

# *Administrators' report*

*Pursuant to Section 75-225(3) of the Insolvency  
Practice Rules (Corporations)*

NAW Barrel Holdings Pty Ltd  
(Administrators Appointed)  
(Receiver and Manager Appointed)  
ACN 159 847 140  
(NAW Barrel)

NAW Estate Pty Ltd  
(Administrators Appointed)  
(Receiver and Manager Appointed)  
ACN 124 393 960  
(NAW Estate)

Collectively, the Companies

Administrators: Daniel Walley and Martin Ford

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## 1. Glossary

Abbreviations	Definitions
Act	Corporations Act 2001 (Cth)
Administrators	Daniel Walley and Martin Ford
AEST	Australian Eastern Standard Time
ASIC	Australian Securities and Investments Commission
ARITA	Australian Restructuring Insolvency & Turnaround Association
AWH	Australian Whisky Holdings Limited
AWHB	Australian Whisky Holdings Bothwell Pty Ltd
AWHM	Australian Whisky Holdings Management Pty Ltd
COI	Committee of Inspection
Companies	NAW Barrel Holdings Pty Ltd and NAW Estate Pty Ltd
DCF	Dowd Corporate Finance Pty Ltd
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
Gadens	Gadens Lawyers
HMW	HMW Group
Mr Levi	David Levi
Nant Lane	Nant Lane, Bothwell in Tasmania (Volume 151816 / Folio 1)
NAW Barrel	NAW Barrel Holdings Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)
NAW Estate	NAW Estate Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)
P&N	Police & Nurses Limited
PPSR	Personal Property Securities Register
Proof of Debt	POD
RATA	Report As To Affairs
Report	Administrators' report dated 11 May 2020
ROCAP	Report On Company Activities and Property

## 2. Disclaimer

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to use between the date of this Report and the date of the Second Meeting.

In considering the options available to creditors and formulating our recommendation, we have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change as asset realisations progress and claims are received from creditors. While the forecasts and estimates are based on our best assessment in the circumstances, creditors should note that the eventual outcome for creditors may differ from that estimated in this Report.

Neither the Administrators, PricewaterhouseCoopers nor any member or employee of the firm is responsible in any way whatsoever to any person in respect for any errors in this Report arising from incorrect information provided to us.

We do not assume or accept any responsibility for any liability or loss sustained by any creditor or any other party as a result of the circulation, publication, reproduction or any use of the information presented in this Report.

This Report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of NAW Barrel (formerly known as Nant Barrel Holdings Pty Ltd) and NAW Estate (formerly known as Nant Estate Pty Ltd as trustee for the Keith Batt Family Trust No. 3) and must not be disclosed without the prior approval from our office.

Creditors should consider seeking their own independent legal advice to their rights and the options available to them at the Second Meeting.

## 3. Executive Summary

### 3.1 Appointment background

Daniel Walley and Martin Ford were appointed joint and several Administrators (Administrators) of the Companies on 6 April 2020 pursuant to Section 436C of the *Corporations Act 2001* (Cth) (the Act). Australian Whisky Holdings Bothwell Pty Ltd (AWHB) appointed us pursuant to their securities over NAW Barrel and NAW Estate. The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to use between the date of this Report and the date of the Second Meeting.

### 3.2 Report's purpose

The purpose of this report is to table the findings of our investigations into the business, property, affairs and financial circumstances of NAW Barrel and NAW Estate, as well as opinion on the three options available to creditors in deciding the future of these entities.

### 3.3 Administrators' recommendation

We recommend that it is in the creditors' interests that both NAW Barrel and NAW Estate be wound up (i.e. placed into liquidation).

The second meeting of creditors (Second Meeting) will be held on:

#### **NAW Barrel**

Date: 19 May 2020

Meeting time: 10:00 AM

Venue: PricewaterhouseCoopers, 2 Riverside Quay, Southbank 3006

#### **NAW Estate**

Date: 19 May 2020

Meeting time: 11:00 AM

Venue: PricewaterhouseCoopers, 2 Riverside Quay, Southbank 3006

We note that due to the current restrictions in respect of the COVID-19 outbreak, the meetings will be held online. The meetings are being convened in accordance with the Act and for the health and safety of creditors, us and our staff, we request that creditors dial in for the meetings.

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Annexures C or D** and **E or F**:

- Appointment of Proxy (Form 532)
- Proof of Debt Form (Form 535).

Forms must be submitted by no later than 4:00PM (AEST) on 18 May 2020 to Joanne Chu of our office at [joanne.a.chu@pwc.com](mailto:joanne.a.chu@pwc.com).

### **3.4 Deed of Company Arrangement**

We have not been provided with any deed proposals for NAW Barrel and NAW Estate.

### **3.5 Estimated return to creditors**

We estimate that there will not be a return to creditors in the liquidation. Whilst our investigations are ongoing, we have not identified any realisable causes of action at this stage.

### **3.6 Offences and liquidation recoveries**

Our preliminary investigations have identified the following potential offences:

- Breach of director's duties
- Obligation to keep financial records.

We note that due to a lack of information received to date, we are unable to comment on any further offences or liquidation recoveries. We will provide creditors with an update on any potential actions in the liquidation.

### **3.7 Administrators' overview**

#### ***3.7.1 Conduct of administration***

Since our appointment we have been liaising with the following parties:

- David Levi (Mr Levi) of Levi Consulting Pty Ltd, the receiver and manager of NAW Barrel and NAW Estate
- Gadens, the law firm acting for Australian Whisky Holdings Limited (AWH) which is the listed parent of AWHB.

We have issued demands to the former directors of NAW Barrel and NAW Estate however we have not received a reply to date.

#### ***3.7.2 Financial background***

We have received minimal financial information for the financial years ending 30 June 2014, 30 June 2015 and 30 June 2015. We are not aware of any more recent financial information being held by any party.

#### ***3.7.3 Reasons for difficulties***

At this stage we suspect the reasons for NAW Barrel and NAW Estate's struggles are poor financial control including lack of records and poor strategic management of business. We note that there were no Directors appointed to either NAW Barrel or NAW Estate on the date of our appointment.

### **3.8 Remuneration**

We are seeking approval for our remuneration at the Second Meeting as summarised in the next page:

**NAW Barrel**

Period	Amount (excluding GST) (\$)
Voluntary Administration	
Resolution 1: 6 April 2020 to 30 April 2020	32,045.00
Resolution 2: 1 May 2020 to completion of administration	20,000.00
Liquidation	
Resolution 3: Commencement of liquidation to completion	25,000.00

**NAW Estate**

Period	Amount (excluding GST) (\$)
Voluntary Administration	
Resolution 1: 6 April 2020 to 30 April 2020	21,228.00
Resolution 2: 1 May 2020 to completion of administration	20,000.00
Liquidation	
Resolution 3: Commencement of liquidation to completion	25,000.00

Please refer to our remuneration reports at **Annexures K and L** for full details of key activities undertaken by us and staff and the remuneration approval sought.

## 4. Introduction

### 4.1 Appointment information

Daniel Walley and Martin Ford were appointed joint and several Administrators of the Companies on 6 April 2020 pursuant to Section 436C of the Act.

### 4.2 Declaration of Independence, Relevant Relationships and Indemnities

Our Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) are provided at **Annexures G and H**. The DIRRIs disclose information regarding any prior personal or professional relationships the Administrators and PricewaterhouseCoopers had with NAW Barrel and NAW Estate or related parties, our independence and any indemnities received relating to this appointment.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any amended or additional information which may be provided to use between the date of this Report and the date of the Second Meeting.

### 4.3 Report's purpose

An administrator is required to investigate a company's business, property, affairs and financial circumstances and report to creditors on:

- the administrators' opinion on the options available to creditors, being that the:
  - Company be wound up (liquidation)
  - Company execute a deed
  - Whether the administration should end (with control of the company reverting to the company's director(s))
- investigations conducted.

### 4.4 Purpose of second meeting

The Second Meeting will:

- Address the contents of this Report
- Respond to questions from creditors
- Determine the future of NAW Barrel and NAW Estate by resolving one of the three available options
- Seek approval of:
  - Administrators' remuneration
  - Future remuneration of the liquidator(s)
  - Should creditors desire, the formation of a Committee of Inspection (COI)



- The current administrators automatically becoming liquidators unless creditors resolve to replace them

The options available to creditors and our Administrators' opinion on each option are set out in detail in Section 10.

We recommend that NAW Barrel and NAW Estate to be wound up.

## 4.5 Second meeting convening period

The Act stipulates the meeting of the Second Meeting. Generally, the second meeting must be convened between 20 – 30 business days at Easter from the date the administration begins. The Court may extend the convening period if circumstances require.

## 4.6 Second meeting details

The Second Meeting will be held on Tuesday, 19 May 2020 at 10:00 AM and 11:00 AM for NAW Barrel and NAW Estate respectively AEST. Formal notification Form 529 – Notice of Meeting of Creditors are attached at **Annexures A and B**.

If you wish to attend the meeting online, please register your interest in advance by no later than 4:00PM on 18 May 2020 by contacting Joanne Chu at joanne.a.chu@pwc.com.

## 4.7 Meeting registration

To register attendance and be entitled to vote at the Second Meeting, creditors must complete and submit the following forms attached at **Annexures C or D and E or F**:

Registration forms	Information
Form 532 – Appointment of Proxy	<p>A new proxy form is required to be completed for each creditors' meeting (i.e. previous meeting proxy forms are invalid for the second meeting).</p> <p>If a corporate creditor wants to be represented at the Second Meeting, it must appoint an individual to act on its behalf by providing an executed proxy form.</p> <p>Individuals may choose to appoint a representative to vote on their behalf by executing a proxy form. If an individual is attending a proxy form is not required.</p>
Form 535 – Proof of Debt Form	<p>This form is required to be completed to entitle a creditor to vote at the Second Meeting. Documents to support the amount claimed must also be provided.</p> <p>There is no requirement to submit a proof of debt form if previously provided unless the amount claimed has changed.</p> <p>Please take care when completing the form to ensure the correct party is named as the creditor. As an example, this may include XYZ Pty Ltd as trustee for the ABC Family Superannuation Fund.</p>

Only creditors of NAW Barrel and NAW Estate are entitled to vote at the Second Meeting.

## 4.8 Committee of Inspection (COI)

Creditors may wish to establish a COI at the Second Meeting, typically to assist and guide the liquidators or deed administrators (if applicable). A minimum of two members is required to form a COI.

Due to the small pool of creditors in the Administration, we do not recommend that creditors establish a COI regardless of whether the creditors resolve to wind up NAW Barrel or NAW Estate.

