

REPORT TO CREDITORS

Associated Customs & Forwarding Services Pty Ltd

(Subject to Deed of Company
Arrangement)

ACN 103 098 577 ('the Company')

3 November 2022

Deed Administrators: Duncan Clubb and Jeffrey Marsden

Contact for Queries: Ryan Davies

Contact Details: 02 9240 9718 or
Ryan.davies@bdo.com.au



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GLOSSARY OF TERMS

Abbreviation	Description
Administrators/ Deed Administrators	Duncan Clubb and Jeffrey Marsden of BDO
BDO	BDO Business Restructuring Pty Ltd
c.	Circa
CPL	Cargo Partner Logistics Pty Ltd
DOCA	Deed of Company Arrangement
GST	Goods and Services Tax
IP	Intellectual Property
k	Thousands
m	Millions
The Act	Corporations Act 2001 (Cth)
The Company	Associated Customs & Forwarding Services Pty Ltd (Subject to DOCA)
Westpac	Westpac Banking Corporation

1. EXECUTIVE SUMMARY

Duncan Clubb and Jeffrey Marsden were appointed Joint and Several Administrators of Associated Customs & Forwarding Services Pty Limited ('the Company') on 22 December 2022 and subsequently as Joint and Several Deed Administrators on 2 March 2022. This report has been prepared to provide creditors with an update on the progress of the appointment of the Deed Administrators and to advise of the estimated return to creditors.

A summary of the key points raised in the report is provide below:

- This report should be read in conjunction with our previous reports to creditors dated 23 December 2021 and 1 February 2022;
- The Deed of Company Arrangement ('DOCA') was executed on 2 March 2022;
- Debtor collections are now finalised, with a total of \$84k collected;
- Notice of intention to declare a first and final dividend to priority creditors was issued on 25 October 2022;
- We are seeking approval for our remuneration as follows:
 - Additional remuneration for the period 23 June 2022 to 21 October 2022 in the amount of \$25,000 (excluding GST); and
 - Future remuneration for 22 October 2022 to finalisation of the DOCA in the amount of \$20,000 (excluding GST).
- Following payment of the first and final dividend to priority creditors, we will be in a position to declare and pay a first and final dividend to unsecured creditors. Finalisation of the DOCA will occur within three months following the declaration of that dividend, subject to the clearance of all dividend cheques (if applicable).

2. INTRODUCTION

We refer to our appointment as Joint and Several Administrators of the Company on 21 December 2022 and our subsequent appointment as Deed Administrators on 2 March 2022. The Deed of Company of Arrangement was executed on 2 March 2022

The purpose of this report is to provide creditors with an update on the progress of the Deed of Company Arrangement ('DOCA').

3. TRADING AND WINDING DOWN OF THE BUSINESS

Upon appointment, the Administrators took control of the business, continued operations with the assistance of the 3 staff and wound down trading at the Melbourne premises.

During this time, the Company raised post appointment invoices of \$23,987 (excl. GST) for services provided to CPL. All amounts outstanding have been duly settled.

The Company has continued to occupy the Sydney premises since appointment and subleasing the site to CPL. Whilst the Company was in Administration, rent and outgoings were to be collected from CPL and paid to the head lessor.

As control of the Company was handed back to the Directors upon the execution of the DOCA on 2 March 2022 it has been their responsibility to service the lease obligations of the Sydney premises from this date onwards.

Enclosed at **Annexure A** is the Receipts and Payments incurred by the Deed Administrators and Administrators during this appointment.

4. ASSET REALISATIONS

Set out below is a summary of the asset realisations since our last report to creditors.

Cash at Bank

The Company held \$3,501 in a NAB account which was transferred to the Administrators upon appointment.

The balance of \$31,031 held in the Westpac trading accounts was retained by Westpac to be applied against their outstanding bank guarantees.

For further information regarding Westpac's security please refer to section 5 of this report.

Directors Contribution

The Directors have provided a contribution to the Deed Fund of \$40,000 which will remain for distribution to creditors.

Accounts Receivable

At the date of our last report, we had collected \$9,969. Set out below is a summary of the current position:

Item	\$
Accounts Receivable at date of appointment	182,045
Collections to Date	(84,117)
Estimated Future Realisations	-
Uncollectible Balance	97,928

Of the initial debtor ledger, another \$74,148 was collected resulting in a collection of 46% of the debtor ledger.

