



23 April 2020

**To the creditor as addressed**

Dear Sir/Madam

**University Co-Operative Bookshop Limited  
(in Liquidation) (the Co-operative)  
ARBN 009 937 160**

**Initial Information for creditors - Appointment of Liquidations**

On 27 March 2020, at the Second Meeting of Creditors, creditors resolved to place the Co-operative into liquidation.

The purpose of this document is to provide you with information about the liquidation of University Co-Operative Bookshop Limited and your rights as a creditor.

I refer to our 'Declaration of Independence, Relevant Relationships and Indemnities' (**DIRRI**) dated 26 November 2019; none of the relationships disclosed in this document affect our independence.

**1. Update on liquidation to date**

We are proceeding with the below in the liquidation to date.

- Finalising the trading outcome and the closure of all campus bookstores, including arrangements for the sale of over the remaining stock
- Finalising all employee claims and payment of same
- Finalising all secured creditor claims, including PPSR claims and dealings with National Australia Bank and payment of same
- Continuing investigations into the Co-operative's affairs and recovery actions.

**2. What happens to your debt?**

All creditors of the Co-operative are now creditors in the liquidation.

If you have lodged a formal proof of debt form (Form 535 – Formal Proof of Debt Form) there is no need to take any further action.

If you have not yet lodged a claim and wish to do so, please complete and return the form included at **Annexure A** to [Harrison.stanton@pwc.com](mailto:Harrison.stanton@pwc.com).

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000,  
GPO BOX 2650, Sydney NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



### 3. Your rights as a creditor

Information regarding your rights as a creditor is provided in the 'Information Sheet' included as **Annexure B**. This includes your right to:

- make reasonable requests for information
- make reasonable requests for a meeting
- give directions to us
- appoint a reviewing liquidator.

### 4. Costs of the liquidation

Included at **Annexure C** is our 'Initial Remuneration Notice'. This document provides you with information about how we will get paid for undertaking the liquidation.

At the Second Creditor's Meeting for the Co-operative held on 27 March 2020, creditors resolved to approve costs of the liquidation as follows:

Remuneration and disbursements approved	Amount Approved (excl. GST) (\$)
Remuneration for 27 March 2020 to the conclusion of the Liquidation	\$482,100.00
Internal disbursements for 27 March 2020 to the conclusion of the Liquidation	Up to \$1,000.00

For further information on remuneration and disbursements, please refer to the 'Remuneration Approval Report' included in the Voluntary Administrators' Second Report to Creditors dated 18 March 2020.

### 5. What happens next?

We will proceed with the liquidation, including:

- investigating the Co-operative's affairs
- undertaking public examinations of Co-op's directors and officers
- reporting to the Australian Securities and Investments Commission (ASIC)
- distributing any available funds to creditors in accordance with their priority under the Corporations Act.

We will provide a further report to creditors within 3 months.



#### **6. Where can you get more 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/>

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Philip Carter'.

**Philip Carter**

Liquidator

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#### **Annexures**

- A. Form 535 – Formal Proof of Debt
- B. Information sheet – Creditors Rights in Liquidations
- C. Initial Remuneration Notice

Date of appointment:	27 March 2020
Contact name:	Harrison Stanton
Telephone number:	+61 2 8266 3312
Email:	<a href="mailto:harrison.stanton@pwc.com">harrison.stanton@pwc.com</a>

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# ***Annexure A***

**FORM 535**  
Corporations Act 2001

**FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)**

To the Liquidators of University Co-Operative Bookshop Limited (In Liquidation) **(the Co-operative)**

1. This is to state that the Co-operative was on 24 November 2019, and still is, justly and truly indebted

to .....**(creditor)**  
(name of creditor)

of .....  
(address of creditor)

for \$.....

Particulars of the debt are:

<b>Date</b> (date when the debt arose)	<b>Consideration</b> (state how debt arose and attach supporting documentation)	<b>Amount (\$)</b>	<b>Remarks</b> (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 satisfaction or security for the sum or any part of it except for the following  
(insert particulars of all securities held. If the securities are on the property of the co-operative, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

<b>Date</b>	<b>Drawer</b>	<b>Acceptor</b>	<b>Amount (\$c)</b>	<b>Due Date</b>

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

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

*\* Items 3A & 3B - delete both 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.*

**I have attached the following documents (tick as many as appropriate):**

- |   |   |   |  |
|---|---|---|--|
| <input type="checkbox"/> Invoices                   | <input type="checkbox"/> Judgement from Court | <input type="checkbox"/> Letters of demand  | <input type="checkbox"/> Orders from Co-operative    |
| <input type="checkbox"/> Monthly statements         | <input type="checkbox"/> Statutory demand     | <input type="checkbox"/> Credit application | <input type="checkbox"/> Guarantee from Co-operative |
| <input type="checkbox"/> Creditors authority letter | <input type="checkbox"/> Other documents      |   |  |

Complete all sections

Dated ...../...../..... Name .....Signatory.....