Creditors should consider whether they are in a position to be a COI member, as membership of a COI requires attendance at meetings (telephone facilities will be made available, so members do not have to attend in person). Members of the COI must have regard for the creditor group's interest, not their own interests.

Importantly, for a creditor to be eligible for appointment as a member of a COI, they must either:

- be in attendance at the Second Meeting
- appoint a general power of attorney to attend the Second Meeting on their behalf
- authorise a person in writing to be a member of the COI on their behalf.

## 4.9 Further information

To assist creditors, employees and shareholders to understand the voluntary administration process, the Australian Securities and Investments Commission (ASIC) has released a package of insolvency information sheets endorsed by ARITA.

Enclosed at **Annexure I** is ASIC's publication Insolvency information for directors, employees, creditors and shareholders, which provides an index of all the information sheets that are available. You can download these information sheets from:

- [www.asic.gov.au](http://www.asic.gov.au)
- [www.arita.com.au](http://www.arita.com.au).

## 5. Company background

### 5.1 Company overview

NAW Estate was incorporated in March 2007 and previously owned the land at Nant Lane, Bothwell in Tasmania (Volume 151816 / Folio 1) (Nant Lane). From the information available to us we understand that NAW Estate entered into barrel investment contracts with its investors who paid an upfront sum for a barrel of whisky. Each investor had title to the contents of a barrel of whisky from the time that investor's allocated barrel was filled. We have reviewed a sample of these investment contracts. Prior the appointment of the Receiver and Manager, the contracts were novated to NAW Barrel.

NAW Barrel and NAW Estate were required to maintain the barrels until their maturity, upon which the investors could elect to either collect their whisky for personal consumption, or exercise an option for NAW Barrel and/or NAW Estate to purchase back the contents of the barrel of whisky plus interest calculated on the initial investment. We understand that there were significant issues in this process which, subject to available funding, we intend to investigate further in the liquidations.

## 5.2 Recent events

Mr Levi was appointed receiver and manager of both NAW Barrel and NAW Estate on 3 April 2017 by AWHB.

Outlined below is a brief summary of Mr Levi's involvement at NAW Barrel and NAW Estate:

- On 13 April 2017 Mr Levi entered into a Barrel Management Agreement with Australian Whisky Holdings Management Pty Ltd (AWHM) as receiver and manager of NAW Barrel and NAW Estate. Mr Levi has advised us that he entered into this agreement because he was unfunded by his appointor and did not have the expertise to manage the barrels. Under this Barrel Management Agreement, AWHM carries out the obligations of NAW Barrel and NAW Estate to store and maintain the existing whisky to maturity of the whisky. AWHM was also granted the right, but not the obligation, to purchase mature whisky of an appropriate standard from investors.
- Mr Levi has not made any recoveries in NAW Barrel and NAW Estate, other than the proceeds from the sale of a vehicle for \$80,000 (inclusive of GST) in NAW Estate. Mr Levi has advised us that he is currently making enquiries on the entitlement to the funds as he is yet to establish the validity of a claim by Police & Nurses Limited (P&N) which has a first ranking All present and after-acquired property (AllPAP) registered on the PPSR over NAW Estate's assets. P&N is currently liaising with Mr Levi in relation to a release of their security.

## 5.3 Statutory information

### NAW Barrel

A search of ASIC's database reveals the following details of NAW Barrel and its director, other officers and shareholders.

#### Company details

<b>Date of incorporation</b>	9 August 2012
<b>Registered office</b>	162 Adelaide Street, Clayfield QLD 4011
<b>Principal place of business</b>	Level 2, 355 Queen Street, Brisbane QLD 4000

#### Directors details

#### Appointment from/to

Margaret Joyce Letizia	15 April 2015 – 2 November 2017
Keith Laurence Batt	9 August 2012 – 17 August 2015

#### Secretaries details

#### Appointment from/to

Margaret Joyce Letizia	17 August 2015 – 2 November 2017
Keith Laurence Batt	9 August 2012 – 17 August 2015

#### Shareholders

#### Shareholding details

Salamanca Bar Pty Ltd	100 shares hold
NAW Distilling Company Pty Ltd	100 shares held

### NAW Estate

A search of ASIC's database reveals the following details of NAW Estate and its director, other officers and shareholders.

## Company details

<b>Date of incorporation</b>	13 March 2007
<b>Registered office</b>	10 Hillside Crescent, Hamilton QLD 4007
<b>Principal place of business</b>	Nant Estate, Nant Lane, Bothwell TAS 7030

Directors details	Appointment from/to
David John Dowd	16 September 2015 – 4 October 2016
Angelo Catalano	16 September 2015 – 4 October 2016
Margaret Joyce Letizia	15 April 2015 – 2 November 2017
Keith Laurence Batt	13 March 2007 – 17 August 2015

Secretaries details	Appointment from/to
Margaret Joyce Letizia	17 August 2015 – 2 November 2017
Keith Laurence Batt	13 March 2007 – 17 August 2015

Shareholders	Shareholding details
Margaret Joyce Letizia	10 shares hold
Keith Laurence Batt	5 shares held

We are not aware of any inaccuracy in ASIC's records.

## 5.4 Creditors' claims

### NAW Barrel

The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
<b>Secured creditors</b>		
Other Goods	23	187,000
AllPapWithExcept	1	15,000
AllPapNoExcept	1	2,873,468
<b>Unsecured creditors</b>	230	3,276,751
<b>Total creditor claims</b>	<b>255</b>	<b>6,352,219</b>

### **Secured creditors**

A 'secured creditor' is a creditor that holds a security interest over some or all of a company's assets. To be valid, the security interest must generally be registered on the Personal Property Securities Register (PPSR) or, in the case of land and buildings, at the relevant Land Titles Office.

At the time our appointment, there were 41 PPSR registrations recorded. A summary of PPSR is as follows:

Creditor class	Number of creditors	Amount (\$)
Other Goods	23	187,000

Creditor class	Number of creditors	Amount (\$)
AllPapWithExcept	1	15,000
AllPapNoExcept - AWHB	1	2,873,468
<b>Total creditor claims</b>	<b>25</b>	<b>3,075,468</b>

Except AWHB, all secured creditors' claims are in relation to whisky. Out of 25 secured creditors, 5 creditors have provided us with formal proofs of debt in the total amount of \$3,007,968. We have also identified 2 secured creditors' initial investment amounts from the list we received from AWH. The total amount is based on these 7 secured creditors' claims.

Since our appointment we have written to all secured creditors. Some of the creditors have discharged their security interests or are in the process of collecting their barrels with the assistance of AWH.

On or about June 2016, Dowd Corporate Finance Pty Ltd (DCF) and other Nant entities, including NAW Barrel and NAW Estate entered into the loan and security documents. DCF assigned and transfer its interests in the loan and security documents to AWH for \$2,500,000 in full and final settlement.

### ***Unsecured creditors***

We have identified 229 potential unsecured creditors. Our estimated claims for these unsecured creditors are the combination of formal proofs of debt we received and initial investment amounts from the list we received from AWH.

### **NAW Estate**

The following table summarises estimated claims by each known class of creditor.

Creditor class	Number of creditors	Amount (\$)
<b>Secured creditors</b>		
Other Goods	2	-
AllPapNoExcept	4	2,873,468
<b>Unsecured creditors</b>	3	103,900
<b>Total creditor claims</b>	<b>9</b>	<b>2,977,368</b>

In March 2017, NAW Estate sold its property at Nant Lane, Bothwell in Tasmania (Volume 151816 / Folio 1) to AWHB for \$3,850,000. There was a deed of release of mortgage and consent to assignment of loan and security interest between the Nant entities, including NAW Barrel and NAW Estate, AWHB and DCF. This deed records Nant entities' consent that DCF has agreed to release its mortgage in relation to Nant Lane although Nant entities are unable to discharge the loan in full at completion of the sale.

### ***Secured creditors***

At the time our appointment, there were 6 PPSR registrations recorded. A summary of PPSR is as follows:

Creditor class	Number of creditors	Amount (\$)
Other Goods	4	-
AllPapNoExcept	2	2,873,468
<b>Total creditor claims</b>	<b>6</b>	<b>2,873,468</b>

All secured creditors' claims for other goods are in relation to whisky. Referring to 5.2 of this Report, P&N has a first ranking AllPap over NAW Estate's assets. The receiver is currently liaising with P&N in respect of the proceeds from the sale of a vehicle for \$80,000 (inclusive of GST). We have written to P&N in relation to the security however we have yet to receive their response.

The only claim that we are aware of is AWHB. AWHB has lodged a formal proof of debt with our office for \$2,873,468.

### ***Unsecured creditors***

Three creditors have lodged formal proofs of debt with our office.

## **6. Conduct of administration**

### **6.1 First meeting of creditors**

The first meetings of creditors of NAW Barrel and NAW Estate were held on 20 April 2020 pursuant to section 436E of the Act at 10:00 AM and 11:00 AM respectively.

For NAW Barrel, creditors did not resolve to appoint a COI at the meeting. There were no applications at the meeting to replace us as Administrators.

For NAW Estate, we did not have a quorum to hold a meeting and as such the meeting lapsed.

A copy of the first meeting minutes for NAW Barrel and NAW Estate can be obtained from ASIC's website.

### **6.2 General administrative tasks**

- Notified statutory authorities of our appointment
- Complied with ASIC statutory requirements.

### **6.3 Investigations into the affairs of NAW Barrel and NAW Estate**

- Reviewed books and records received from the receiver and AWH
- Liaised with the receiver and AWH and their lawyers
- Completed preliminary investigations into the historical affairs and conducts of the directors.

### **6.4 Financial background**

We have written to the former directors of NAW Barrel and NAW Estate for books and records. They have not responded to our letters.

### **6.5 Director's Report On Company Activities and Property (RoCAP)**

A company director must provide an administrator with a RoCAP outlining the company's business, property, affairs and financial circumstances at the appointment date (s438B). The RoCAP should include:

- net asset book values (based on historical financial records)
- estimated asset realisable values
- known liabilities.

At the date of our appointment there were no directors. We have written to the former Directors but as we are yet to receive a response, we have set out the below the Report as to Affairs lodged by the receiver and manager.

**NAW Barrel**

	<b>Director's RATA Estimated Value (\$)</b>	<b>Receiver's Estimated Realisable Value (\$)</b>
Assets owned by the Company	Refer to management accounts	Unknown
Less Creditor Claims		
Amounts owing and secured by debenture or circulating security interest over assets	Refer to management accounts	2,500,000
Surplus/(Deficiency) to creditors	Refer to management accounts	Unknown

The RATAs were completed by Margaret Joyce Letizia and Keith Laurence Batt. We note that no management accounts were attached to the lodgments.