We consider that the remaining receivables are not collectible for the following reasons:

- A number of debtors have claimed set off for failure to complete services, inadequate services or a number of other reasons. We have assessed each set off claim as it has arisen and determined that a number of the claims were valid or reasonable;
- There were a significant number of debtors with debts less than \$2,000 who have failed to pay or respond to the debt collector. Due to the small size of their individual debts, it is not economical to pursue these debtors any further; and
- There were a number of debtors located overseas and have not responded to either our or our appointed agent's correspondence.

Accordingly, it is our view that we have exhausted the available options in relation to the recovery of outstanding receivables and that further pursuit would be uncommercial.

Sale of Business to Cargo Partner Logistics Pty Ltd

As summarised in the previous report to creditors, the Company sold part of their business and certain assets to CPL prior to appointment on 1 August 2021.

Part of the consideration for the sale of business was deferred and became due and payable on 22 August 2022. The deferred consideration of \$342,500 was received in full on the due date.

In addition to the deferred consideration there was an element of contingent consideration which related to the financial performance of CPL for the year ending 31 July 2022. Set out in the below table summarises the financial benefit to the Company if certain EBITDA targets were met by CPL.

	EBITA (\$)	Additional Consideration
Target 1	Greater than 616,500 but less than- 753,500	\$342,500
Target 2	Greater than 753,500	25% of EBITDA + \$342,500

The Deed Administrators undertook a review of CPL's financials and were satisfied that neither of the above targets had been met. The targets were not met by some margin and therefore no further consideration was payable to the Company.

Sale of Property, Plant and Equipment

In our last report, we advised we had engaged chattel agents Pickles to complete a review of the Company's property plant and equipment which consisted of motor vehicles, warehouse racking, tools and equipment and office furniture.

Pickles attended the Company's Melbourne premises and collected the one unencumbered vehicle, a UD Nissan Cab Chassis and all other general warehouse tools and equipment they deemed worth uplifting and were taken to the Pickles warehouse.

Shortly after collection the assets were put to auction resulting in the following outcome:

Item	Sale Proceeds (exc. GST) \$
UD Nissan Cab Chassis Vehicle	61,364
Miscellaneous tools and equipment	2,611
Total Realisations	63,975

All other property, plant and equipment was determined to be of no value, or the associated cost of uplift was considered greater than the assets ex-situ value and so consequently abandoned.

Funds Received in Error and Unknown Deposits

The Company's pre appointment bank accounts remained open to accept credits after the appointment of the Administrators. During this time there were several payments made to these accounts which belonging to CPL. In all \$24,562 was received in error and these funds were returned to CPL once identified.

A further \$2,510 was received into the pre-appointment bank account and swept to the Deed Administrators bank account. The owners of these funds have not been identified and do not appear to be debtors of the Company. The funds will remain in the Deed Administrators account.

5. RETURN TO CREDITORS

Secured Creditor - Westpac

Westpac held two bank guarantees in favour of the Port of Melbourne premises which was secured against the Company. The first bank guarantee \$422,025 was secured by cash held in a Term Deposit. Westpac have advised that a portion of this amount has already been drawn upon by Port of Melbourne leaving \$160,940 which will be retained by Westpac.

The second bank guarantee of \$62,013 is also in favour of the Port of Melbourne. However, this amount was not secured by a term deposit but the remaining funds across the Company's 12 accounts. The trading accounts held \$31,031 upon appointment and these funds were retained by Westpac and applied against their security.

Westpac have advised that an additional \$19,149 remains due to them from accounts in debit and as such this amount will be due to them under their circulating security.

Priority Creditors

In accordance with the terms of the DOCA, all employee entitlements will be paid in full, and the Deed Administrators have begun the dividend process for priority creditors. Once all claims have been received and adjudicated on the Deed Administrators will pay the dividend to priority creditors. Total funds to be distributed are estimated to be \$63k.

Please refer to the key events in the distribution process below:

Milestone	Date
Notification of Intention to Declare Dividend	25 October 2022
Deadline for Lodgement of Proofs of Debt	15 November 2022
Adjudication Period	3 to 4 weeks
Anticipated Date of Declaration	14 December 2022

Unsecured Creditors

Following the distribution to the priority creditors and as sufficient assets have been realised, the Deed Administrators expect to be in a position to pay a first and final dividend to the unsecured creditors of the Company.

