



Last Updated: 14 August 2009

Creditors Voluntary Liquidation

Appointment Package

This package contains the necessary instructions and basic documentation to assist in the convening of the Directors' and Members' Meetings to enable a company to be placed into a Creditors Voluntary Liquidation.

A copy of this package, Fact Sheets and other useful information can be obtained from our website located at www.worrells.net.au.

Liability limited by a scheme approved under Professional Standards Legislation



Introduction

There are three basic steps required to place a company into a Creditors Voluntary Winding Up. These are:

- Passing of resolutions by the directors and execution of a Summary of Affairs.
- Passing of resolutions by members.
- The calling and holding of a Meeting of Creditors of the company.

The directors' resolutions are passed first. The members' resolutions are passed sometime after the directors' resolution – usually on the same day. A resolution of members actually places the company into liquidation. The liquidator then calls the creditors' meeting to be held within 11 days after the members' meeting to determine whether the creditors wish to change liquidators.

Attachments

The following completed and signed documents should be provided to Worrells:

- Minutes of Meeting of Directors
- Form 509 Summary of Affairs
- Form 507 Report as to Affairs
- Notice of Meeting of Members
- Consent to Short Notice of Members Meeting (if required)
- Minutes of Meeting of Members
- Proxy for meeting of shareholders (if applicable)

Once we receive the above documents we will then complete all the preparatory work, lodge the necessary documents with the Australian Securities & Investments Commission, and issue the notices of the meeting of creditors and conduct the meeting.

A director will have to attend the meeting of creditors.

Fact Sheets

The Australian Securities & Investments Commission and the Insolvency Practitioners Association have jointly released several fact sheets that may be of assistance to directors, shareholders, creditors and employees of companies in liquidation. These fact sheets are:

- Liquidation: Guide to Creditors
- Liquidation: Guide to Employees
- Guide to Shareholders
- Guide to Directors
- Glossary of Terms

These fact sheets and further information on this process can be obtained from www.worrells.net.au.

Step 1 – Directors’ Meeting

The Meeting of Directors is called to resolve that:

1. A Meeting of Members be called to resolve that the company be wound up and to formally appoint liquidators.
2. A Summary of Affairs be approved and executed.
3. A Report as to Affairs be approved and executed.

Prepare the Summary of Affairs – Section 497 Corporations Act

A **Summary of Affairs (Form 509)** must be lodged with the Australian Securities & Investments Commission at least 7 days before the meeting of creditors. This declaration contains the estimated realisable values of the company’s assets and its outstanding liabilities.

Directors should endeavour to have the Summary of Affairs prepared and executed at the date of the resolution being passed by them.

Prepare the Report as to Affairs – Section 497 Corporations Act

A **Report as to Affairs (Form 507)** must be prepared at least 7 days before the meeting of creditors and tabled at the meeting of creditors. This RATA contains a more detailed estimate of the realisable values of the company’s assets and its outstanding liabilities.

MINUTES OF A MEETING OF DIRECTORS

| | |
|------------------------------------|--|
| Name of Company ("the company") | |
| A.C.N. | |

Held at
on

PRESENT:

**VOLUNTARY
WINDING UP:**

IT WAS RESOLVED that the company was insolvent and that the company should be voluntarily wound up AND THAT this course of action be recommended to a Meeting of Members.

**SUMMARY
OF AFFAIRS AND
STATEMENT OF
AFFAIRS:**

IT WAS RESOLVED that the directors approve and sign the draft Form 509 Summary of Affairs prepared in accordance with the requirements of the Corporations Act 2001.

IT WAS RESOLVED that the directors approve and sign the draft Form 507, Report as to Affairs prepared in accordance with the requirements of the Corporations Act 2001.

**MEETING OF
MEMBERS:**

IT WAS RESOLVED that the directors call a meeting of the company's members to resolve that:

1. The company be wound up.
2. _____ and _____
from Worrells Solvency & Forensic Accountants be appointed joint & several liquidators of the company.
3. The company will accept the decision of creditors regarding the appointment of a committee of inspection and the appointment of any replacement liquidators.

CONFIRMATION:

These Minutes were then read to the meeting and it was resolved that they be confirmed.

CLOSURE:

There being no other business, the Chairman declared the meeting closed.