**NAW Estate**

	<b>Director's RATA Estimated Value (\$)</b>	<b>Receiver's Estimated Realisable Value (\$)</b>
Assets owned by the Company	Refer to management accounts	Unknown
Less Creditor Claims		
Amounts owing and secured by debenture or circulating security interest over assets	Refer to management accounts	3,000,000
Surplus/(Deficiency) to creditors	Refer to management accounts	Unknown

Only Keith Laurence Batt completed the RATA. We note that no management accounts were attached to the lodgments.



## 7. Investigations

While our investigations are ongoing, we summarise our initial findings below:

- There were major issues with NAW Barrel and NAW Estate's performance of their obligations under the barrel investment contracts prior to the appointment of the receiver. This included:
  - failure to fill barrels
  - decanting and refilling barrels
  - decanting barrels and failing to inform or pay investors, and
  - failing to maintain accurate records in relation to the barrels and their fill dates and quality
- The alcohol by volume and overall quality of some of the barrels of whisky was found to be below market standard. We note that AWH has previously engaged an independent valuer to conduct an audit of the whisky which confirmed the issues in the alcohol quality. We have requested a copy of this report from AWH and will provide creditors with an update at the creditors meetings if received prior to then
- We have been provided with limited books and records for each company which has significantly hindered our investigations to determine the specific date the Companies became insolvent, to quantify the debts incurred after that date, and to make an assessment of any defences that may be available to the directors
- We have not been able to identify any voidable transactions or claims that can be commercially pursued in the liquidation for the benefit of creditors however the directors may have breached their director's duties and obligation to keep financial records.

### 7.1 Reasons for difficulties

We do not have the directors' explanation for NAW Barrel and NAW Estate's difficulties and have very limited books and records to investigate NAW Barrel and NAW Estate's financial positions. However, we suspect the reasons for NAW Barrel and NAW Estate struggles are:

- poor financial control including lack of records, and
- poor strategic management of business.

### 7.2 Insolvency

A company is insolvent if it is unable to pay its debts as and when they become due and payable.

We do not have sufficient books and records, specifically financial statements for NAW Barrel and NAW Estate to investigate whether the Companies were insolvent. According to s588E of the Act, if it is proved that the company has failed to keep financial records as required by s286(1) or has failed to retain financial records in relation to a period for the 7 years required by s286(2), the company can be presumed to have been insolvent throughout the period. Please refer to 8.2 for further details.

## 7.3 Books and records

We have limited books and records to investigate whether the Companies were insolvent.

Our preliminary view is that NAW Barrel and NAW Estate have not maintained timely and adequate books and records at all times prior to our appointment. We have not been provided with any source documents. We believe that the directors have not been compliant with s286 of the Act.

Directors are responsible for ensuring that adequate financial records are maintained. Directors who fail to take all reasonable steps to ensure compliance with this requirement may be subject to a civil penalty order.

Failure to maintain books and records may give rise to a presumption of insolvency pursuant to s588E of the Act.

A liquidator (if appointed) will continue investigations into whether any breaches of the Act have occurred in relation to the maintenance of proper books and records, including:

- failure to keep proper financial records (s286)
- failure to take all reasonable steps to comply with financial records reporting requirements (s344)
- requiring officers to exercise a reasonable degree of care and diligence in the exercise of their powers and discharge of their duties (s180).

## 7.4 Financial statements

We have been provided with the financial statements for the years ended 30 June 2015 and 30 June 14 which were prepared by accounting firm, HMW Group (HMW). The financial statements for the year ended 30 June 2016 were simply an extract from MYOB accounts provided by the Companies with no input from HMW.

### NAW Barrel

	Period ended 30/06/16 \$	Period ended 30/06/15 \$	Period ended 30/06/14 \$
<b>INCOME</b>			
Trading Income	3,531,217	4,672,016	1,196,406
Less: COGS	479,288	4,716,214	1,196,406
Gross Profit/(Loss) from Trading	3,051,929	(44,198)	-
Other Income	373	2,622	765
<b>Gross Profit/(Loss)</b>	<b>3,052,302</b>	<b>(41,576)</b>	<b>765</b>
<b>EXPENSES</b>			
Total expenses	150,740	91,973	8,162
<b>Net Profit/(Loss)</b>	<b>2,901,562</b>	<b>(133,549)</b>	<b>(7,397)</b>

	Period ended 30/06/16 \$	Period ended 30/06/15 \$	Period ended 30/06/14 \$
Current Assets	44,419	531,902	333,542
Non Current Assets	7,314,737	4,626,963	3,987,412
<b>Total Assets</b>	<b>7,359,156</b>	<b>5,158,865</b>	<b>4,320,954</b>
Current Liabilities	5,557,965	5,299,711	4,328,251
Non Current Liabilities	Nil	Nil	Nil
<b>Total Liabilities</b>	<b>5,557,965</b>	<b>5,299,711</b>	<b>4,328,251</b>
<b>Net Assets</b>	<b>1,801,191</b>	<b>(140,846)</b>	<b>(7,297)</b>

- For the financial year ended 30 June 2016, NAW Barrel's COGS reduced significantly due to a reduction in purchased whisky barrels compared to the financial years ended 30 June 2015 and 30 June 2014.
- We have not been provided with NAW Barrel's details of expenses for the financial year ended 30 June 2016.
- NAW Barrel's non-current assets for the financial year ended 30 June 2016 appear to have been overstated because non-current assets were made up of related loans to related entities in the sum of \$7,314,737. We understand that these entities are subject to external administrations.
- NAW Barrel was consistently trading with insufficient working capital throughout the observed period, indicating its ability to service its short-term debts.

#### NAW Estate

	Period ended 30/06/16 \$	Period ended 30/06/15 \$	Period ended 30/06/14 \$
<b>INCOME</b>			
Trading Income	-	(13,500)	275,636
Less: COGS	-	-	271,022
Gross Profit/(Loss) from Trading	-	(13,500)	<b>4,614</b>
Other Income	180,227	162,708	201,019
<b>Gross Profit/(Loss)</b>	<b>180,227</b>	<b>149,208</b>	<b>205,633</b>
<b>EXPENSES</b>			
Total expenses	488,561	303,704	247,508
<b>Net Profit/(Loss)</b>	<b>(308,334)</b>	<b>(154,496)</b>	<b>(41,875)</b>

	Period ended 30/06/16 \$	Period ended 30/06/15 \$	Period ended 30/06/14 \$
Current Assets	156,615	98,368	260,532
Non Current Assets	5,204,757	5,204,757	5,284,952
<b>Total Assets</b>	<b>5,361,372</b>	<b>5,303,125</b>	<b>5,545,484</b>
Current Liabilities	1,163,239	1,787,652	1,875,515
Non Current Liabilities	2,990,894	1,999,900	1,999,900
<b>Total Liabilities</b>	<b>4,154,133</b>	<b>3,787,552</b>	<b>3,875,415</b>
<b>Net Assets</b>	<b>1,207,239</b>	<b>1,515,573</b>	<b>1,670,069</b>

- NAW Estate had made losses for the financial years ended 30 June 2016, 30 June 2015 and 30 June 2014.
- NAW Estate allegedly stopped trading in October 2016 and sold its land and its other assets.
- NAW Estate recorded shares in Nant Distilling Company Ltd as its non-current assets for \$1 million throughout the observed period. We note that Nant Distilling Company Ltd has been deregistered and as such this is not a recoverable asset
- NAW Barrel was consistently trading with insufficient working capital throughout the observed period, indicating its ability to service its short-term debts.

## 8. Offences and liquidation recoveries

A liquidator has the ability pursue certain claims that may result in recoveries for creditors. These include:

- voidable transactions and other potential recoveries
- recoveries against past or present directors, secretaries, other officers and company advisors.

Enclosed at **Annexure J** is a *Creditor Information Sheet: Offences, Recoverable Transactions and Insolvent Trading* published by Australian Restructuring Insolvency & Turnaround Association (ARITA), which provides general information for creditors on the types of claims that a liquidator can pursue.

### 8.1 Voidable transactions

The Act requires an administrator to specify whether there are any transactions that appear to the administrator to be voidable transactions in respect of which money, property or other benefits that may be recoverable by a liquidator under the Act.

As our investigations into the insolvency date are ongoing we cannot definitively estimate potential voidable transaction recoveries.

Our preliminary investigations have not identified potential voidable transaction recoveries.

### 8.2 Insolvent trading

Based on our investigations as detailed in Section 7.2, it is possible that NAW Barrel and NAW Estate traded whilst insolvent. A liquidator (if appointed) will conduct more thorough investigations in this regard however we cannot conclude the insolvent trading.

Insolvent trading is when a company incurs a debt at a time when:

- the company was insolvent or became insolvent by incurring the debt
- there were reasonable grounds to suspect the Company was insolvent or would become so as a result of incurring the debt.

Company directors have a duty to prevent insolvent trading by not incurring debt when there are reasonable grounds for suspecting that the company is or will be unable to pay its debts as and when they fall due.

The objective test or standard of measure in deciding whether insolvent trading has occurred is whether a director can demonstrate that their actions are at the same degree and level that would be required of an ordinary reasonable person holding a similar position and responsibility in the same circumstances.

A director who fails to prevent a company from incurring a debt at a time when there are reasonable grounds for suspecting that the company is insolvent, or will become insolvent by incurring that debt, contravenes s588G of the Act.

Creditors should note that only a liquidator or an individual creditor with the liquidator's permission can bring an action against a director for breach of s588G. An administrator or deed administrator cannot pursue a director for recoveries from contraventions of s588G of the Act.

A liquidator may recover from a director the amount of loss or damages suffered by a creditor (s588M).

Defences available to directors under the Act in regard to allegations of insolvent trading are:

- the director had reasonable grounds to expect, and did expect, that the company was solvent at that time and would continue to be solvent if it incurred the debt
- the director had reasonable grounds to believe that a competent and reliable person was responsible for providing adequate information about whether the company was solvent and that person was fulfilling the responsibility and it was expected, that on the basis of the information provided, that the company was solvent and would continue to be solvent when the debt was incurred
- at the time the debt was incurred the director, due to illness or other good reason, did not take part in the management of the company
- the director took all reasonable steps to prevent the company from incurring the debt.

## 8.3 Offences

Directors and others have duties, obligations and responsibilities in relation to common law and statute.

### 8.3.1 Corporations Act 2001

Whilst our investigations remain ongoing and we cannot definitively specify if any offences have occurred, our preliminary investigations have identified that the following offences may have been committed by NAW Barrel and NAW Estate directors:

- Failure to act with care and due diligence (s180) – the Companies failed to honour the barrel investment contracts with their investors
- Obligation to keep financial records (s286 and s344) – we have been provided with limited financial records of the Companies

A liquidator can conduct more thorough investigations and identify potential offences and recoveries (if any). If a director breaches any duties, obligations and responsibilities, they may be subject to civil and criminal penalties including fines, imprisonment and disqualification from managing corporations.