Based on the funds available, we estimate a first and final dividend to be 8 cents in the dollar to unsecured creditors. This is lower than the initial estimated return to unsecured creditors as set out in our report to creditors dated 1 February 2022. This is due to the following reasons:

- The recoverability of the debtors was lower than estimated;
- Legal fees not originally anticipated were incurred in relation to the recovery of rent and outgoings due to the Company;

- Secured creditor claim has increased to what was previously estimated;
- Priority creditor claims increased due to the treatment of leave accrual for the employee who had been on leave due to a workplace injury; and
- The Deed Administrators costs have exceeded the initial estimate as time costs have been incurred due to additional complexity and unanticipated tasks such as those outlined above.

A full breakdown of the estimated outcome statement is enclosed as **Annexure F**.

6. DEED ADMINISTRATORS' REMUNERATION

Creditors approved \$35,000 (excl. GST) for the Deed Administrators Remuneration at the meeting of Creditors held on 9 February 2022.

From the commencement of the DOCA on 2 March 2022 to 31 October 2022, we have incurred time costs totalling \$88,811 (excl. GST). Our time costs have exceeded our estimate in our last report for the following reasons:

- We incurred additional time costs in pursuing the remaining debtors; and
- Additional time costs incurred in pursuing CPL for payment of outstanding rents and outgoings.

Accordingly, I am seeking approval for my additional and future time costs to continue to declare and pay a first and final dividend to creditors and finalise the DOCA, as follows:

- Additional remuneration for the period 23 June 2022 to 21 October 2022 in the amount of \$25,000 (excl. GST); and
- Future remuneration for the period 22 October 2022 to the finalisation of the DOCA totalling \$20,000 (excl. GST).

Please note that the Deed Administrator have written off \$28,811 during the period 2 March 2022 to 31 October 2022 and will write off further should any future remuneration approval be exceeded prior to the finalisation of the DOCA.

Please refer to my Remuneration Report (**Annexure B**) for details of the additional Deed Administrators' remuneration sought for creditors' approval.

To minimise the costs in the liquidation, we are seeking creditor approval for my additional and future remuneration by proposals without a meeting.

7. PROPOSALS WITHOUT A MEETING

We attach the "proposal without a meeting" documents that you can use to vote on the following resolution for the Company (**Annexure D**):

1. To approve the additional remuneration of the Deed Administrators, their partners and staff for the period 23 June 2022 to 31 October 2022 on a time basis up to a maximum amount of \$25,000 plus GST plus disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring schedule of hourly rates as at 1 July 2021 and 1 July 2022. Such remuneration may be drawn as funds become available.

2. To approve the future remuneration of the Deed Administrators, their partners and staff for the period 22 October 2022 to the finalisation of the Deed of Company Arrangement on a time basis up to a maximum amount of \$20,000 plus GST plus disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring schedule of hourly rates as at 1 July 2022 that may be increased by 3.5% (rounded to the nearest \$5) at 1 July each year. Such remuneration may be drawn as funds become available. The Deed Administrators reserve the right to convene a further meeting of creditors should the level of remuneration need to be increased.

This document must be returned to us by 25 November 2022 for your vote to count.

You must also provide information about what the Company owes you and evidence to support your claim. If you have not already done so, please complete the Proof of Debt Form (**Annexure C**) and return it along with supporting documents for your claim, to us with the “proposal without a meeting” form. If you have already submitted a Proof of Debt Form, you are not required to submit another form.

Please either scan and email these documents to Ryan.davies@bdo.com.au, or return the documents via post to our firm’s address, attention Ryan Davies. If you choose to return these documents via post, please allow sufficient time for the documents to arrive by the due date.

We attach an information sheet to assist you to understand what a “proposal without a meeting” is (**Annexure E**).

8. RECEIPTS AND PAYMENTS

The receipts and payments for the Voluntary Administration and DOCA for the period 21 December 2021 to 31 October 2022 is enclosed as **Annexure A**.

9. FINALISATION

Following payment of the first and final dividend to unsecured creditors, we envisage we will be in a position to finalise the DOCA within three months, subject to clearance of all dividend cheques.

If you have any queries with respect to the DOCA and the enclosed documents, please do not hesitate to contact Ryan Davies of our office on (02) 9240 9718 or ryan.davies@bdo.com.au.

Yours faithfully,



DUNCAN CLUBB
JOINT & SEVERAL DEED ADMINISTRATOR

Encl.



