 to complete, subject to the variable of the investigation into the affairs of the company and the conduct of its officers, which may have a significant effect on this estimate. I am unable to determine the effect of this variable until I have commenced work on this aspect of the administration.

I received an indemnity of \$25,000 to contribute to the estimated costs. This has been disclosed in my DIRRI. Approved remuneration may exceed the amount of this indemnity and can be paid from the assets of the administration after approval by creditors or the Court.

### 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 that recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.



## 5. Disbursements (cont.)

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 disbursements only where there may be a profit or advantage. Creditors will be asked to approve my disbursements where there is a profit or advantage before these disbursements are paid from the administration.

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

Disbursement	Rate (excl. GST)
Faxes	Local: \$2.50 Interstate: \$4.00 International: \$4.00
Meeting room hire	\$150.00
Postage	Local and interstate: \$1.50 International: cost Other: cost
Printing and photocopying	20 cents/page
Storage	Cost
Telephone	National calls (inc. mobile): \$1.00 International: cost
Staff vehicle use	66 cents/per km
Statutory advertising	Cost

Dated: 15 February 2018

**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
(In Liquidation) (“the company”)

**REMUNERATION APPROVAL REPORT**

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This Remuneration Approval 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:

Part 1: Declaration	1
Part 2: Executive summary	1
Part 3: Remuneration	2
3.1 Remuneration claim resolution	2
3.2 Details of remuneration	2
3.3 Total remuneration reconciliation	4
3.4 Likely impact on dividends	4
3.5 Remuneration recovered from external sources	4
Part 4: Disbursements	4
Part 5: Summary of receipts and payments	5
Part 6: Queries	5
Part 7: Approval of remuneration	5

**Part 1: Declaration**

I, Jennifer E. Low, of Sheridans, 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 to be properly performed in the conduct of the liquidation.

**Part 2: Executive summary**

The total remuneration for this appointment is estimated to be \$40,000. Remuneration currently claimed is summarised below:

Period	Report reference	Amount (excl. GST) \$
2 February 2018 to the conclusion of the liquidation*	Part 3	40,000
<small>* Approval for future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</small>		

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

### Part 3: Remuneration

#### 3.1 Remuneration claim resolution

I will be seeking approval of the following resolution to approve my remuneration for the period 2 February 2018 to the conclusion of the liquidation:

*That the Liquidator's future remuneration calculated on the basis of time spent by the Liquidator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved for the period 2 February 2018 to the conclusion of the liquidation to a limit of \$40,000 plus GST, and that the Liquidator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.*

#### 3.2 Details of remuneration

The table below sets out the expected costs for the major tasks that are likely to be performed by the Liquidator and her staff. The table also sets out a detailed description of the tasks likely to be performed within each task area.

Task area	General description	Includes
<b>Assets \$5,000</b>	Motor vehicles	<ul style="list-style-type: none"> <li>Liaising with valuers, auctioneers and interested parties</li> <li>Arranging for online auction of vehicles</li> <li>Receipting funds following sale of vehicles</li> <li>Reviewing asset listings</li> </ul>
	Debtors	<ul style="list-style-type: none"> <li>Correspondence with debtors</li> <li>Reviewing and assessing debtors' ledgers</li> <li>Liaising with debt collectors and solicitors</li> </ul>
	Other assets	Tasks associated with realising other assets
	Leasing	<ul style="list-style-type: none"> <li>Reviewing leasing documents</li> <li>Liaising with owners/lessors</li> <li>Tasks associated with disclaiming leases</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Identification of potential issues requiring attention of insurance specialists</li> <li>Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>Reviewing insurance policies</li> <li>Correspondence with previous brokers</li> </ul>
<b>Creditors \$10,000</b>	Creditor enquiries, requests & directions	<ul style="list-style-type: none"> <li>Receive and respond to creditor enquiries</li> <li>Maintaining creditor request log</li> <li>Review and prepare initial correspondence to creditors and their representatives</li> <li>Considering reasonableness of creditor requests</li> <li>Obtaining legal advice on requests</li> <li>Documenting reasons for complying or not complying with requests or directions</li> <li>Compiling information requested by creditors</li> </ul>
	Secured creditor reporting	<ul style="list-style-type: none"> <li>Search of the PPSR register</li> <li>Notifying PPSR registered creditors of appointment</li> <li>Preparing reports to secured creditor</li> <li>Responding to secured creditor's queries</li> </ul>
	Creditor reports	<ul style="list-style-type: none"> <li>Preparing initial information for creditors</li> <li>Preparing Statutory Report</li> <li>Preparing additional reports to creditors (e.g. investigation, meeting and general reports)</li> </ul>

**Part 3: Remuneration (cont.)**

<b>Task area</b>	<b>General description</b>	<b>Includes</b>
<b>Creditors (cont.)</b>	Dealing with Proofs of Debt	Receipting and filing POD when not related to a dividend Corresponding with OSR and ATO regarding POD when not related to a dividend
	Meeting of Creditors (if applicable)	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	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
<b>Investigation \$15,000</b>	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 ASIC Preparation and lodgement of supplementary report if required
	Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
<b>Administration \$10,000</b>	Correspondence	General correspondence
	Document maintenance/file review/checklist	First month, then six-monthly administration reviews Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 205, 505 etc Preparing Annual Administration Returns Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage

### **Part 3: Remuneration (cont.)**

#### **3.3 *Total remuneration reconciliation***

At this point in time I estimate that the total remuneration for this liquidation will be \$40,000, being the current approval amount being sought. This is consistent with the estimate provided in the Initial Remuneration Notice dated 15 February 2018.