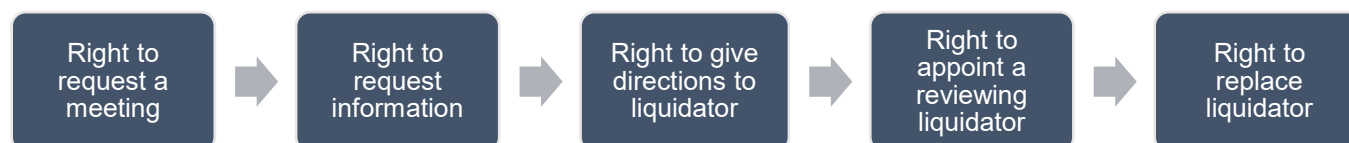
Phone ..... Email address.....

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# ***Annexure B***

# Creditor Rights in Liquidations

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



## Right to request a meeting

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

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

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

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

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

## Right to request information

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

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

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

## Requests must be reasonable.

### They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

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

## Right to give directions to liquidator

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

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

An individual creditor cannot provide a direction to a liquidator.

## Right to appoint a reviewing liquidator

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

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

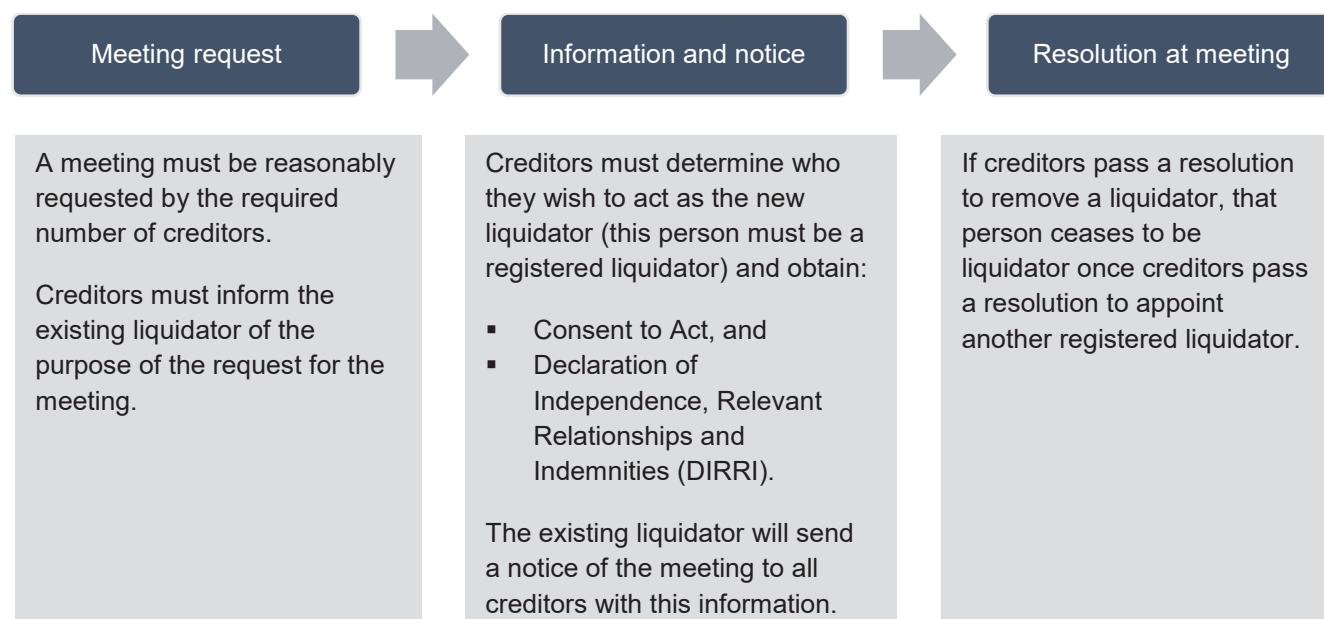
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

## Right to replace liquidator

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

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



**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors).  
Specific queries about the liquidation should be directed to the liquidator's office.**

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# *Annexure C*

## **Initial Remuneration Notice**

### **University Co-operative Bookshop Limited (in Liquidation) (the Co-operative) ARBN 009 937 160**

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the liquidation will be set.