Confirmed:

CHAIRMAN

ASC registered agent number:

lodging party or agent name:

address:

telephone:

facsimile:

DX number

suburb/city

Australian Securities Commission

form **509**

Presentation of
summary of affairs of a company

Corporations Act
497(2)(b)(i)

company name

A.C.N.

Note: The date given as "date to which summary is made up" must not be earlier than the date of the declaration by a majority of the directors under subsection 494(1)

If this summary of affairs is sent out to creditors in accordance with subparagraph 497(2)(b)(i), it must be made up to the latest practicable date before the notices are sent.

Summary of assets and liabilities

date to which summary is made up (d/m/y) / /

| | Valuation (show whether cost or net book amount \$) | Estimated Realisable Values \$ |
|--|---|--|
| 1. assets not specifically charged: | | |
| (a) interest in land | | |
| (b) sundry debtors | | |
| (c) cash on hand | | |
| (d) cash at bank | | |
| (e) stock as detailed in inventory | | |
| (f) work in progress as detailed in inventory | | |
| (g) plant and machinery as detailed in inventory | | |
| (h) other assets | | |
| 2. Assets subject to specific charges | | |
| Less amounts owing | | |
| TOTAL assets | | |
| TOTAL estimated realisable values | | |

| | Valuation (for each entry show whether cost or net book amount \$ | Estimated Realisable Values \$ |
|---|--|--|
| 3. Less preferential creditors entitled to priority over the holders of debentures under any floating charge | | |
| 4. Less amounts owing and secured by debenture or floating charge over company's assets to: | | |
| 5. Less preferential creditors estimated amount available for unsecured creditors | | |
| 6. creditors (unsecured) amount claimed | | |
| 7. balances owing to partly secured creditors total claims security held | | |
| 8. Contingent assets Estimated to produce | | |
| 9. Contingent liabilities Estimated to rank for Estimated deficiency/ surplus (subject to costs of administration /liquidation) Share capital Issued \$ Paid Up \$ | | |

(if insufficient space) Further details are enclosed in the annexure marked () of () pages

Signature

This form must be signed by a director, secretary or principal executive officer (PEO).

print name

Capacity DIRECTOR

sign here

Date

Annexures must conform to the requirements shown at the end of this form.



Report as to affairs

Related forms:

- 507A Statement verifying report under s475(1)
- 911 Verification or certification of a document

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company Name

ACN/ABN

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Worrells Solvency & Forensic Accountants

ASIC registered agent number (if applicable)

Telephone Number

Postal Address

Please provide an estimate of the time taken to complete this form.

 hrs mins

1 Annexure

For the purposes of the Statement in Form 507A only.

* Strike out whichever is inapplicable

This is the annexure of pages marked "A" referred to in the Statement verifying report signed by me*/us* and dated as follows.

Date of the Statement verifying report

/ /
[D D] [M M] [Y Y]

Each signatory must complete and sign a copy of **Form 507A Statement**

verifying report under s475(1) to be Lodged with Form 507

Name

Signature

Name

Signature

2 Reason for Report

- Managing controller of property - s421A(1)
if a receiver and manager
Date of appointment (G)
____/____/____
[D D] [M M] [Y Y]
- if a person who is in possession, or has control of the property for the purpose of enforcing a charge
Date when person took control (H)
____/____/____
[D D] [M M] [Y Y]
- Appointment of controller - 429(2)(b)
Under s429(2)(c)(i) a notice setting out any comments relating to the report, or a statement that no
comment is made, should accompany the report. A **Form 911 Verification or certification of a
document** should also be lodged.
Date of receipt of report (F)
____/____/____
[D D] [M M] [Y Y]
- Appointment of liquidator/provisional liquidator by the Court - 475(1)
A **Form 911 Verification or certification of a document** should also be lodged.
Date of receipt of report (C)
____/____/____
[D D] [M M] [Y Y]
- Appointment of liquidator – creditors' voluntary winding up - 497(5)
Date report was laid before creditors' meeting (D)
____/____/____
[D D] [M M] [Y Y]
-

3 Assets and liabilities

Date specified under the relevant section as the date of report (see Directions)

 / /
[D D] [M M] [Y Y]

