



7 March 2018

To the Credit Manager/ Creditor
as Addressed

REPORT TO CREDITORS

Dear Sir/Madam,

Re: ACN 118 850 427 Pty Limited
(In Liquidation) ("the Company")
ACN: 118 850 427

Formerly Known As: Integrated Dental
Formerly Trading As: Market Dentistry, Burroughs Consulting Group, I-D Marketing,
IDM, Integrated Dental Laboratories, Integrated Dental Marketing

I refer to my appointment as Court-appointed Liquidator of the above Company on 13 April 2016 pursuant to an Order of the Federal Court of Australia.

I also refer to my previous Reports to Creditors dated 24 January 2017 and 7 July 2017 (hereinafter referred to as "my previous Reports"). This Report should be read in conjunction with my previous Reports. If creditors require a copy of my previous Reports, please contact Ms Vanessa Duckworth of my office.

This Report provides creditors with information regarding the following:

- A. LIQUIDATOR'S ACTIONS AND INVESTIGATIONS
- B. FUNDING OF LIQUIDATOR'S ACTIONS AND OFFER OF SETTLEMENT
- C. RECEIPTS AND PAYMENTS AND DIVIDEND POTENTIAL
- D. LIQUIDATOR'S REMUNERATION
- E. MEETING OF CREDITORS
- F. FINALISATION OF THE LIQUIDATION

A. LIQUIDATOR'S ACTIONS AND INVESTIGATIONS

As Liquidator, I prepared and lodged my Report pursuant to Section 533(1) of the Corporations Act ("the Act"). The Report is required in circumstances where the company is not able to pay unsecured creditors more than 50 cents in the dollar. The Report addressed offences that I believe may have been committed by the company and/or its officers. This Report is confidential between the Liquidator and the ASIC and is given qualified privilege pursuant to Section 535 of the Act.

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The ASIC have reviewed my Report and have requested that I prepare a Supplementary Report in accordance with Section 533(2) of the Act. A supplementary Report provides ASIC with further information regarding any offences I identified for ASIC to consider if any further action is required. I anticipate lodging such Report shortly.

B. FUNDING OF LIQUIDATOR'S ACTIONS AND OFFER OF SETTLEMENT

My previous Report identified several transactions which I considered were either recoverable or voidable. The claims were against the Company's director and a related entity called IDM Australia Pty Limited ("IDM"). Creditors are referred to my previous Report for details of my claims.

My claims included:

- i. Purported company debtors being received by IDM;
- ii. Insolvent trading claim;
- iii. Balance payable under a Sale of Business Agreement; and
- iv. Repayment of director's loan account.

My previous Report stated that I reached an in-principle agreement of \$37,500 to settle the totality of my claims which was subject to creditor approval in accordance with Section 477(2B) of the Act. Creditors approved me entering into a Deed of Release with the director and IDM. The Deed of Release was executed during August 2017. I have now received the entirety of the \$37,500 and consider this aspect finalised.

I was able to enter into the Deed of Release after having regard to the likely professional and legal costs of pursuing my claims to finality, the possible defences available to the director and IDM and no creditor, after being given the opportunity, provided funding me to pursue my claims. Funding requests were also made to creditors in my previous Reports prior to entering into the Deed of Release.

C. RECEIPTS AND PAYMENTS AND DIVIDEND POTENTIAL

Enclosed as **Annexure "A"** is a summary of the Receipts and Payments to the date of this Report.

Pursuant to Section 539(1) of the Act, I am required to prepare accounts of my receipts and payments and lodge them with the ASIC every six (6) months. Such accounts have been lodged up to the six (6) month period ending on 12 October 2017 and are available for inspection from my office or the ASIC.

Based on the information available, a dividend will not be paid to any class of creditor as no further recoveries are anticipated.

D. LIQUIDATOR'S REMUNERATION

The Notice of Meeting attached to this Report includes agenda items for the approval of the Liquidator's remuneration.

In dealing with this matter, I have incurred remuneration totaling \$78,250.50 as at 23 February 2018. Creditors approved my remuneration to an amount of \$69,004.40 (plus GST) at the

meeting of creditors held on 8 February 2017. My remuneration has primarily been incurred in attending to the following:

1. Correspondence with the Director and his solicitor;
2. Liaising with solicitors regarding Deed of Settlement and Release;
3. Monitoring payments regarding Deed of Settlement and Release;
4. Preparing investigations;
5. Preparing statutory reports to ASIC; and
6. Preparing Reports to Creditors and annexures.

Future work is also anticipated to be performed in lodging the Supplementary Report, holding the upcoming meeting of creditors, lodging statutory forms to ASIC and finalising and deregistering the Company.

Therefore, at the meeting of creditors to be held on 27 March 2018, I will be seeking approval from creditors for my additional professional remuneration as follows:

Appointment	Period	Remuneration sought
Court Liquidation	13 April 2016 to 23 February 2018 (additional)	\$9,246.10 plus GST
Court Liquidation	24 February 2018 onwards	\$5,000 plus GST
Total		\$14,246.10 plus GST

In this regard, please find enclosed as **Annexure "B"**, the Remuneration Report regarding the above periods. If my remuneration is not approved by creditors, I can apply to the Court to seek approval of same. Should this be required further professional and legal costs around \$15,000 (plus GST) will be incurred as a result. No allowance has been made for such costs. Creditors should also note that while I am seeking the above approvals, I do not anticipate that there will be sufficient funds to pay the entirety of my remuneration.

E. MEETING OF CREDITORS

A meeting of creditors has been convened for 27 March 2018 at 9:00am. Please refer to the attached Notice of Meeting of Creditors (**Annexure "C"**) for full details of the agenda for the forthcoming meeting. Corporate Creditors are advised that a proxy form must be signed by a director of the creditor company. All creditors are reminded that all documentation, specifically Proofs of Debt and proxy forms must be submitted to my office by 4:00pm on 26 March 2018. Attached as **Annexure "D"** is the Proxy Form.

Creditors are reminded that proxy forms used for previous meetings of creditors are not effective for the forthcoming meeting. However creditors who have previously lodged a Proof of Debt need not lodge a further one unless they wish to amend their claim. Creditors are also advised that attendance at the meeting of creditors has no effect on the admissibility of their claim.

F. FINALISATION OF THE LIQUIDATION

To finalise the administration, I must attend to the following:

- Finalising and lodging my Supplementary Report with ASIC;
- Lodgement of the final Business Activity Statement; and
- Applying to the ASIC to deregister the company.

Should any creditor require further information in relation to this matter, please contact Ms Renee Burton or Ms Vanessa Duckworth of this office on telephone number (02) 9251 5222.

Yours faithfully,
ACN 118 850 427 Pty Limited
(In Liquidation)


Bruce Gleeson
Liquidator