In preparing this Remuneration Approval Report, I have made my best estimate of what I believe the liquidation will cost to complete. 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.

#### **3.4 *Likely impact on dividends***

A Liquidator is entitled to receive remuneration for necessary work that has been properly performed in relation to the liquidation.

A Liquidator must distribute any property realised in accordance with the prescribed order and priorities set out by Section 556 of the Corporations Act 2001. Given that a Liquidator's remuneration is generally afforded priority ahead of any distribution to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors.

The quantum (if any) of the dividend to creditors is ultimately impacted by the Liquidator's remuneration, the asset realisations achieved by the Liquidator and the value of creditor claims admitted to participate in the dividend.

#### **3.5 *Remuneration recovered from external sources***

I received an indemnity, in the form of a contribution of \$25,000, to contribute to the estimated costs. This has been disclosed in my DIRRI. Approved remuneration may exceed the amount of this indemnity and can be paid from the assets of the administration after approval by creditors or the Court.

### **Part 4: Disbursements**

See my Initial Remuneration Notice (Annexure E) for details of the types of disbursements.

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 and do not require creditor approval.

## **Part 5: Summary of receipts and payments**

There have been no receipts and payments in the administration to date.

## **Part 6: Queries**

If you have any queries in relation to the information in this report, please contact David Blanchett or Sarah Marsegaglia of this office.

General information is also available on the ARITA and ASIC websites (see section 10 of the attached initial information report).

## **Part 7: Approval of remuneration**

In summary, approval of the following proposal is being sought:

*That the Liquidator's future remuneration calculated on the basis of time spent by the Liquidator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved for the period 2 February 2018 to the conclusion of the liquidation to a limit of \$40,000 plus GST, and that the Liquidator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.*

**Attached is a Notice of Proposal to Creditors form for the above resolution. I would be grateful if you would complete the form and return it to this office by no later than 4.00pm on Monday, 12 March 2018.**

If you require any assistance in completing the form, please contact David Blanchett or Sarah Marsegaglia of this office.

An information sheet concerning proposals without meetings can be found at the ARITA website, [arita.com.au/creditors](http://arita.com.au/creditors).

**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
**(In Liquidation) (“the company”)**

**NOTICE OF PROPOSAL TO CREDITORS**

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**Proposal for creditor approval**

That the Liquidator’s future remuneration calculated on the basis of time spent by the Liquidator and her staff, at the standard scale rates set by Sheridans for work of this nature, be approved for the period 2 February 2018 to the conclusion of the liquidation to a limit of \$40,000 plus GST, and that the Liquidator be authorised to draw her fees on a monthly basis, or as required, beyond which further approval will be required in accordance with the Corporations Act 2001. The standard scale rates will be increased in accordance with the CPI at 1 August each year, rounded up to the nearest \$.

**Reasons for the proposal and likely impact on creditors if passed**

The proposal is a request to creditors for approval of my prospective remuneration. If my remuneration is approved, I will draw these funds from current and future funds available. This will reduce the dividend payable (if any) to creditors of the company. Failure to approve remuneration via circular resolution means that I shall be required to call a meeting of creditors to seek approval of my remuneration. This action will result in additional fees and costs for which I shall seek approval.

**Vote on proposal**

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- 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

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

- I have previously submitted a Proof of Debt and supporting documents  
 I have enclosed a Proof of Debt and supporting documents with this form

**Creditor details**

Name of creditor: \_\_\_\_\_ ACN/ABN: \_\_\_\_\_

- I am not a related creditor of the company  
 I am a related creditor of the company, relationship: \_\_\_\_\_

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

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Please complete this document and return with any supporting documents by no later than 4.00pm on Monday, 12 March 2018 for your vote to be counted, by email to [general@sheridansac.com.au](mailto:general@sheridansac.com.au) or by facsimile to (08) 9221 9340. Completed forms may also be sent by post to PO Box Z5209, Perth WA 6831, although you should ensure these are sent in time to arrive by the date the vote closes.**

**VARLEY FARMS PTY LTD**  
**ACN 128 630 964**  
**(In Liquidation) ("the company")**

**FORMAL PROOF OF DEBT OR CLAIM**

This is to state that the company was on 2 February 2018 and still is, justly and truly indebted to \_\_\_\_\_ for:

\$ \_\_\_\_\_ and \_\_\_\_\_ cents

Date	Consideration (how the debt arose)	Amount \$	Remarks (include details of voucher substantiating payment)

To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$	Due date

I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

① *Delete both if this proof is made by the creditor personally. Otherwise, strike out or leave, as appropriate.*

**Please ensure this proof is signed for completion, before lodgement.**

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

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

**Name:** \_\_\_\_\_

**Occupation:** \_\_\_\_\_

**Creditor's address:** \_\_\_\_\_

I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:

\_\_\_\_\_