ANNEXURE A

RECEIPTS & PAYMENTS	
	22 December 2021 to 31 October 2022 (incl GST)
Trading Receipts	
Accounts Receivable (Post Appointment)	27,303
Rental Income and Outgoings	127,540
Rental Income - Outgoings	20,696
Total Trading Receipts	175,539
Trading Payments	
Rent Expense	183,832
Rent Expense - Outgoings	40,605
IT Expense	16,643
Wages & Salaries	15,110
Superannuation	2,039
PAYG	4,414
Fuel & Oil	229
Subcontractors	510
Sundry Expenses	13
Total Trading Payments	263,394
Total Trading Surplus/(Loss)	(87,855)
Non-Trading Receipts	
Cash at bank	3,501
WBC Pre-Appointment Account	31,031
Director Contributions	40,000
Accounts Receivable (Pre Appointment)	84,117
Deferred Consideration	342,500
Plant & Equipment	70,372
Funds received in error	24,562
Investment Income	1,335
Unknown Deposits	2,510
Interest Income	1,013
GST Received	18,827
Total Receipts	619,769
Non-Trading Payments	
Funds received in error	24,562
WBC Bank Guarantee	30,501
Legal fees	27,020
Stamp Duty	121
Broker Fees	985
Insurance	1,475
Hire & Leasing	1,694
Agent's Fees	660
Appointee Fees	146,434
Appointee Disbursements	1,744
Auctioneer's Charges	6,473
Bank Charges	876
GST Paid	3,835
Total Payments	246,379



ANNEXURE B



REMUNERATION APPROVAL REPORT

**ASSOCIATED CUSTOMS & FORWARDING SERVICES PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 103 098 577 ('THE COMPANY')**

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 for acting as Deed Administrators of the Company.

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SCHEDULE SUMMARY

Schedule A	Resolution 1 - Summary of work completed for the period 23 June 2022 to 31 October 2022
Schedule B	Resolution 1 - Description of work completed for the period 23 June 2022 to 31 October 2022
Schedule C	Resolution 2 - Description of anticipated work for the period 1 November 2022 to the conclusion of the DOCA
Schedule D	Schedule of Corporate Charge-Out Rates as at 1 July 2021 and 1 July 2022



1. APPROVAL OF REMUNERATION AND INTERNAL DISBURSEMENTS

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

To minimise the costs in the Administration, we have elected to seek the approval of creditors for our remuneration and internal disbursements without a meeting. Information about the proposals without a meeting process is included in the covering report to creditors.

You can cast your vote by using the included voting forms. These forms then need to be returned to our office by post, scanned and emailed, or faxed. We need to receive your forms by **5pm (AEDT) on Friday, 25 November 2022** for your vote to count. If you chose to use post, please allow enough time for your correspondence to be delivered.

If you have any questions, or need any assistance with understanding the materials we have sent to you, please contact Ryan Davies of this office on (02) 9240 9718 or via email on ryan.davies@bdo.com.au.

2. DECLARATION

We, Duncan Clubb and Jeffrey Marsden of BDO, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company 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 Deed of Company Arrangement.

3. EXECUTIVE SUMMARY

The total remuneration for the Administration and Deed of Company Arrangement is estimated to be \$178,121.50, excluding GST.

This has increased compared to my previous estimate because of:

- Dealing with Westpac in relation to their security and determining funds available to the Administrators;
- Liaising with landlords and Cargo Partners Logistics Pty Ltd in relation to rent and outgoings; and
- Additional time costs incurred in pursuing the remaining debtors.

Remuneration currently claimed and previously approved is summarised below.

Period	Report Reference	\$ Amount (excl. GST)
Past Remuneration Approved		
Voluntary Administration		98,121.50
Deed of Company Arrangement ('DOCA')		35,000.00
Total Remuneration Approved		133,121.50

Current remuneration sought:

Resolution 1: The Deed Administrators' remuneration for the period 23 June 2022 to 31 October 2022	4	25,000
Resolution 2: The Deed Administrators' remuneration for the period 1 November 2022 to the conclusion of the DOCA	4	20,000
Total Remuneration Sought		45,000

* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the DOCA. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

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

4. REMUNERATION

4.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in the attached **Schedules**.

RESOLUTION 1: FROM THE PERIOD 23 JUNE 2022 TO 31 OCTOBER 2022

“Approval of the remuneration of the Deed Administrators for the period 23 June 2022 to 21 October 2022, determined at a sum equal to the costs of time spent by the Deed Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2021 and 1 July 2022, being \$25,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

RESOLUTION 2: FROM 1 NOVEMBER 2022 TO THE CONCLUSION OF THE DOCA

“Approval of the future remuneration of the Deed Administrators for the period 22 October 2022 to the conclusion of the DOCA, determined at a sum equal to the costs of time spent by the Deed Administrators and their partners and staff, calculated at the hourly rates as detailed in the Business Restructuring Corporate Rates as at 1 July 2022, up to a capped amount of \$20,000.00, exclusive of GST, and that the Administrators can draw the remuneration on a monthly basis or as required.”