3.1 Assets not specifically charged

Valuation
(for each entry show whether
cost or net book amount)
\$

**Estimated
Realisable
Values**
\$

| | | |
|---|--|--|
| (a) interest in land as detailed in schedule A | | |
| (b) sundry debtors as detailed in schedule B | | |
| (c) cash on hand | | |
| (d) cash at bank | | |
| (e) stock as detailed in annexed inventory | | |
| (f) work in progress as detailed in annexed inventory | | |
| (g) plant and equipment as detailed in inventory | | |
| (h) other assets as detailed in schedule C | | |
| Sub total | | |

3 Continued... Assets and liabilities

| | Valuation (for each entry show whether cost or net book amount) \$ | Estimated Realisable Values \$ |
|--|---|--|
| 3.2 Assets subject to specific charges, as specified in schedule D | | |
| Less amounts owing as detailed in schedule D | | |
| Total assets | | |
| Total Estimated Realisable Values | | |
| 3.3 Less payable in advance of secured creditor(s) | | |
| Amounts owing for tax instalment deductions and prescribed payments tax | | |
| Amounts owing for employee entitlements as detailed in schedule E | | |
| 3.4 Less amounts owing and secured by debenture or floating charge over assets | | |
| 3.5 Less preferential claims ranking behind secured creditors as detailed in schedule F | | |
| 3.6 Balances owing to partly secured creditors as detailed in schedule G | | |
| Total Claims | (\$) | |
| Security Held | (\$) | |
| 3.7 Creditors (unsecured) as detailed in schedule H | | |
| Amount claimed | (\$) | |
| 3.8 Contingent assets | (\$) | |
| Estimated to produce as detailed in schedule I | | |
| 3.9 Contingent liabilities | (\$) | |
| Estimated to rank as detailed in schedule J | | |
| <input checked="" type="checkbox"/> Estimated deficiency or | | |
| <input type="checkbox"/> Estimated surplus | | |
| <input type="checkbox"/> Subject to costs of administration or | | |
| <input checked="" type="checkbox"/> Subject to costs of liquidation | | |
| Share capital | \$ | |
| Issued | \$ | |
| Paid Up | \$ | |

3 Continued... Assets and Liabilities

SCHEDULES

If this report is made for the purposes of subsection 497(5), Schedules A, B, C are to show the method and manner of arriving at the valuation of the assets.

SCHEDULE A INTERESTS IN LAND

| Address and description of property | (1) Valuation \$ | Estimated Realisable Value \$ | Valuation for rating purposes \$ | Particulars of Tenancy | Where possession of deeds may be obtained | Short particulars of Title |
|-------------------------------------|------------------------|--|---|---------------------------|--|----------------------------------|
| | | | | | | |

SCHEDULE B SUNDRY DEBTORS (INCLUDING LOAN DEBTORS)

| Name and address of debtor | Amount owing \$ | Amount Realisable \$ | Deficiency \$ | Particulars of security (if any) held | Explanation of deficiency |
|----------------------------|-----------------|----------------------|---------------|---------------------------------------|---------------------------|
| | | | | | |

SCHEDULE C OTHER ASSETS

| Description of deposit or investment | Cost \$ | Amount Realisable \$ |
|--------------------------------------|---------|----------------------|
| Deposits | | |
| Investments | | |

3 Continued... Assets and Liabilities

SCHEDULES

If this report is made for the purposes of subsection 497(5), Schedule D is to show the method and manner of arriving at the valuation of the assets.

**SCHEDULE D
ASSETS SUBJECT TO SPECIFIC CHARGES**

| Description of asset | Date charge given | Description of charge | Holder of charge | Terms of repayment | (1) Valuation \$ | Estimated realisable value \$ | Amount owing under charge \$ |
|----------------------|-------------------|-----------------------|------------------|--------------------|---------------------|----------------------------------|---------------------------------|
| | | | | | | | |

**SCHEDULE E
CLAIMS BY EMPLOYEES**

| Employee's name and address | Wages \$ | Holiday Pay \$ | Long service Leave \$ | Estimated Liability \$ |
|-----------------------------|-------------|-------------------|--------------------------|---------------------------|
| | | | | |