#### **A Remuneration Method**

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

**1. Time based / hourly rates**

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.

**2. Fixed Fee**

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the liquidation. Sometimes a practitioner will finalise an liquidation for a fixed fee.

**3. Percentage**

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

**4. Contingency**

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

#### **B Method chosen**

Given the nature of this liquidation we propose that our remuneration as Liquidators be calculated on Hourly Rates. This is because:

- it ensures that creditors are only charged for work that is performed
- as Liquidators, we are required to perform a number of tasks which do not necessarily relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC and conducting investigations
- generally, it is difficult to estimate with accuracy the total amount of fees necessary to complete all tasks required in the liquidation and
- our firm has a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the liquidation

#### **C Explanation of Hourly Rates**

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the liquidation and the role they take in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage. Time is charged in 6 minute increments.

The hourly rates set out in this schedule are exclusive of GST and do not include disbursements.

Remuneration is approved by a resolution of the creditors, a creditors' committee or a court.

**PwC hourly rates as at 1 October 2018 and guide to level of insolvency classification \***

<b>Title</b>	<b>Description</b>	<b>Hourly rate (ex GST) \$</b>
Partner/ Appointee	A registered liquidator or bankruptcy trustee who is a leading practitioner with extensive experience in all forms of insolvency administrations. A senior member of management with ultimate responsibility for the conduct of the administration.	720.00
Managing Director/ Appointee	Generally, a registered liquidator or bankruptcy trustee with extensive experience in all forms of insolvency administrations. A senior member of management and, where a co-appointee, has responsibility for the conduct of the administration.	690.00
Director	Highly experienced in insolvency matters at a senior level, including managing complex administrations and supervising teams. Capable of deputising for the Appointees where required, and may be qualified to accept appointments in his/her own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	625.00
Senior Manager	Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, having primary responsibility for small to medium matters, or complex aspects of larger matters. Answerable to the Appointees and/or senior team members. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.	560.00
Manager	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams, and can take day-to-day responsibility for smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills. Generally reports to senior team members, or directly to the Appointees on smaller matters.	510.00
Senior Consultant	Generally a qualified accountant with postgraduate qualifications in insolvency subjects. Assists with planning and control of various aspects of the administration. Has day-to-day responsibility for overseeing fieldwork and can supervise staff. Has experience in larger and more complex administrations.	425.00
Consultant	Generally a qualified accountant. Assists with planning and control of various aspects of the administration, but is primarily responsible for completing fieldwork under the supervision of more senior staff.	350.00
Offshore Professional	Generally a qualified accountant. Assists with planning and control of various aspects of the administration, but is primarily responsible for completing office work under the supervision of more senior staff.	250.00
Specialist	Has specialist skills and experience in bookkeeping and other administrative tasks connected to statutory and other reporting obligations of the administration.	180.00
Administration support	Has appropriate skills to provide administrative support to the team including high-speed and accurate document preparation and data entry, records control and management, and general data analytics.	180.00

\* The above rates are reviewed from time to time. The description of each grade is a general guide only. From time to time there may be persons employed who, because of their skills and experience, are employed in positions where they may not necessarily meet all of the above qualifications.

Future remuneration is approved subject to a maximum or cap. Sometimes the actual cost of the liquidation 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.

## D Estimate of Remuneration

Remuneration for 27 March 2020 to the conclusion of the liquidation has been approved to the amount of \$482,100.00 (exclusive of GST) based on our estimate provided in the Administrators' Report to Creditors dated 18 March 2020.

## E 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 professional service disbursements are travel, accommodation, search fees, lodgement fees, storage, outsourced printing and photocopying services.
- **Internal disbursements** such as photocopying, printing and postage. These disbursements, if charged to the Liquidation, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

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

We are required to obtain creditor approval for the payment of internal disbursements where there is a profit or advantage prior to these disbursements being paid from the liquidation. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the liquidation.

Internal disbursements for 27 March 2020 to the conclusion of the liquidation has been approved up to the amount of \$1,000.00 (exclusive of GST).

Details of the basis of recovering disbursements in this liquidation are provided below. Full details of any actual costs incurred will be provided with future reporting.

### Basis of disbursement claim

#### Basis of disbursement claim

Disbursements	Rate (Excl GST)
Externally provided professional services	At cost
Externally provided non-professional services	At cost
Internal disbursements	
Staff vehicle use	65 cents per kilometre for first 150km of return trip and 40 cents per kilometre thereafter

Dated this 23<sup>rd</sup> day of April 2020



Philip Carter  
Liquidator