### 8.3.2 Other Legislation

In addition to offences under the Act, directors and others may commit offences in respect of NAW Barrel and NAW Estate under other legislation (e.g. Fair Trading, Taxation laws or Australian Consumer Law). Our preliminary investigations have not identified any other breaches.

## 8.4 Directors' personal financial position

When a liquidator assesses the commercial merit of pursuing a claim, a key consideration is the capacity of the defending party to satisfy the claim.

In addition, we have completed an initial search of publicly available records for assets held in the director's name. A summary of the searches is as follows:

Real Property		
Keith Laurence Batt	-	Mr Batt is an undischarged bankrupt
Margaret Joyce Letizia	-	Ms Letizia is an undischarged bankrupt
David John Dowd	-	Mr Dowd appears to own multiple real property assets in Australia

Real Property	
Angelo Catalano	- Mr Catalano appears to own multiple real property assets in Australia

Further investigations are required in relation to all former directors' involvement at the Companies to see if they are liable for any breaches, including insolvent trading claims.

Should creditors resolve to place NAW Barrel and NAW Estate into liquidation at the Second Meeting, a liquidator would continue to investigate the directors' personal financial positions should there be available claims against them.

## 8.5 Public examination

The Act provides that an 'eligible applicant', such as a liquidator, may examine officers of a company about its 'examinable affairs' and any other person who may be able to provide information relating to such affairs. 'Examinable affairs' is a comprehensive term with wide ranging application and includes:

- the promotion, formation, management, administration or winding up of the company
- other affairs of the company
- the business affairs of a connected company of the company insofar as they appear to be relevant to the company or its affairs.

If the Court is satisfied that a summons for examination should be issued, the examinee is usually required to produce at the examination any specified books that are in the person's possession and relate to the corporation.

We do not believe there would be any material benefit to creditors in examining the director or other possible persons of interest at this stage.

Public examinations are expensive, involving:

- issuing summonses requiring relevant parties to attend
- interviewing parties associated with voidable transactions
- reviewing the company's books and records, etc.

## 8.6 Reporting of offences to ASIC

Administrators are required to complete and lodge a report with ASIC pursuant to s438D of the Act where it appears that:

- a past or present officer of a company may have committed an offence
- money or property has been misapplied or retained
- a party is guilty of negligence, default, breach of duty or breach of trust in relation to a company.

A liquidator is required to lodge a report of his findings with ASIC, pursuant to s533 of the Act.

Creditors should also be aware that any report lodged pursuant to s438D (or an investigative report lodged by a liquidator pursuant to s533 of the Act) is not available to the public.

We will lodge a report with ASIC in accordance with s438D of the Act which covers the issues raised in this Report.

## **8.7 Costs of investigations and pursuing recovery actions**

Creditors should note that recovery actions:

- may be expensive, lengthy and with uncertain outcomes
- should not be commenced unless defendants have the financial resources to satisfy any judgment which is often difficult to establish
- must be funded by existing assets, creditor funding or external litigation funders. Litigation funders are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

## **8.8 Funding investigations and recoveries**

Should creditors resolve that NAW Barrel and NAW Estate be wound up and a liquidator appointed, it is likely the liquidator will be substantially without funds to meet the costs of any recovery actions that may be available to pursue.

In these circumstances, the liquidator may invite creditors to consider providing funding to conduct further investigations of the insolvent trading claim and potential voidable transactions.

Alternatively, a liquidator may seek external funding from a litigation funder in exchange for a share of any recovered proceeds.



## 9. Estimated return to creditors

### NAW Barrel

	Liquidation (\$)
Assets	Nil
Less Creditor Claims	
Secured creditors	3,075,468
Unsecured creditors	3,276,751
<b>Return to creditors</b>	<b>Nil</b>

### NAW Estate

	Liquidation (\$)
Assets	Nil
Less Creditor Claims	
Secured creditors	2,873,468
Unsecured creditors	103,900
<b>Return to creditors</b>	<b>Nil</b>

## 10. Administrators' recommendation

### 10.1 Liquidation

We are of the opinion that it is in the best interest of creditors that NAW Barrel and NAW Estate be wound up.

A liquidator (if appointed) would be in a position to conduct detailed investigations into the circumstances leading up to the appointment of the receiver.

### 10.2 Deed

We have not been provided with any deed proposals for NAW Barrel and NAW Estate.

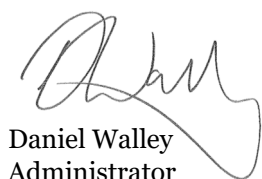
### 10.3 Administration to end

There are no current directors for NAW Barrel and NAW Estate and returning control of NAW Barrel and NAW Estate to the receiver would be inappropriate in the present circumstances.

## 11. Enquiries

Should you have any enquiries please contact Joanne Chu on +61 2 8266 3609 or email joanne.a.chu@pwc.com.

DATED this 11<sup>th</sup> day of May 2020



Daniel Walley  
Administrator

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# *Annexures*

Annexure A Notice of meeting of creditors for NAW Barrel

Annexure B Notice of meeting of creditors for NAW Estate

Annexure C Appointment of Proxy for NAW Barrel

Annexure D Appointment of Proxy for NAW Estate

Annexure E Proof of debt form for NAW Barrel

Annexure F Proof of debt form for NAW Estate

Annexure G Declaration of independence, relevant relationships and indemnities for NAW Barrel

Annexure H Declaration of independence, relevant relationships and indemnities for NAW Estate

Annexure I ASIC Insolvency information sheet

Annexure J ARITA Creditor information sheet

Annexure K Remuneration approval report for NAW Barrel

Annexure L Remuneration approval report for NAW Estate

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***Annexure A Notice of  
meeting of creditors for  
NAW Barrel***

**NOTICE OF FIRST MEETING OF CREDITORS  
OF COMPANY UNDER ADMINISTRATION**

**NAW Barrel Holdings Pty Ltd  
(Administrators Appointed) (Receiver and Manager Appointed)  
ACN 159 847 140  
(NAW Barrel)**

Notice is now given that a meeting of the creditors of NAW Barrel will be held at PricewaterhouseCoopers, 2 Riverside Quay, Southbank 3006 on Tuesday, 19 May 2020 at 10:00 AM.

**Agenda**

1. To receive the report by the joint and several Administrators concerning NAW Barrel's business, property, affairs and financial circumstances.
2. For creditors to consider the options available and to resolve that:
  - (a) NAW Barrel execute a Deed of Company Arrangement, or
  - (b) The administration should end, or
  - (c) NAW Barrel be wound up.
3. To approve
  - (a) The Administrators' remuneration
  - (b) The Liquidators' remuneration
4. If NAW Barrel is wound up, to consider the appointment of a Committee of Inspection and, if so, who are to be the committee members.
5. Any other business.

There will be access to telephone conference facilities for creditors who cannot attend the meeting. Please contact Joanne Chu by 18 May 2020 if you require access to telephone conference facilities.\*

Creditors wishing to attend and vote are advised that proof of debts and proxies must be submitted to the Administrators by 4:00pm, 18 May 2020.

Dated this 11<sup>th</sup> day of May 2020



**Daniel Walley  
Administrator**

Section 75-85 of the Insolvency Practice Rules (Corporations) sets out the entitlement to vote at meetings of creditors:

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
- (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;
- unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
  - (b) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
  - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

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***Annexure B Notice of  
meeting of creditors for  
NAW Estate***

**NOTICE OF FIRST MEETING OF CREDITORS  
OF COMPANY UNDER ADMINISTRATION**

**NAW Estate Pty Ltd**  
**(Administrators Appointed) (Receiver and Manager Appointed)**  
**ACN 124 393 960**  
**(NAW Estate)**

Notice is now given that a meeting of the creditors of NAW Estate will be held at PricewaterhouseCoopers, 2 Riverside Quay, Southbank 3006 on Tuesday, 19 May 2020 at 11:00 AM.

**Agenda**

1. To receive the report by the joint and several Administrators concerning NAW Estate's business, property, affairs and financial circumstances.
2. For creditors to consider the options available and to resolve that:
  - (a) NAW Estate execute a Deed of Company Arrangement, or
  - (b) The administration should end, or
  - (c) NAW Estate be wound up.
3. To approve
  - (a) The Administrators' remuneration
  - (b) The Liquidators' remuneration
4. If NAW Estate is wound up, to consider the appointment of a Committee of Inspection and, if so, who are to be the committee members.
5. Any other business.

There will be access to telephone conference facilities for creditors who cannot attend the meeting. Please contact Joanne Chu by 18 May 2020 if you require access to telephone conference facilities.\*

Creditors wishing to attend and vote are advised that proof of debts and proxies must be submitted to the Administrators by 4:00pm, 18 May 2020.

Dated this 11<sup>th</sup> day of May 2020



**Daniel Walley**  
**Administrator**

Section 75-85 of the Insolvency Practice Rules (Corporations) sets out the entitlement to vote at meetings of creditors:

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
- (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;
- unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
  - (b) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
  - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.



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***Annexure C***  
***Appointment of Proxy***  
***for NAW Barrel***

FORM 532  
APPOINTMENT OF PROXY

NAW Barrel Holdings Pty Ltd  
(Administrators Appointed) (Receiver and Manager Appointed)  
ACN 159 847 140 (**NAW Barrel**)

\*I/\*We (1) .....

of (address) .....

a creditor of the NAW Barrel appoint (2) .....

or in his/her absence .....

as my/our proxy to vote at the meeting of creditors, to be held on 19 May 2020, or at any adjournment of that meeting.

Please mark any boxes with an "X"

- Proxy type: ☐ General The proxy holder may vote with his/her discretion on all resolutions listed below and put forward at the meeting of creditors. Should creditors nominate "The Chairperson" as the proxy holder and the Chairperson is the Administrator then the general proxy cannot be exercised with regard to remuneration or any other matter that may financially benefit the Administrator. To submit a general proxy, the "General" proxy type box above should be marked with an "X".
- ☐ Special The proxy holder is required to vote in accordance with the directions provided below. Should creditors nominate "The Chairperson" as the proxy holder and the Chairperson is the Administrator then the holder of the proxy must vote in accordance with the directions marked (For/Against/Abstain), this includes resolutions with regard to remuneration or any other matters that may financially benefit the Administrators. To submit a special proxy, the "Special" proxy type box above should be marked with an "X" AND directions for voting provided below.