**SCHEDULE F
PREFERENTIAL CREDITORS (OTHER THAN THOSE DETAILED IN SCHEDULE E)**

| Name and address of preferential creditor | Description of amount owing | Amount owing \$ |
|---|-----------------------------|--------------------|
| | | |

3 Continued... Assets and Liabilities

**SCHEDULE G
PARTLY SECURED CREDITORS**

| Name and address of creditor | Particulars of security held | Name of security | Estimated value of security \$ | Amount owing to creditor \$ | Amount estimated to rank as unsecured \$ |
|------------------------------|------------------------------|------------------|-----------------------------------|--------------------------------|--|
| | | | | | |

**SCHEDULE H
UNSECURED CREDITORS**

| Name and address of creditor | Amount claimed by creditor \$ | Amount admitted as owing \$ | Reasons for difference between amount claimed and admitted (if any) |
|------------------------------|----------------------------------|--------------------------------|---|
| | | | |

**SCHEDULE I
CONTINGENT ASSETS**

| Description of asset | Gross asset \$ | Estimated to produce \$ |
|----------------------|-------------------|----------------------------|
| | | |

3 Continued... Assets and Liabilities

SCHEDULE J CONTINGENT LIABILITIES

| Name and address of creditor | Nature of Liability | Gross Liability | Estimated rank for \$ |
|------------------------------|---------------------|-----------------|-----------------------|
| | | | |

Certification

I certify that the particulars contained in the above report as to affairs are true to the best of my knowledge and belief.

Name

Signature

Date signed

 / /
[D] [D] / [M] [M] / [Y] [Y]

Directions

This report is to be made as at the following dates:

- (b) where prepared by the managing controller under subsection 421A(1) - a day not later than 30 days before the day when it is prepared;
- (c) where submitted to a controller under subsection 429(2) - the control day;
- (g) where submitted to a liquidator or to a provisional liquidator under section 475(1) - the date of the winding up order or, if the liquidator specifies an earlier date, that date; or
- (h) where laid before a meeting of creditors under subsection 497(5) - the latest practicable date before the notices of the meeting were sent.

This report is to be submitted by, and verified by a statement in writing made by, the following person, in accordance with form 507A;

- where the statement is made out for the purposes of subsection 475(1) - a person referred to in that subsection

Regulation 5.2.01 requires the copy of this report that is lodged with the Australian Securities and Investments Commission to be certified in writing as a true copy of the original report.

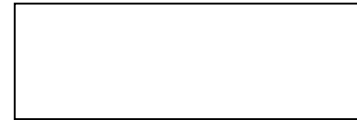
- (a) for a copy lodged for the purposes of paragraph 429(2)(c) - by the controller of property of the corporation; or
- (b) for a copy lodged for the purposes of subsection 475(7) - by the liquidator/provisional liquidator of the company.

NOTE: Form 911 is prescribed for this purpose.

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission
P O Box 4000, Gippsland Mail Centre Vic 3840

For help or more information
Telephone 03 5177 3988
Email info.enquiries@asic.gov.au
Web www.asic.gov.au



Statement Verifying Report s475(1)

Related forms:

507 Report as to affairs

911 Verification or certification of a document

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company details

Company Name

ACN/ABN

1 Statement

Where the Statement is made out for the purposes of subsection 475(1) the report in Form 507 is to be submitted and verified by the following Statement made by a person referred to in that subsection.

The particulars contained in the report under s475(1) dated as follows in the annexure marked "a" and signed by me are true to the best of my knowledge and belief.

Date of report under s475(1)

 / /
[D D] [M M] [Y Y]

Name

Capacity

Director

Signature

Date signed

 / /
[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission
P O Box 4000, Gippsland Mail Centre Vic 3840

For help or more information
Telephone 03 5177 3988
Email info.enquiries@asic.gov.au
Web www.asic.gov.au

Corporations Act 2001

NOTICE OF MEETING

Notice is hereby given that a general meeting of shareholders of

| | |
|--|--|
| Name of Company ("the company") | |
| A.C.N. | |

will be held at _____ on _____ at _____.

A G E N D A

1. To consider and if thought fit to pass the following as a special resolution:

"That the company be wound up."

2. To consider and if thought fit to pass the following as a resolutions:

"That _____ and _____ be appointed joint and several Liquidators of the company."

