



MB AUSTRALIA PTY LTD (IN LIQUIDATION)

ACN 115 512 993

FORMERLY TRADING AS MAX BRENNER AUSTRALIA

REPORT TO CREDITORS

5 JUNE 2023

PRIVATE AND CONFIDENTIAL

CONTACT FOR QUERIES: NATHAN MOXEY

CONTACT NUMBER: (02) 9240 9987

CONTACT EMAIL: NATHAN.MOXEY@bdo.com.au





Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

MB AUSTRALIA PTY LTD (IN LIQUIDATION)

ACN 115 512 993 ('the Company')

I refer to my previous correspondence regarding the Liquidation of the Company.

Please find enclosed a report to creditors dated 5 June 2023.

This report should be read in conjunction with our previous reports, which can be found on our website:

[https://www.bdo.com.au/en-au/insights/appointments/br/mb-australia-pty-ltd-\(in-liquidation\)-trading-as-max-brenner-australia](https://www.bdo.com.au/en-au/insights/appointments/br/mb-australia-pty-ltd-(in-liquidation)-trading-as-max-brenner-australia)

This report includes information on:

- ▶ Progress of the Liquidation including;
 - Update on the Mothership Proceedings;
 - Update on the Doody Street Litigation;
- ▶ Estimated return to creditors and timing of dividends;
- ▶ The Liquidators' receipts and payments; and
- ▶ The Liquidators' remuneration report.

If you have any queries in relation to the report, please contact Nathan Moxey of my office on (02) 9240 9987 or email Nathan.moxey@bdo.com.au.

Yours faithfully

Andrew Sallway

Joint and Several Liquidator

ABBREVIATIONS USED

Glossary of key terms

Term	Definition
ARITA	Australian Restructuring Insolvency & Turnaround Association
Assets	Assets of the Company which were sold to Opera pursuant to the Sale Agreement
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
BAS	Business Activity Statement
BDO	BDO Business Restructuring Pty Ltd
Benchmark	Benchmark Patisserie Pty Ltd (In Liquidation)
CAANZ	Chartered Accountants Australia and New Zealand
Citadel	Citadel Group Properties Pty Ltd
CLS	Commercial List Statement in the Doody Street Litigation
CFA	Claims Funding Australia Pty Ltd
Commonwealth	Commonwealth of Australia (acting through the Attorney-General's Department)
Directors	Tamir Haikin and Lilach Haikin
Doody Street Litigation	Proceeding commenced by the Liquidators in the Supreme Court of New South Wales against defendants including the Wentworth Group in relation to various transactions between the Company and Wentworth Group including the transfer of the Property

Term	Definition
EOS	Estimated Outcome Statement
FEG	Fair Entitlement Guarantee
GST	Goods and Services Tax
Liquidators	Andrew Sallway and Helen Newman
Mothership Proceedings	A single proceeding commenced by the Liquidators in the Supreme Court of New South Wales in respect of multiple unfair preference claims and unreasonable related party transaction claims.
Opera	Max Brenner Australia Pty Limited, formerly known as Opera Developments Pty Ltd and formerly known as MB Chocolate Pty Ltd
PILN	Payment in Lieu of Notice
PPSR	Personal Property Securities Register
Property	The property located at 15-21 Doody Street, Alexandria, NSW
SGC	Superannuation Guarantee Charge
the Act	Corporations Act 2001 (Cth)
the Company	MB Australia Pty Ltd (In Liquidation) ACN 115 512 993
Wentworth Group or the Secured Creditor	Citadel Group Holdings Pty Ltd, Citadel Group Properties Pty Ltd, RS Family Holdings Pty Limited, Zajasam Pty Limited and Wentworth Capital Group Pty Ltd

CONTENTS

1	Executive Summary	6
2	Investigations and Recovery Actions	8
3	Estimated Return to Creditors	11
4	Receipts and Payments	13
5	Liquidators Remuneration	15
6	Conclusion	17
7	Appendices	19



DISCLAIMER

BDO, (its affiliates - present or future), Andrew Sallway and Helen Newman, employees and agents ('the Liquidators') hereby advise that:

- a) When preparing this report and the accompanying documents, the Liquidators have relied on the available books and records, financial accounts and other documentation pertaining to the Company's affairs.
- b) When preparing this report and the accompanying documents, the Liquidators have relied on the advice of the Company's officers and/or senior management.
- c) The Liquidators have not conducted an audit of the books and records, financial accounts and other documentation pertaining to the Company's affairs.
- d) Whilst the Liquidators have endeavoured to verify the accuracy or otherwise of the records, the financial accounts and other documentation pertaining to the Company's affairs and the advice of the Company's officers, the Liquidators give no warranty as to the accuracy, completeness or reliability of same.
- e) The Liquidators undertake no responsibility arising in any way whatsoever to any person for errors or omissions however caused by way of this report, or accompanying documents.