4.2 Details of remuneration

The basis of calculating the remuneration claims are summarised in the following schedules:

Resolution	Summary (1)	Detailed (2)
Resolution 1: The Deed Administrators' remuneration for the period 23 June 2022 to 31 October 2022	Schedule A	Schedule B

Notes:

1. *Summary annexures provide detail of the time charged to each major task area by staff members working on the Deed of Company Arrangement for the relevant period, which is the basis of each claim.*
2. *Detailed annexures provide descriptions of the tasks performed within each task area, matching the amounts shown in the summary annexures.*

4.3 Total remuneration reconciliation

At this point in time we estimate that the total remuneration for the Administration and this Deed of Company Arrangement will be \$178,151.50 excluding GST. This includes current approval amount being sought of \$45,000.00.

This estimate differs to the estimate of costs provided in our last Remuneration Approval Report dated 2 February 2022, which estimated a cost for the Administration and Deed of Company Arrangement of \$133,121.50, excluding GST. We incurred additional fees in regard to the following, some of which were unforeseen tasks:

- Dealing with Westpac in relation to their security and determining funds available to the Administrators;
- Liaising with landlords and Cargo Partners Logistics Pty Ltd in relation to rent and outgoings; and
- Additional time costs incurred in pursuing the remaining debtors.

Creditors have previously approved remuneration totalling \$133,121.50 (excl. GST) at a meeting of creditors held on 9 February 2022.

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, in Schedules B and C.

In preparing this remuneration approval report, we have made our best estimate at what we believe the Deed of Company Arrangement will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the Deed of Company Arrangement 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.

4.4 Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Deed Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Deed Administrators receive 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 are recovered and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

5. 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. Details of the basis of recovery of each of these costs is discussed below.

5.1 Internal disbursement claim

ASIC Administration Fee

We are now required to pay an industry funding levy (levy) to the Australian Securities and Investment Commission (ASIC) to perform our statutory duties as external administrator.

The levy allows ASIC to recoup its regulatory costs from industries through a combination of levies and fees-for-service.

ASIC do not issue invoices relating to this levy until at least January following the end of each financial year, therefore at this time we can only estimate the costs involved per external administration.

Some administrations may attract a higher levy due to the complexity and length of time we are appointed. We will report to you if we require further approval for internal disbursements.

Any actual costs incurred in respect of the levy paid directly to ASIC (above the amount we have had approved) can be paid directly from the administration without creditor approval.

If ASIC withdraws the levy and the administration has not been finalised, these funds will be repaid.

If creditors would like more information on the ASIC levy and how it is calculated, please contact our office.

6. QUERIES

If you have any queries regarding the information in this report, please contact Ryan Davies on (02) 9240 9718 or via email on ryan.davies@bdo.com.au.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors.
- ASIC at www.asic.gov.au (search for “insolvency information sheets”).

The above websites include information on external administrations, approval of remuneration and meetings.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Clubb', written in a cursive style.

Duncan Clubb
Joint and Several Deed Administrator

Encl.



Schedule A - Summary of Work Completed

Resolution 1 - Summary of work completed for the period 23 June 2022 to 31 October 2022

Staff	Staff Position	Hourly Rate	Hrs	Total		Administration		Assets		Creditors		Employees	
				\$	Hrs	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Jeff Marsden	Associate Director	670.00	2.20	1,474.00	1.8	1,206.00	0.4	268.00	-	-	-	-	-
Juli Walker	Manager	540.00	3.90	2,106.00	3.90	2,106.00	-	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	98.60	49,300.00	9.50	4,750.00	17.80	8,900.00	55.10	27,550.00	16.20	8,100.00	-
Ryan Davies	Assistant Manager	460.00	1.85	851.00	0.30	138.00	1.15	529.00	0.40	184.00	-	-	-
Daniel Maras	Accountant	400.00	0.20	80.00	0.20	80.00	-	-	-	-	-	-	-
Total Work in Progress				106.75	53,811.00	15.70	8,280.00	19.35	9,697.00	55.50	27,734.00	16.20	8,100.00
<i>Less amount to be written off</i>					<i>28,811.00</i>								
Total Remuneration Sought					25,000.00								
GST					2,500.00								
Total (incl. GST)					27,500.00								
Average hourly rate					504.08								

Schedule B - Description of Work Completed

Resolution 1 - Description of work completed for the period 23 June 2022 to 31 October 2022