A creditor may submit a general and special proxy by marking the applicable boxes.

	For	Against	Abstain
<b>Resolution 1</b> That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$32,045.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Resolution 4</b> NAW Barrel to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> The Administration should end (and control revert back to NAW Barrel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> NAW Barrel be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> If NAW Barrel is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                                  day of May 2020

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and position

#### CERTIFICATE OF WITNESS

*This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I, ..... of .....  
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated: \_\_\_\_\_

Signature of witness: \_\_\_\_\_

Description: \_\_\_\_\_

Place of residence: \_\_\_\_\_

\* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

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***Annexure D***  
***Appointment of Proxy***  
***for NAW Estate***

FORM 532  
APPOINTMENT OF PROXY

NAW Estate Pty Ltd  
(Administrators Appointed) (Receiver and Manager Appointed)  
ACN 124 393 960 (**NAW Estate**)

\*I/\*We (1) .....

of (address) .....

a creditor of the NAW Estate appoint (2) .....

or in his/her absence .....

as my/our proxy to vote at the meeting of creditors, to be held on 19 May 2020, or at any adjournment of that meeting.

Please mark any boxes with an "X"

- Proxy type: ☐ General The proxy holder may vote with his/her discretion on all resolutions listed below and put forward at the meeting of creditors. Should creditors nominate "The Chairperson" as the proxy holder and the Chairperson is the Administrator then the general proxy cannot be exercised with regard to remuneration or any other matter that may financially benefit the Administrator. To submit a general proxy, the "General" proxy type box above should be marked with an "X".
- ☐ Special The proxy holder is required to vote in accordance with the directions provided below. Should creditors nominate "The Chairperson" as the proxy holder and the Chairperson is the Administrator then the holder of the proxy must vote in accordance with the directions marked (For/Against/Abstain), this includes resolutions with regard to remuneration or any other matters that may financially benefit the Administrators. To submit a special proxy, the "Special" proxy type box above should be marked with an "X" AND directions for voting provided below.

A creditor may submit a general and special proxy by marking the applicable boxes.

	For	Against	Abstain
<b>Resolution 1</b> That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$21,228.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Resolution 4</b> NAW Estate to execute a Deed of Company Arrangement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> The Administration should end (and control revert back to NAW Estate)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> NAW Estate be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> If NAW Estate is wound up, that a Committee of Inspection be formed comprising representatives as nominated at the meeting of creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this                                  day of May 2020

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and position

#### CERTIFICATE OF WITNESS

*This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I, ..... of .....  
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated: \_\_\_\_\_

Signature of witness: \_\_\_\_\_

Description: \_\_\_\_\_

Place of residence: \_\_\_\_\_

\* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

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## ***Annexure E Proof of debt form for NAW Barrel***

FORM 535  
CORPORATIONS ACT 2001

ACN – 159 847 140

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of NAW Barrel Holdings Pty Ltd (Administrators Appointed)

1. This is to state that the company was, on 6 April 2020 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)

.....  
of (full address)

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

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐

I am **not** a related creditor of the Company <sup>(5)</sup>

☐

I am a related creditor of the Company <sup>(5)</sup>

relationship: .....

3A.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

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

DATED this                      day of                      2020

Signature of Signatory .....

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

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



### **Proof of Debt Form Directions**

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

### **Annexures**

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

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## ***Annexure F Proof of debt form for NAW Estate***

FORM 535  
CORPORATIONS ACT 2001

ACN – 124 393 960

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of NAW Estate Pty Ltd (Administrators Appointed)

1. This is to state that the company was, on 6 April 2020 <sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup> (full name):

.....  
(‘Creditor’)

.....  
of (full address)

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

Particulars of the debt are:

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

☐

I am **not** a related creditor of the Company <sup>(5)</sup>

☐

I am a related creditor of the Company <sup>(5)</sup>

relationship: .....

3A.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

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

DATED this                      day of                      2020

Signature of Signatory .....

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

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

### **Proof of Debt Form Directions**

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

### **Annexures**

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

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***Annexure G Declaration  
of independence,  
relevant relationships  
and indemnities for NAW  
Barrel***

## **Declaration of Independence, Relevant Relationships and Indemnities**

**NAW Barrel Holdings Pty Ltd  
(Administrators Appointed) (Receiver and Manager Appointed)  
ACN 159 847 140  
(NAW Barrel)**

A Practitioner appointed to an insolvent entity is required to make declarations as to:

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

From 1 August 2018, PPB Advisory merged with PricewaterhouseCoopers (PwC). As a result, the majority of PPB Advisory's partners and staff joined PwC.

This declaration is made in respect of us, the partners and staff of PwC and all members of the PwC global network in Australia.

### ***A. Independence***

We, Daniel Walley and Martin Ford of PwC, One International Towers, Watermans Quay, Barangaroo NSW 2000 have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of NAW Barrel in accordance with the law and applicable professional standards. The assessment included a review of PPB Advisory matters for the 24 month period prior to accepting the appointment as joint and several Administrators.

This assessment identified no real or potential risks to our independence. We are not aware of any conflicts at the time of our appointment or any reasons that would prevent us from accepting this appointment.

### ***B. Declaration of Relationships***

#### **i. Circumstances of appointment**

This appointment was referred to us by James Roland of Gadens Lawyers who is an advisor to Australian Whiskey Holdings Bothwell Pty Ltd (**AWH**), the secured creditor of NAW Barrel. On 19 July 2019, Mr Roland had a phone conversation with Nick Charlwood of our office to discuss the background of the matter and the potential appointment of Administrators. Between 19 July 2019 and the appointment, Mr Roland, Mr Walley and Mr Charlwood had further conversations and exchanged emails in respect of the Companies which are detailed below:

- 24 July 2019 Mr Charlwood sent Mr Roland a copy of Mr Walley and Mr Ford's CVs
- 14 August 2019 Mr Roland emailed Mr Walley and Mr Charlwood requesting a fee estimate to undertake the VA of NAW Barrel and NAW Estate. The estimate was provided via email on 15 August 2019
- Between 15 August 2019 and 13 March 2020 Mr Roland, Mr Walley and Mr Charlwood had various phone conversations to discuss the status of the potential appointment
- On 17 March 2020, Mr Walley and Mr Charlwood had a teleconference with Brooke Schuhmann of AWH to discuss the mechanics of the appointment, potential timelines and proposed next steps
- On 23 March 2020, Mr Charlwood provided Mr Roland with signed consents to act as administrators

In our opinion, these meetings and discussions do not affect our independence as:

- We did not receive any remuneration for this advice
- We did not provide other information or advice to NAW Barrel at all prior to our appointment
- We did not provide any other information of advice to AWH or its advisor prior to our appointment, beyond that outlined in this Declaration of Independence, Relevant Relationships and Indemnities (DIRRI).

**ii. Relevant relationships (excluding professional services to NAW Barrel)**

PwC undertakes assignments for a large number of corporate and government entities in Australia and may have acted for some creditors of NAW Barrel. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of NAW Barrel in an objective and impartial manner.

The partners and staff of PPB Advisory who joined PwC from 1 August 2018 may have previously acted for some creditors of NAW Barrel. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of NAW Barrel in an objective and impartial manner.

We or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

**Gadens Lawyers**

Nature of relationship	Reasons for believing no conflict of interest or duty
Gadens acts for the secured creditor and referred this matter to us.	We believe that this relationship does not result in a conflict of interest or duty because:
We have had previous professional relationships with a number of Gadens' staff for a number of years. We have previously undertaken formal and informal assignments referred to us by Gadens.	<ul style="list-style-type: none"><li>• Our previous relationships with Gadens were not in relation to NAW Barrel's and Director's affairs, or related parties of NAW Barrel and/or Directors.</li><li>• We have a wide referral base and Gadens is one of our many referrers of work in the past 24 months.</li><li>• Referrals from solicitors, business advisors or accountants are commonplace and do not impact on our independence in carrying out our duties as Administrators.</li></ul>

## Keith Laurence Batt (Mr Batt)

Nature of relationship	Reasons for believing no conflict of interest or duty
Andrew John Scott (Mr Scott) of our office is a bankruptcy trustee for Mr Batt who was a former director of NAW Barrel for the period 9 August 2012 and 17 August 2015.	We believe that this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>• Mr Batt retired as director approximately 5 years prior to our appointment.</li><li>• Mr Scott is not an appointee to this administration and any conduct in the bankruptcy will not be subject to our review.</li><li>• Mr Batt is not due to be discharged for at least another 3 years.</li></ul>

## ATO (Unsecured Creditor)

Nature of relationship	Reasons for believing no conflict of interest or duty
Various Practitioners within PwC are members of panels for appointments as liquidators and bankruptcy trustees.	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationship with unsecured creditors has not been and is not in relation to NAW Barrel's affairs and/or NAW Barrel's Director or related parties of NAW Barrel.

### iii. Prior professional services to NAW Barrel

Neither we, nor our firm, have provided any professional services to NAW Barrel in the previous 24 months.

### iv. No other relevant relationships to disclose

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

### C. Indemnities and up-front payments

We have not been provided with an upfront payment in the Administration however AWH have agreed to provide funding of \$40,000 plus GST across NAW Barrel and NAW Estate.

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

Dated this 8<sup>th</sup> day of April 2020



Daniel Walley  
Administrator



Martin Ford  
Administrator

Note:



1. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of NAW Barrel's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent*

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***Annexure H Declaration  
of independence,  
relevant relationships  
and indemnities for NAW  
Estate***

## **Declaration of Independence, Relevant Relationships and Indemnities**

**NAW Estate Pty Ltd  
(Administrators Appointed) (Receiver and Manager Appointed)  
ACN 124 393 960  
(NAW Estate)**

A Practitioner appointed to an insolvent entity is required to make declarations as to:

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

From 1 August 2018, PPB Advisory merged with PricewaterhouseCoopers (PwC). As a result, the majority of PPB Advisory's partners and staff joined PwC.

This declaration is made in respect of us, the partners and staff of PwC and all members of the PwC global network in Australia.

### ***A. Independence***

We, Daniel Walley and Martin Ford of PwC, One International Towers, Watermans Quay, Barangaroo NSW 2000 have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of NAW Estate in accordance with the law and applicable professional standards. The assessment included a review of PPB Advisory matters for the 24 month period prior to accepting the appointment as joint and several Administrators.

This assessment identified no real or potential risks to our independence. We are not aware of any conflicts at the time of our appointment or any reasons that would prevent us from accepting this appointment.

