



Insolvency & Reconstruction Fact sheet.

Our key people

Peter Dinoris and Nick Combis are Chartered Accountants, Registered Liquidators, Official Liquidators, Trustees in Bankruptcy and members of the Insolvency Practitioners Association Australia. Peter Dinoris is also a Debt Agreement Administrator and member of the Turnaround Management Association.

Our services

Vincents offers a complete range of insolvency & reconstruction services. We also offer a diverse suite of related accounting and business specialties including forensic accounting, forensic technology, corporate advisory, taxation & business solutions, financial advisory and executive search & selection. For details visit www.vincents.com.au.

Personal Insolvencies

Part IX - debt agreement

- Is an alternative to bankruptcy
- Is an offer put to creditors (eg weekly payments, deferral of payment, sale of assets and or lump sum payment)
- Must not be bankrupt or subject to Part X in last ten (10) years, unsecured creditors less than \$83 647.20 and after tax income for next twelve (12) months less than \$62 735.40. Note: thresholds will be updated by ITSA on 20th September 2009
- Requires majority in value of creditors who vote on the proposal

Part X - personal insolvency agreement

- Is an alternative to bankruptcy
- Proposal is put to creditors (eg weekly payments, deferral of payment, sale of assets, associated parties not participate with dividend and or lump sum payment)
- Require majority in number and greater than 75% in value of creditors who vote on the proposal

Bankruptcy

- Voluntary bankruptcy - file debtor's petition, statement of affairs and consent to act with ITSA
- Involuntary bankruptcy - sequestration / court order issued on application by creditor owed more than \$2000
- Divisible property vests in the Trustee in Bankruptcy
- Assuming bankrupt is cooperative and discharges duties and responsibilities, will be discharged three (3) years from date of filing a statement of affairs

Statutory trusteeships

- Appointments made by the Court to sell assets
- Usually involves dispute between owners of assets

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Corporate Insolvencies

Court & provisional liquidations

- Appointments made by the court usually on application by creditor owed more than \$2,000
- Liquidator takes control of assets and records, investigates affairs and, funds permitting, declares dividend to creditors
- Powers of directors cease on liquidation

Creditors voluntary liquidations

- Is a method to voluntarily liquidate a company
- Company must be insolvent
- Initiated by directors
- Shareholders hold a meeting at which time they resolve to wind up the company
- If greater than 95% of shareholders agree, company can be placed into liquidation on same day as meeting of directors
- Meeting of creditors is held within 11 business days of appointment at which time they can appoint alternative liquidators

Members voluntary liquidations

- Company must be solvent
- Initiated by directors
- Shareholders hold meeting at which time they wind up the company
- Appointments are generally made to finalise affairs of the company or obtain taxation benefits with shareholder distribution

Voluntary administrations (Deeds of Company Arrangement)

- Company must be insolvent or likely to become insolvent
- Objective is to allow the company to continue in existence or provide a better return than liquidation
- Proposal for a deed of company arrangement is put to creditors
- Initiated by directors
- Require majority in number and majority in value of creditors who vote on the proposal

Receiverships

- Appointments made by secured creditors or the court
- Receivers act in the best interests of their appointor


Turnaround solutions

- Business reviews and plans
- Performance improvement
- Marketing strategies
- External management or supervision
- Refinancing
- Restructure
- Cash flow management and forecasting

Our contact details

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