Category	General Description	Includes
Administration 15.70 Hrs \$8,280.00	Correspondence	Correspondence with the Directors in relation to the affairs of the company Mail out of required documentation Various correspondence with third parties
	ATO & other statutory reporting	Attended to all statutory requirements Prepared and lodged statutory forms with ASIC Corresponded with the ATO to obtain information under the Freedom of Information Act Liaising with the ATO in relation to BAS lodgements and the set up of correct CAC accounts
	Document Maintenance / Checklist	File documents Update internal checklists
	Bank account administration	Enter receipts and payments into Administrators' accounting system
Assets 19.35 Hrs \$9,697.00	Debtors	Review and maintain debtors list Drafted correspondence to debtors regarding payment Liaised with Westpac regarding pre appointment debtors paid into the Westpac accounts Liaised with Mahoneys in regard to outstanding debtors

Category	General Description	Includes
	Other Assets	<p>Reviewed and monitored performance of CPL in relation to contingent consideration</p> <p>Reviewed EBITDA calculation of year to 31 July 2022 performance</p> <p>Drafted and maintained file notes</p>
	General Creditor Enquiries	<p>Received and followed up on creditor enquiries via telephone, email and post</p> <p>Reviewed Company records relating to creditors</p> <p>Provided creditor updates on progress of administration</p> <p>Responded to multiple creditor requests for information pursuant to section 70-45 of the IPR</p>
	Leased Premises	<p>Corresponded with landlord in relation to existing leases</p> <p>Recover payments from the sub-tenant</p>
Creditors	Processing proofs of debt	<p>Received and entered PODs on system for various creditors</p> <p>Updated various creditor claims in register</p>
55.50 Hrs \$27,734.00	Creditor Reports	Prepared this report to creditors
	Secured creditors/PPSR creditors	<p>Liaised with Westpac in regards to their security</p> <p>Correspondence with creditors in regards to their PPSR registrations</p>
Employees	Employees	<p>Responded to employee enquiries, as required</p> <p>Discussed employee entitlement figures</p>
16.20 Hrs \$8,100.00	Dividend	Prepared documents and correspondence to begin the dividend process to priority creditors

Category	General Description	Includes
		Calculations of employee entitlements from the Company's records

Schedule C - Description of Anticipated Work

Resolution 2 - Description of anticipated work for the period 1 November 2022 to the finalisation of the DOCA

Category	General Description	Includes
Administration \$3,000	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records Internal meetings to discuss status of the administration
	Document Maintenance / Checklist	File documents Update internal checklists
	ATO & other statutory reporting	Attend to all statutory requirements
	Bank account administration	Enter receipts and payments into Administrators' accounting system
Creditors \$7,000	General Creditor Enquiries	Correspond with creditors regarding the administration Receive and follow up creditor enquiries via telephone, email and post
	Processing proof of debts	Receive and file PODs Adjudicate on PODs for voting purposes Update creditor claims in register
	Priority Dividend	Declare and distribute dividend to priority creditors Attend to all statutory requirements
Dividend \$10,000.00		

Category	General Description	Includes
	Unsecured Dividend	<ul style="list-style-type: none">Issue documentation to declare a dividend to unsecured creditorsCalculate dividend and issue chequesAdjudicate on PODsIssue letters to creditors regarding proof of claimsIssue letters to creditors formally accepting or rejecting claimsDeclare and distribute dividend to unsecured creditors

Schedule D - Business Restructuring Corporate Rates as at 1 July 2022

Title	Description	Hourly Rate (excl GST)
Partner	Registered Liquidator- Partner bringing specialist skills to administration or insolvency task.	770
Director	Minimum of twelve years' insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in own right.	670
Senior Manager	More than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	590
Manager	6-7 years, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	540
Assistant Manager	4-6 years, CA program (CA) complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	500
Senior Accountant - Experienced	2-4 years, CA (or equivalent) would normally be commenced during this period. Required to control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	450
Accountant	1-2 years, CA (or equivalent) would normally be commenced during this period. Required to control the fieldwork on small jobs and responsible for assisting complete fieldwork on medium to large jobs.	400
Graduate Accountant	0-1 years, Trainee undertaking a degree with an accounting major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	330
Undergraduate Accountant	HSC or equivalent, plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day fieldwork under supervision of more senior staff.	260
Executive Assistant/ Personal Assistant	Appropriate computer skills including machine usage	260