### ***B. Declaration of Relationships***

#### **i. Circumstances of appointment**

This appointment was referred to us by James Roland of Gadens Lawyers who is an advisor to Australian Whiskey Holdings Bothwell Pty Ltd (**AWH**), the secured creditor of NAW Estate. On 19 July 2019, Mr Roland had a phone conversation with Nick Charlwood of our office to discuss the background of the matter and the potential appointment of Administrators. Between 19 July 2019 and the appointment, Mr Roland, Mr Walley and Mr Charlwood had further conversations and exchanged emails in respect of the Companies which are detailed below:

- 24 July 2019 Mr Charlwood sent Mr Roland a copy of Mr Walley and Mr Ford's CVs
- 14 August 2019 Mr Roland emailed Mr Walley and Mr Charlwood requesting a fee estimate to undertake the VA of NAW Barrel and NAW Estate. The estimate was provided via email on 15 August 2019
- Between 15 August 2019 and 13 March 2020 Mr Roland, Mr Walley and Mr Charlwood had various phone conversations to discuss the status of the potential appointment
- On 17 March 2020, Mr Walley and Mr Charlwood had a teleconference with Brooke Schuhmann of AWH to discuss the mechanics of the appointment, potential timelines and proposed next steps
- On 23 March 2020, Mr Charlwood provided Mr Roland with signed consents to act as administrators

In our opinion, these meetings and discussions do not affect our independence as:

- We did not receive any remuneration for this advice
- We did not provide other information or advice to NAW Estate at all prior to our appointment
- We did not provide any other information of advice to AWH or its advisor prior to our appointment, beyond that outlined in this Declaration of Independence, Relevant Relationships and Indemnities (DIRRI).

**ii. Relevant relationships (excluding professional services to NAW Estate)**

PwC undertakes assignments for a large number of corporate and government entities in Australia and may have acted for some creditors of NAW Estate. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of NAW Estate in an objective and impartial manner.

The partners and staff of PPB Advisory who joined PwC from 1 August 2018 may have previously acted for some creditors of NAW Estate. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration of NAW Estate in an objective and impartial manner.

We or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

**Gadens Lawyers**

Nature of relationship	Reasons for believing no conflict of interest or duty
Gadens acts for the secured creditor and referred this matter to us.	We believe that this relationship does not result in a conflict of interest or duty because:
We have had previous professional relationships with a number of Gadens' staff for a number of years. We have previously undertaken formal and informal assignments referred to us by Gadens.	<ul style="list-style-type: none"><li>• Our previous relationships with Gadens were not in relation to NAW Estate's and Director's affairs, or related parties of NAW Estate and/or Directors.</li><li>• We have a wide referral base and Gadens is one of our many referrers of work in the past 24 months.</li><li>• Referrals from solicitors, business advisors or accountants are commonplace and do not impact on our independence in carrying out our duties as Administrators.</li></ul>

## Keith Laurence Batt (Mr Batt)

Nature of relationship	Reasons for believing no conflict of interest or duty
Andrew John Scott (Mr Scott) of our office is a bankruptcy trustee for Mr Batt who was a former director of NAW Estate for the period 13 March 2007 and 17 August 2015.	We believe that this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>• Mr Batt retired as director approximately 5 years prior to our appointment.</li><li>• Mr Scott is not an appointee to this administration and any conduct in the bankruptcy will not be subject to our review.</li><li>• Mr Batt is not due to be discharged for at least another 3 years.</li></ul>

## ATO (Unsecured Creditor)

Nature of relationship	Reasons for believing no conflict of interest or duty
Various Practitioners within PwC are members of panels for appointments as liquidators and bankruptcy trustees.	We believe that these relationships do not result in a conflict of interest or duty. Our previous relationship with unsecured creditors has not been and is not in relation to NAW Estate's affairs and/or NAW Estate's Director or related parties of NAW Estate.

### iii. Prior professional services to NAW Estate

Neither we, nor our firm, have provided any professional services to NAW Estate in the previous 24 months.

### iv. No other relevant relationships to disclose

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

### *C. Indemnities and up-front payments*

We have not been provided with an upfront payment in the Administration however AWH have agreed to provide funding of \$40,000 plus GST across NAW Barrel and NAW Estate.

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

Dated this 8<sup>th</sup> day of April 2020



Daniel Walley  
Administrator



Martin Ford  
Administrator

*Note:*

1. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (ARITA) Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of NAW Estate's creditors.*
2. *Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent*

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# ***Annexure I ASIC Insolvency information sheet***



ASIC

Australian Securities & Investments Commission

# Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

## List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

## Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the IPA website at [www.ipaa.com.au](http://www.ipaa.com.au). The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.



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# ***Annexure J ARITA Creditor information sheet***

# Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading



### Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

### Recoverable Transactions

#### Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

#### Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### ***Unfair Loan***

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### ***Arrangements to avoid employee entitlements***

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

### ***Unreasonable payments to directors***

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### ***Voidable charges***

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

## **Insolvent trading**

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

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***Annexure K***  
***Remuneration approval***  
***report for NAW Barrel***

# ***Remuneration Approval Report***

**NAW Barrel Holdings Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**  
**ACN 159 847 140**  
**(NAW Barrel)**

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we 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.

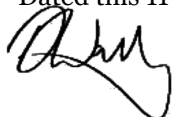
Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in this report.

## **1. Declaration**

We, Daniel Walley and Martin Ford of PwC, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several administrators of NAW Barrel in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 11<sup>th</sup> day of May 2020



Daniel Walley  
Administrator

## 2. Executive summary

The total remuneration for this appointment is estimated to be \$77,045.00(excluding GST).

This is slightly above our initial remuneration estimate of \$40,000 to \$60,000 (excluding GST) provided in our Initial Remuneration Notice. Further information regarding the variance is outlined in section 3.3 of this report.

Remuneration currently claimed is summarised below

Period	Report Reference	Amount (ex GST)
<b>Current remuneration claim:</b>		
<b>Voluntary Administration</b>		
Resolution 1: 6 April 2020 to 30 April 2020	Appendix K-1 & K-2-1	\$32,045.00
Resolution 2: 1 May 2020 to completion of administration*	Appendix K-1 & K-2-2	\$20,000.00
<b>Total</b>		\$52,045.00
<b>Liquidation</b>		
Resolution 3: Commencement of liquidation to completion*	Appendix K-1 & K-2-3	\$25,000.00
<b>Total remuneration claimed and approved</b>		\$77,045.00

\* Approval for the 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.

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

## 3. Remuneration

### 3.1 Remuneration claim resolutions

At the meeting of creditors to be held on 19 May 2020, we will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and attached schedules.

#### Resolution 1

*That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$32,045.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.*

#### Resolution 2

*That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.*

#### Resolution 3

*That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.*

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

### 3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix K-1**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained of **Appendix K-2-1 to K-2-3**.

### **3.3 Total remuneration reconciliation**

The total remuneration claimed in the Voluntary Administration is in line with our initial estimate provided in the Initial Remuneration Notice dated 8 April 2020, which estimated remuneration of \$40,000 to \$60,000 (excluding GST).

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, at Appendix K-2-1 to K-2-3 of the report.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Voluntary Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Voluntary Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

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

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

There are not expected to be sufficient funds to pay a dividend to unsecured creditors.

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

We have received funding from external sources for our remuneration from secured creditors.

## **4. Disbursements**

Disbursements are divided into three types:

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

We have undertaken a proper assessment of disbursements claimed for NAW Barrel in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

### **4.1 Internal disbursement claim**

We are not currently claiming or seeking approval from creditors for our internal disbursements.

### **4.2 Future basis of internal disbursements (if required)**

Future disbursements incurred by our firm will be charged to the administration on the following basis:

#### **Basis of disbursement claim**

<b>Disbursements</b>	<b>Rate (Excl GST)</b>
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	Not currently seeking approval

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Staff vehicle use

65 cents per kilometre for first 150km of return trip and 40 cents per kilometre thereafter

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## **5. Summary of receipts and payments**

There has been no receipts and payments up to the date of this report in this administration.

## **6. Queries**

Please contact Joanne Chu on +61 2 8266 3609 or by email on [joanne.a.chu@pwc.com](mailto:joanne.a.chu@pwc.com) should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>.



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# Appendices

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## ***Appendix K-1 Calculations of remuneration schedules***

**NAW Barrel Holdings Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**

**ACN 159 847 140**

**Calculation of Remuneration**

**For the period 6 April 2020 to 30 April 2020**

Employee	Position	\$/hours	Total Actual	Total	Investigation		Creditors		Administration	
		(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	3.0	2,160.00	1.0	720.00	2.0	1,440.00	0.0	0.00
Nick Charlwood	Manager	510.00	12.6	6,426.00	5.1	2,601.00	6.4	3,264.00	1.1	561.00
Joanne Chu	Senior Consultant	425.00	37.0	15,725.00	7.1	3,017.50	26.7	11,347.50	3.2	1,360.00
Harrison Stanton	Senior Consultant	425.00	0.2	85.00	0.0	0.00	0.2	85.00	0.0	0.00
Lexi Sennitt	Consultant	350.00	11.2	3,920.00	0.0	0.00	11.2	3,920.00	0.0	0.00
Anuj Kumar Rungta	Offshore Professional	250.00	3.2	800.00	3.2	800.00	0.0	0.00	0.0	0.00
Deeksha Rautela	Offshore Professional	250.00	2.5	625.00	2.5	625.00	0.0	0.00	0.0	0.00
Surbhi Chandak	Offshore Professional	250.00	3.6	900.00	3.6	900.00	0.0	0.00	0.0	0.00
Joseph Le	Administration Support	180.00	3.1	558.00	0.0	0.00	0.0	0.00	3.1	558.00
Sonal Kumar	Administration Support	180.00	1.6	288.00	0.0	0.00	0.0	0.00	1.6	288.00
Victoria Nolan	Administration Support	180.00	3.1	558.00	0.6	108.00	0.6	108.00	1.9	342.00
<b>Total</b>			<b>81.1</b>	<b>32,045.00</b>	<b>23.1</b>	<b>8,771.50</b>	<b>47.1</b>	<b>20,164.50</b>	<b>10.9</b>	<b>3,109.00</b>
GST				3,204.50						
<b>Total (Including GST)</b>				<b>35,249.50</b>						
Average rate (excluding GST)				395.13		379.72		428.12		285.23

*Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.*

*A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>*

**NAW Barrel Holdings Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**

**ACN 159 847 140**

**Calculation of Remuneration**

**For the period 1 May 2020 to completion**

Employee	Position	\$/hours (Ex GST)	Total Actual	Total	Investigation		Creditors		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	2.9	2,088.00	0.7	504.00	1.5	1,080.00	0.7	504.00
Martin Ford	Appointee	720.00	1.5	1,080.00	0.4	288.00	0.7	504.00	0.4	288.00
Nick Charlwood	Manager	510.00	10.3	5,253.00	2.6	1,326.00	5.2	2,652.00	2.5	1,275.00
Joanne Chu	Senior Consultant	425.00	17.1	7,267.50	4.3	1,827.50	8.7	3,697.50	4.1	1,742.50
Lexi Sennitt	Consultant	350.00	3.0	1,050.00	0.8	280.00	1.5	525.00	0.7	245.00
Offshore Professional	Offshore Professional	250.00	7.9	1,975.00	2.1	525.00	4.2	1,050.00	1.6	400.00
Victoria Nolan	Administration Support	180.00	5.8	1,044.00	1.5	270.00	2.9	522.00	1.4	252.00
Joseph Le	Administration Support	180.00	1.3	242.50	0.0	0.00	0.0	0.00	1.3	242.50
<b>Total</b>			<b>49.8</b>	<b>20,000.00</b>	<b>12.4</b>	<b>5,020.50</b>	<b>24.7</b>	<b>10,030.50</b>	<b>12.7</b>	<b>4,949.00</b>
GST				2,000.00						
<b>Total (Including GST)</b>				<b>22,000.00</b>						
Average rate (excluding GST)				401.23		404.88		406.09		388.24

*Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.*

*A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>*

**NAW Barrel Holdings Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**

**ACN 159 847 140**

**Calculation of Remuneration**

**From commencement to completion of liquidation**

Employee	Position	\$/hours	Total Actual	Total	Investigation		Creditors		Administration	
		(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	3.7	2,664.00	1.5	1,080.00	1.5	1,080.00	0.7	504.00
Martin Ford	Appointee	720.00	1.8	1,296.00	0.7	504.00	0.7	504.00	0.4	288.00
Nick Charlwood	Manager	510.00	12.9	6,579.00	5.2	2,652.00	5.2	2,652.00	2.5	1,275.00
Joanne Chu	Senior Consultant	425.00	21.5	9,137.50	8.7	3,697.50	8.7	3,697.50	4.1	1,742.50
Lexi Sennitt	Consultant	350.00	3.7	1,295.00	1.5	525.00	1.5	525.00	0.7	245.00
Offshore Professional	Offshore Professional	250.00	10.0	2,500.00	4.2	1,050.00	4.2	1,050.00	1.6	400.00
Victoria Nolan	Administration Support	180.00	7.2	1,296.00	2.9	522.00	2.9	522.00	1.4	252.00
Joseph Le	Administration Support	180.00	1.3	232.50	0.0	0.00	0.0	0.00	1.3	232.50
<b>Total</b>			<b>62.1</b>	<b>25,000.00</b>	<b>24.7</b>	<b>10,030.50</b>	<b>24.7</b>	<b>10,030.50</b>	<b>12.7</b>	<b>4,939.00</b>
GST				2,500.00						
<b>Total (Including GST)</b>				<b>27,500.00</b>						
Average rate (excluding GST)				402.63		406.09		406.09		389.15

*Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.*

*A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>*

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***Appendix K-2 Table of major tasks for remuneration***



## Appendix K-2-1

### Resolution 1

The below table provides a description of the work undertaken in each major task area for the period 6 April 2020 to 30 April 2020

Task Area	General Description	Includes
<b>Investigation</b> <b>23.1 hours</b> <b>\$8,771.50</b>	Conducting investigation	Preparing and issuing day one letters to various parties Collection of documents Preparing and issuing letters to former directors Preparing summary of director search Conducting and summarising statutory searches Reviewing investors spreadsheet Reviewing company's books and records Requesting Westpac bank statements Liaising with the receiver and manager Liaising with secured creditor for investor list and security documents
	Director correspondence & ROCAP	Considering forms 507 signed by the former directors and receiver
<b>Creditors</b> <b>47.1 hours</b> <b>\$20,164.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Maintaining creditor enquiry files Reviewing and preparing correspondence to creditors and their representatives Updating creditors information in system
	Secured creditors	Search the PPS register Notifying secured creditors of appointment Reviewing documents provided by secured creditors Responding to secured creditors, including requesting discharge statement Considering discharge statements Preparing summary of investor position Correspondence with secured creditor
	Creditor reports	Preparing and issuing initial notice Preparing second report
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC



Task Area	General Description	Includes
<b>Administration</b> <b>10.9 hours</b> <b>\$3,109.00</b>	Correspondence	General correspondences
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Notification of appointment
	Bank account administration	Preparing correspondence for opening account
	ASIC forms	Preparing and lodging ASIC forms including 505 and 531
	ATO and other statutory reporting	Notification of appointment General correspondence with ATO Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration





## Appendix K-2-2

### Resolution 2

The below table provides a description of the work undertaken in each major task area for the period 1 May 2020 to completion of administration

Task Area	General Description	Includes
<b>Investigation</b> <b>12.4 hours</b> <b>\$5,020.50</b>	Conducting investigation	Collection of company books and records Reviewing and analysing financial statements Preparing comparative financial statements Reviewing Westpac bank statements Investigating significant transactions identified in bank statements Liaising with the receiver and manager Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	ASIC reporting	Preparing statutory investigation report
<b>Creditors</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Maintaining creditor enquiry files Reviewing and preparing correspondence to creditors and their representatives
	Secured creditors	Reviewing documents provided by secured creditors Considering discharge statements Correspondence with secured creditors
	Creditor reports	Preparing and issuing second report
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC
<b>Administration</b> <b>12.7 hours</b> <b>\$4,949.00</b>	Correspondence	General correspondences
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Notification of appointment
	Bank account administration	Maintaining account



Task Area	General Description	Includes
	ASIC forms	Preparing and lodging ASIC forms including 5011
	ATO and other statutory reporting	Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	Finalisation	Notifying ATO of finalisation Completing checklists Finalising WIP

## Appendix K-2-3

### Resolution 3

The below table provides a description of the work undertaken in each major task area from the commencement of liquidation to completion of liquidation.

Task Area	General Description	Includes
<b>Investigation</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Conducting investigation	Collection of company books and records Reviewing of specific transactions Liaising with the former directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Investigations to identify other voidable transactions
	ASIC reporting	Preparing statutory investigation report
<b>Creditors</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Reviewing and preparing correspondence to creditors and their representatives
	Secured creditors	Correspondence with secured creditors
	Creditor reports	Preparing and issuing reports
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors (if required)	Preparation of meeting notices, proxies and advertisements Preparation and lodgement of minutes of meetings with ASIC
<b>Administration</b> <b>12.7 hours</b> <b>\$4,939.00</b>	Correspondence	General correspondences with stakeholders
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Monitoring ongoing requirement
	Bank account administration	Maintaining account
	ASIC forms	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	Finalisation	Notifying ATO of finalisation Completing checklists Finalising WIP

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***Annexure L***  
***Remuneration approval***  
***report for NAW Estate***

# ***Remuneration Approval Report***

**NAW Estate Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**  
**ACN 124 339 960**  
**(NAW Estate)**

This remuneration approval report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration.

You should read this report and the other documentation that we 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.

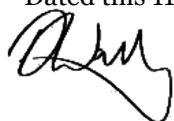
Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised.

Information about the meeting of creditors is provided in this report.

## **1. Declaration**

We, Daniel Walley and Martin Ford of PwC, have undertaken a proper assessment of this remuneration claim for our appointment as joint and several administrators of NAW Estate in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

Dated this 11<sup>th</sup> day of May 2020



Daniel Walley  
Administrator

## 2. Executive summary

The total remuneration for this appointment is estimated to be \$77,045.00(excluding GST).

This is slightly above our initial remuneration estimate of \$40,000 to \$60,000 (excluding GST) provided in our Initial Remuneration Notice. Further information regarding the variance is outlined in section 3.3 of this report.

Remuneration currently claimed is summarised below

Period	Report Reference	Amount (ex GST)
<b>Current remuneration claim:</b>		
<b>Voluntary Administration</b>		
Resolution 1: 6 April 2020 to 30 April 2020	Appendix L-1 & L-2-1	\$21,228.00
Resolution 2: 1 May 2020 to completion of administration*	Appendix L-1 & L-2-2	\$20,000.00
<b>Total</b>		<b>\$41,228.00</b>
<b>Liquidation</b>		
Resolution 3: Commencement of liquidation to completion*	Appendix L-1 & L-2-3	\$25,000.00
<b>Total remuneration claimed and approved</b>		<b>\$66,228.00</b>

\* Approval for the 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.

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

## 3. Remuneration

### 3.1 Remuneration claim resolutions

At the meeting of creditors to be held on 19 May 2020, we will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and attached schedules.

#### Resolution 1

*That the remuneration of the Administrators is approved for the period 6 April 2020 to 30 April 2020 of \$21,228.00 plus GST as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.*

#### Resolution 2

*That the remuneration of the Administrators is approved for the period 1 May 2020 to the conclusion of the Administration up to a maximum of \$20,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds immediately or as funds become available.*

#### Resolution 3

*That the remuneration of the Liquidators is approved from the commencement of liquidation to the conclusion of the Liquidation up to a maximum of \$25,000.00 plus GST, as set out in the Remuneration Approval Report dated 11 May 2020 to be drawn from available funds as incurred or as funds become available. This amount may be revised by resolution of creditors or by order of the court.*

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the administration will exceed the maximum which has been approved, in which case, we may seek another resolution for additional remuneration. We will not pay any amount exceeding the maximum without this approval.

Where funds are available, we will usually pay approved remuneration at intervals not less than one month. Where funds are not available, remuneration will not be paid.

### 3.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in **Appendix L-1**.

The details of the major tasks performed and the costs associated with each of those major tasks are contained of **Appendix L-2-1 to L-2-3**.

### **3.3 Total remuneration reconciliation**

The total remuneration claimed in the Voluntary Administration is in line with our initial estimate provided in the Initial Remuneration Notice dated 8 April 2020, which estimated remuneration of \$40,000 to \$60,000 (excluding GST).

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, at Appendix L-2-1 to L-2-3 of the report.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Voluntary Administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Voluntary Administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

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

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

There are not expected to be sufficient funds to pay a dividend to unsecured creditors.

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

We have received, funding from external sources for our remuneration from secured creditors.

## **4. Disbursements**

Disbursements are divided into three types:

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

We have undertaken a proper assessment of disbursements claimed for NAW Estate in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

### **4.1 Internal disbursement claim**

We are not currently claiming or seeking approval from creditors for our internal disbursements.