"That the company will accept the decision of creditors regarding the appointment of a committee of inspection and the appointment of any replacement liquidators."

Dated

Name of Director

Corporations Act

Section 249H(2)

CONSENT TO SHORT NOTICE

| | |
|---|--|
| Name of Company (“the company”) | |
| A.C.N. | |

I/We the undersigned member(s) of **the company**, being a majority in number of all shareholders and being the holder(s) of not less than 95% of the issued capital at nominal value of that company, and having the right to attend and vote at a general meeting of the company to be held on the _____ or any adjournment thereof, at which it is intended to propose that the company be wound up and liquidators appointed, do hereby agree to the general meeting being called, notwithstanding that less than twenty-one (21) days' notice of such meeting will be given.

| <u>DATE</u> | <u>NAME OF MEMBER</u> | <u>SIGNATURE</u> |
|-------------|-----------------------|------------------|
| | | |

Step 2 – Members’ Meeting

Once the directors have resolved to place the winding up of the company before the members, the members can hold a meeting to pass resolutions to formalise the appointment. The members need to resolve the following points:

- That the company be wound up.
- That partners of Worrells be appointed joint and several Liquidators of the company.
- That the company will accept the decision of creditors regarding the appointment of a committee of inspection and the appointment of any replacement liquidators.

What will Worrells do then?

We will then commence **Step 3**. Our tasks will be:

1. To prepare and issue a report to all creditors of the company calling that meeting;
2. Lodge that report and the Summary of Affairs with the ASIC
3. Conduct the meeting of creditors

Once the directors and members have executed the Minutes of Meetings, the Report as to Affairs and the Summary of Affairs, the following documents should be forwarded to us:

- **Copy** - Minutes of Meeting of Directors
- **Copy** - Minutes of Meeting of Members
- **Original** - Summary of Affairs
- **Original** - Report as to Affairs
- **Copy** - List of names and addresses of the creditors or the company

The original of the Minutes of Meetings should be kept in the Corporate Register.

MINUTES OF A MEETING OF MEMBERS

| | |
|--|--|
| Name of Company ("the company") | |
| A.C.N. | |

Held at _____

on _____

PRESENT:

**VOLUNTARY
WINDING UP:**

IT WAS RESOLVED that the company be wound up.

**NOMINATION OF
LIQUIDATORS:**

IT WAS RESOLVED that _____ and _____ of Worrells Solvency & Forensic Accountants be appointed joint and several Liquidators of the company.

**COMMITTEE OF
INSPECTION:**

IT WAS RESOLVED that the company will accept the decision of creditors regarding the appointment of a committee of inspection and the appointment of any replacement liquidators.

CLOSURE:

There being no other business, the Chairman declared the meeting closed.

Confirmed:

CHAIRMAN

**FORM 532
Corporations Act**

A.C.N.

Regulation 5.6.29

APPOINTMENT OF PROXY

(1) *I/We (Name of Member)

a shareholder of

appoint (name of person to hold proxy)) or in their absence, *The Chairman of the Meeting*

as *my/*our **general proxy** or **special proxy** to vote at the meeting of shareholders to be held on or at any adjournment of that meeting. ***If a special proxy – see over.***

DATED

| | |
|------------------|--------------|
| Signature | Name |
| Phone | Email |

WITNESS FOR BLIND SHAREHOLDER

I..... of..... hereby 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 before he attached his signature or mark to the instrument.

DATED this day of 20.....

Signature of Witness.....

Description.....

Place of Residence.....

* Strike out whichever is inapplicable.

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

Voting Slip for Meeting of Members of

| | |
|---|--|
| Name of Company ("the company") | |
| A.C.N. | |

held on or any adjournment.

Member Name

| |
|--|
| |
|--|

If a Special Proxy, I hereby instruct my proxy holder to vote on the following resolutions in the manner indicated. Where I have not indicated I leave the manner of voting to the discretion of the proxy holder.

| | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 "that be elected Chairman of the meeting" | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 "that the company be wound up" | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 "that the nominated partners of Worrells be appointed joint and several Liquidators of the company" | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 "that the company will accept the decision of creditors regarding the appointment of a committee of inspection and the appointment of any replacement liquidators" | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signed

Dated

| | |
|--|--|
| | |
|--|--|