Business Restructuring Corporate Rates as at 1 July 2021

Title	Description	Hourly Rate (excl GST)
Partner	Registered Liquidator- Partner bringing specialist skills to administration or insolvency task.	710
Associated Director	Minimum of twelve years' insolvency experience, at least five years at manager level, qualified accountant and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in own right.	615
Senior Manager	More than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.	545
Manager	6-7 years, qualified accountant, with well-developed technical and commercial skills. Should be constantly alert to opportunities to meet clients' needs and to improve the clients' future operation either by revenue enhancement or by reducing costs and improving efficiency. Controls 2-4 staff.	500
Assistant Manager	4-6 years, CA program (CA) complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	460
Senior Accountant - Experienced	2-4 years, CA (or equivalent) would normally be commenced during this period. Required to control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.	410
Accountant	1-2 years, CA (or equivalent) would normally be commenced during this period. Required to control the fieldwork on small jobs and responsible for assisting complete fieldwork on medium to large jobs.	370
Graduate Accountant	0-1 years, Trainee undertaking a degree with an accounting major. Required to assist in day-to-day fieldwork under supervision of more senior staff.	300
Undergraduate Accountant	HSC or equivalent, plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day fieldwork under supervision of more senior staff.	235
Executive Assistant/ Personal Assistant	Appropriate computer skills including machine usage	235



ANNEXURE C

Notes:

1. Insert the full name and address 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.
2. Insert particulars of all securities held. If the securities are on the property of the Company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Due Date
			\$ ¢	

3. Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the date of", "moneys advanced in respect of the Bill of Exchange." Include details of vouchers substantiating payment.
4. Do not complete section three if this proof is made by the creditor personally.

FOR OFFICE USE ONLY

Received	Admitted to Vote for	Admitted to rank for dividend
	\$ ¢	\$ ¢



ANNEXURE D

NOTICE OF PROPOSAL TO CREDITORS

**ASSOCIATED CUSTOMS & FORWARDING SERVICES PTY LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 103 098 577
(THE COMPANY)**

3 November 2022

Proposal for creditor approval

- 1) *To approve the additional remuneration of the Joint and Several Deed Administrators, their partners and staff for the period 23 June 2022 to 31 October 2022 on a time basis up to a maximum amount of \$25,000.00 plus GST plus disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring schedule of hourly rates as at 1 July 2021 and 1 July 2022. Such remuneration may be drawn as funds become available.*

Reasons for the proposal and the likely impact it will have on creditors if it is passed

It is required by law that the Joint and Several Deed Administrators need to obtain remuneration approval from creditors for the cost of executing the Deed of Company Arrangement. The Joint and Several Deed Administrators' remuneration is associated with the costs of the Deed of Company Arrangement process, including the realisation of assets of the Company. Therefore, this resolution will only impact the return to creditors in the event that assets are realised by the Joint and Several Deed Administrators.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes I approve the proposal
No I do not approve the proposal
Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Deed Administrators for your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 25 November 2022 for your vote to be counted, via email to ryan.davies@bdo.com.au or via post to my firm's address, attention Ryan Davies. If posting, please ensure you allow sufficient time for your vote to arrive by the due date.

NOTICE OF PROPOSAL TO CREDITORS

**ASSOCIATED CUSTOMS & FORWARDING SERVICES PTY LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 103 098 577
(THE COMPANY)**

3 November 2022

Proposal for creditor approval

- 2) *To approve the future remuneration of the Joint and Several Deed Administrators, their partners and staff for the period 1 November 2022 to the finalisation of the Deed of Company Arrangement on a time basis up to a maximum amount of \$20,000.00 plus GST plus disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring schedule of hourly rates as at 1 July 2022 that may be increased by 3.5% (rounded to the nearest \$5) at 1 July each year. Such remuneration may be drawn as funds become available. The Deed Administrators reserve the right to convene a further meeting of creditors should the level of remuneration need to be increased.*

Reasons for the proposal and the likely impact it will have on creditors if it is passed

It is required by law that the Joint and Several Deed Administrators need to obtain remuneration approval from creditors for the cost of executing the Deed of Company Arrangement. The Joint and Several Deed Administrators' remuneration is associated with the costs of the Deed of Company Arrangement process, including the realisation of assets of the Company. Therefore, this resolution will only impact the return to creditors in the event that assets are realised by the Joint and Several Deed Administrators.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- Yes I approve the proposal
No I do not approve the proposal
Object I object to the proposal being resolved without a meeting of creditors

Your claim against the Company must be admitted for the purposes of voting by the Deed Administrators for your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
 I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor: _____ ACN / ABN (if applicable): _____

- I am not a related creditor of the Company.
 I am a related creditor of the Company, relationship: _____

Address: _____

Name of creditor / authorised person: _____

Signature: _____ Date: _____

Please complete this document and return with any supporting documents by no later than 25 November 2022 for your vote to be counted, via email to ryan.davies@bdo.com.au or via post to my firm's address, attention Ryan Davies. If posting, please ensure you allow sufficient time for your vote to arrive by the due date.