### **4.2 Future basis of internal disbursements (if required)**

Future disbursements incurred by our firm will be charged to the administration on the following basis:

#### **Basis of disbursement claim**

<b>Disbursements</b>	<b>Rate (Excl GST)</b>
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	Not currently seeking approval

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Staff vehicle use

65 cents per kilometre for first 150km of return trip and 40 cents per kilometre thereafter

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## **5. Summary of receipts and payments**

There has been no receipts and payments up to the date of this report in this administration.

## **6. Queries**

Please contact Joanne Chu on +61 2 8266 3609 or by email on [joanne.a.chu@pwc.com](mailto:joanne.a.chu@pwc.com) should you have any queries or require any further information.

You can access additional information on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at <http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>.



# Appendices

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## ***Appendix L-1 Calculations of remuneration schedules***

**NAW Estate Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**

**ACN 124 393 960**

**Calculation of Remuneration**

**For the period 6 April 2020 to 30 April 2020**

Employee	Position	\$/hours	Total Actual	Total	Investigation		Creditors		Administration	
		(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	1.0	720.00	0.0	0.00	1.0	720.00	0.0	0.00
Martin Ford	Appointee	720.00	0.4	288.00	0.0	0.00	0.0	0.00	0.4	288.00
Nick Charlwood	Manager	510.00	11.9	6,069.00	2.9	1,479.00	6.2	3,162.00	2.8	1,428.00
Joanne Chu	Senior Consultant	425.00	20.6	8,755.00	4.7	1,997.50	13.7	5,822.50	2.2	935.00
Lexi Sennitt	Consultant	350.00	1.3	455.00	0.0	0.00	1.3	455.00	0.0	0.00
Anuj Kumar Rungta	Offshore Professional	250.00	11.0	2,750.00	11.0	2,750.00	0.0	0.00	0.0	0.00
Deeksha Rautela	Offshore Professional	250.00	2.3	575.00	2.3	575.00	0.0	0.00	0.0	0.00
Surbhi Chandak	Offshore Professional	250.00	2.0	500.00	2.0	500.00	0.0	0.00	0.0	0.00
Joseph Le	Administration Support	180.00	2.8	504.00	0.0	0.00	0.0	0.00	2.8	504.00
Sonal Kumar	Administration Support	180.00	0.9	162.00	0.0	0.00	0.0	0.00	0.9	162.00
Victoria Nolan	Administration Support	180.00	2.5	450.00	0.6	108.00	0.6	108.00	1.3	234.00
<b>Total</b>			<b>56.7</b>	<b>21,228.00</b>	<b>23.5</b>	<b>7,409.50</b>	<b>22.8</b>	<b>10,267.50</b>	<b>10.4</b>	<b>3,551.00</b>
GST				2,122.80						
<b>Total (Including GST)</b>				<b>23,350.80</b>						
Average rate (excluding GST)				374.39		315.30		450.33		341.44

*Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.*

*A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>*

**NAW Estate Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**  
**ACN 124 393 960**  
**Calculation of Remuneration**  
**For the period 1 May 2020 to completion**

Employee	Position	\$/hours	Total Actual	Total	Investigation		Creditors		Administration	
		(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	2.9	2,088.00	0.7	504.00	1.5	1,080.00	0.7	504.00
Martin Ford	Appointee	720.00	1.5	1,080.00	0.4	288.00	0.7	504.00	0.4	288.00
Nick Charlwood	Manager	510.00	10.3	5,253.00	2.6	1,326.00	5.2	2,652.00	2.5	1,275.00
Joanne Chu	Senior Consultant	425.00	17.1	7,267.50	4.3	1,827.50	8.7	3,697.50	4.1	1,742.50
Lexi Sennitt	Consultant	350.00	3.0	1,050.00	0.8	280.00	1.5	525.00	0.7	245.00
Offshore Professional	Offshore Professional	250.00	7.9	1,975.00	2.1	525.00	4.2	1,050.00	1.6	400.00
Victoria Nolan	Administration Support	180.00	5.8	1,044.00	1.5	270.00	2.9	522.00	1.4	252.00
Joseph Le	Administration Support	180.00	1.3	242.50	0.0	0.00	0.0	0.00	1.3	242.50
<b>Total</b>			<b>49.8</b>	<b>20,000.00</b>	<b>12.4</b>	<b>5,020.50</b>	<b>24.7</b>	<b>10,030.50</b>	<b>12.7</b>	<b>4,949.00</b>
GST				2,000.00						
<b>Total (Including GST)</b>				<b>22,000.00</b>						
Average rate (excluding GST)				401.23		404.88		406.09		388.24

Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.

A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>

**NAW Estate Pty Ltd (Administrators Appointed) (Receiver and Manager Appointed)**

**ACN 124 393 960**

**Calculation of Remuneration**

**From commencement to completion of liquidation**

Employee	Position	\$/hours	Total Actual	Total	Investigation		Creditors		Administration	
		(Ex GST)	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Daniel Walley	Appointee	720.00	3.7	2,664.00	1.5	1,080.00	1.5	1,080.00	0.7	504.00
Martin Ford	Appointee	720.00	1.8	1,296.00	0.7	504.00	0.7	504.00	0.4	288.00
Nick Charlwood	Manager	510.00	12.9	6,579.00	5.2	2,652.00	5.2	2,652.00	2.5	1,275.00
Joanne Chu	Senior Consultant	425.00	21.5	9,137.50	8.7	3,697.50	8.7	3,697.50	4.1	1,742.50
Lexi Sennitt	Consultant	350.00	3.7	1,295.00	1.5	525.00	1.5	525.00	0.7	245.00
Offshore Professional	Offshore Professional	250.00	10.0	2,500.00	4.2	1,050.00	4.2	1,050.00	1.6	400.00
Victoria Nolan	Administration Support	180.00	7.2	1,296.00	2.9	522.00	2.9	522.00	1.4	252.00
Joseph Le	Administration Support	180.00	1.3	232.50	0.0	0.00	0.0	0.00	1.3	232.50
<b>Total</b>			<b>62.1</b>	<b>25,000.00</b>	<b>24.7</b>	<b>10,030.50</b>	<b>24.7</b>	<b>10,030.50</b>	<b>12.7</b>	<b>4,939.00</b>
GST				2,500.00						
<b>Total (Including GST)</b>				<b>27,500.00</b>						
Average rate (excluding GST)				402.63		406.09		406.09		389.15

*Average Rate (excl GST) reflects the average charge rate during the period of the remuneration calculation.*

*A Creditor Information Sheet containing general information about the remuneration of Insolvency Practitioners is available at <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>*

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***Appendix L-2 Table of major tasks for remuneration***



## Appendix L-2-1

### Resolution 1

The below table provides a description of the work undertaken in each major task area for the period 6 April 2020 to 30 April 2020

Task Area	General Description	Includes
<b>Investigation</b> <b>23.5 hours</b> <b>\$7,409.50</b>	Conducting investigation	Preparing and issuing day one letters to various parties Collection of documents Preparing and issuing letters to former directors Preparing summary of director search Conducting and summarising statutory searches Reviewing investors spreadsheet Reviewing company's books and records Liaising with the receiver and manager Liaising with secured creditor for investor list and security documents
	Director correspondence & ROCAP	Considering forms 507 signed by the former directors and receiver
<b>Creditors</b> <b>22.8 hours</b> <b>\$10,267.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Maintaining creditor enquiry files Reviewing and preparing correspondence to creditors and their representatives Updating creditors information in system
	Secured creditors	Search the PPS register Notifying secured creditors of appointment Reviewing documents provided by secured creditors Responding to secured creditors, including requesting discharge statement Considering discharge statements Preparing summary of investor position Correspondence with secured creditor
	Creditor reports	Preparing and issuing initial notice Preparing second report
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting first meeting of creditors Preparation and lodgement of minutes of meetings with ASIC



Task Area	General Description	Includes
<b>Administration</b> <b>10.4 hours</b> <b>\$3,551.00</b>	Correspondence	General correspondences
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Notification of appointment
	Bank account administration	Preparing correspondence for opening account
	ASIC forms	Preparing and lodging ASIC forms including 505 and 531
	ATO and other statutory reporting	Notification of appointment General correspondence with ATO Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration





## Appendix L-2-2

### Resolution 2

The below table provides a description of the work undertaken in each major task area for the period 1 May 2020 to completion of administration

Task Area	General Description	Includes
<b>Investigation</b> <b>12.4 hours</b> <b>\$5,020.50</b>	Conducting investigation	Collection of company books and records Reviewing and analysing financial statements Preparing comparative financial statements Reviewing Westpac bank statements Investigating significant transactions identified in bank statements Liaising with the receiver and manager Investigations to identify indicators of insolvency and possible claims for insolvent trading Preparation of investigation file
	ASIC reporting	Preparing statutory investigation report
<b>Creditors</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Maintaining creditor enquiry files Reviewing and preparing correspondence to creditors and their representatives
	Secured creditors	Reviewing documents provided by secured creditors Considering discharge statements Correspondence with secured creditors
	Creditor reports	Preparing and issuing second report
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forwarding notice of meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Conducting second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC
<b>Administration</b> <b>12.7 hours</b> <b>\$4,949.00</b>	Correspondence	General correspondences
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Notification of appointment
	Bank account administration	Maintaining account



Task Area	General Description	Includes
	ASIC forms	Preparing and lodging ASIC forms including 5011
	ATO and other statutory reporting	Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	Finalisation	Notifying ATO of finalisation Completing checklists Finalising WIP

## Appendix L-2-3

### Resolution 3

The below table provides a description of the work undertaken in each major task area from the commencement of liquidation to completion of liquidation.

Task Area	General Description	Includes
<b>Investigation</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Conducting investigation	Collection of company books and records Reviewing of specific transactions Liaising with the former directors regarding certain transactions Investigations to identify indicators of insolvency and possible claims for insolvent trading Investigations to identify other voidable transactions
	ASIC reporting	Preparing statutory investigation report
<b>Creditors</b> <b>24.7 hours</b> <b>\$10,030.50</b>	Creditor Enquiries	Dealing with creditor enquiries via telephone and email Reviewing and preparing correspondence to creditors and their representatives
	Secured creditors	Correspondence with secured creditors
	Creditor reports	Preparing and issuing reports
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of Creditors (if required)	Preparation of meeting notices, proxies and advertisements Preparation and lodgement of minutes of meetings with ASIC
<b>Administration</b> <b>12.7 hours</b> <b>\$4,939.00</b>	Correspondence	General correspondences with stakeholders
	Document maintenance/file review/checklist	Filing of documents Maintaining creditors list Updating checklists
	Insurance	Monitoring ongoing requirement
	Bank account administration	Maintaining account
	ASIC forms	Preparing and lodging ASIC forms
	ATO and other statutory reporting	Arranging for BAS reporting
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	Finalisation	Notifying ATO of finalisation Completing checklists Finalising WIP