ANNEXURE E

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").



ANNEXURE F

**Associated Customs & Forwarding Services Pty Ltd
(Deed Administrators Appointed)**

Estimated Outcome Statement	DOCA	
	Notes	Actuals
Circulating Assets		
Cash at Bank		3,501
Term Deposits	1	160,940
Accounts Receivable	2	84,117
Deferred Consideration	3	342,500
Interest Income		1,013
Investment Income		1,335
Funds Received in Error	4	24,562
Unknown Deposits		2,510
WBC Pre appointment accounts	5	31,031
Director contribution	6	40,000
GST Received		18,827
Total Circulating Assets		710,337
Fees and Costs		
Appointee Remuneration and Costs	7	(146,434)
Appointee Disbursements	7	(1,744)
Legal Fees	8	(27,020)
Funds received in error	4	(24,562)
WBC Bank Guarantee	5	(30,501)
Auctioneer's Charges		(6,473)
Stamp Duty		(121)
Broker Fees		(985)
Insurance		(1,475)
Hire & Leasing		(1,694)
Agent's Fees		(660)
Bank Charges		(876)
GST Paid		(3,835)
Net Trading Loss	9	(87,855)
Total Costs		(334,235)
Net Balance Available to Priority Creditors		376,102
Priority Creditors	10	(62,748)
Net Balance Available after Priority Creditors		313,354
Non-Circulating Assets		
Plant and Equipment	11	70,372
Total Non-Circulating Assets		70,372
Total Assets Available		383,726
Future Deed Administrators' Remuneration	12	(45,000)
Total Assets Available to Secured Creditor		338,726
Secured Creditor	13	180,089
Net Surplus/(Shortfall) Available to Unsecured Creditors		158,637
Total Amount Available to Unsecured Creditors		158,637
Unsecured Creditors		
Unsecured Creditors	14	1,188,199
Statutory Creditors	15	470,496
Excluded Creditors	16	374,388
Total Unsecured Creditors		2,033,083
Estimated Return to Unsecured Creditors (c/\$)		8

Note	Description	Commentary
1	<i>Term deposits</i>	Amount Westpac currently hold in term deposit as security for a bank guarantee in favour of Port of Melbourne
2	<i>Accounts receivable</i>	Amount realised from debtor recovery action
3	<i>Deferred consideration</i>	Amount received from CPL as per the executed sale agreement.
4	<i>Funds received in error</i>	Amount received into pre-appointment accounts that belong to CPL. The same amount was subsequently returned to CPL.
5	<i>WBC Pre Appointment Accounts</i>	Cash at bank on appointment in the Westpac accounts. This amount was retained by Westpac less bank charges.
6	<i>Directors contribution</i>	Funding provided by the Directors
7	<i>VA and DOCA Remunartion and Costs</i>	Total remuneration and dibursements (inclusive of GST) as approved by creditors and drawn to date
8	<i>Legal fees</i>	Legal fees incurred (inclusive of GST). These were higher than estimated due to the unanticipated costs incurred to assist recovery rent and outgoings due to the Company.
9	<i>Net Trading Loss</i>	Trading loss incurred during trading period from appointment to 28 January 2022.
10	<i>Priority creditors</i>	Total claims expected to be received and distributed to priority creditors.
11	<i>Plant and Equipment</i>	Total realisations from sale of motor vehicle and ancillary equipment (inclusive of GST)
12	<i>Future Deed Aministrator's costs</i>	Subject to creditor approval. Refer to the Remuneration Report.
13	<i>Secured Creditor</i>	Westpac currently have a bank guarantee for this amount in favour of the Port of Melbourne. \$160k of which is currently held in a term deposit as security, the remaining amount will come form the Deed Fund.
14	<i>Unsecured Creditors</i>	Unsecured creditor claims received to date excluding non-participating creditors of \$1.2m.
15	<i>Statutory Creditors</i>	Total claim received from the ATO
16	<i>Excluded Creditors</i>	Unsecured leave balalnces due to the Directors which they will be entitled to claim as unsecured creditors.