SECTION 1

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

We refer to our Initial Notification to Creditors dated 14 November 2018, in which we advised you of our appointment and your rights as a creditor in the liquidation.

The purpose of this report is to provide you with:

- ▶ An update on the progress of the liquidation;
- ▶ Information in relation to a request by the Liquidators for approval of the retrospective remuneration of the Liquidators; and
- ▶ Advice on the likelihood of a dividend being paid in the liquidation.

Investigations

- ▶ Following our investigations into the transfer of the Property, the Liquidators have commenced the Doody Street Litigation with funding provided by the Commonwealth of Australia (acting through the Attorney-General's Department).
- ▶ We commenced Mothership Proceedings against 10 defendants. These proceedings related to various liquidators' rights of action, including unfair preference payments and unreasonable director related transactions. All active defendants' claims were settled before the final hearing scheduled for May 2023.
- ▶ Two of the Mothership Defendants were placed in liquidation during the course of the proceedings.

Estimated Return to Creditors

- ▶ Any dividend to priority and unsecured creditors of the Company is subject to further successful recoveries in the liquidation from the Mothership Proceedings and/or the Doody Street Litigation.
- ▶ The estimated range of returns to creditors is as follows:
 - Priority (employee) creditors 0 to 100 cents in the dollar
 - Unsecured creditors 0 to 21.1 cents in the dollar

Liquidators Remuneration

We propose to have our remuneration approved by a proposal without a meeting. We will be seeking approval for:

- ▶ The Liquidators' retrospective remuneration for the period 16 October 2021 to 28 February 2022;
- ▶ The Liquidators' retrospective remuneration for the period 1 March 2022 to 24 February 2023; and
- ▶ The Liquidators' retrospective remuneration for the period 25 February 2023 to 31 May 2023.

Information about passing resolutions without a meeting and a voting form is included in **Annexures D and E**.

SECTION 2

INVESTIGATIONS AND RECOVERY ACTIONS



INVESTIGATIONS AND RECOVERY ACTIONS

Mothership Proceedings

Unfair Preference Claims, including Mothership Proceedings

These proceedings related to various liquidators' rights of action, including unfair preference payments and unreasonable director related transactions. As previously advised, we had settled nine unfair preference claims totalling \$1,410,700. At the date of our last report, there remained five defendants subject to the Mothership Proceedings. We provide the following update on the proceedings:

Area	Update
Mediation	<ul style="list-style-type: none"> ▶ Mediation with the remaining defendants was held on 14 March 2023. ▶ No settlement was reached during the mediation.
Settlements	<ul style="list-style-type: none"> ▶ The Liquidators' engaged in settlement negotiations with all remaining defendants following the unsuccessful mediation. ▶ We reached confidential settlements with four of the five remaining defendants (listed below). Whilst the terms of this settlement are confidential, there will be no benefit to any class of creditors from this settlement having regard to the quantum of the settlement and the terms of the funding agreement with CFA. Parties to the settlement were: <ul style="list-style-type: none"> ▶ Anita Gelato Pty Ltd; ▶ The Fire Company Pty Ltd; ▶ Wolf Peretz; and ▶ Arie Haikin. <p>The remaining defendant, The Chimney Cake Company Pty Ltd, was placed into liquidation on 11 April 2023 and as a result, the claim as against that defendant is subject to a stay.</p>
Chimney Cake Liquidation	<ul style="list-style-type: none"> ▶ The Chimney Cake Company Pty Ltd was placed in liquidation on 11 April 2023, with Michael Hogan of Hogan Sprowles appointed as the liquidator. ▶ The summary of assets and liabilities provided by the director of the Chimney Cake Company noted that there were minimal assets available in the liquidation. ▶ The Liquidators do not anticipate a return in relation to the claim against the Chimney Cake Company.

INVESTIGATIONS AND RECOVERY ACTIONS

Doody Street Litigation, Reports to ASIC, Bankruptcy of Tamir Haikin

Doody Street Litigation

We have continued to progress the claim in relation to the transfer of the Property to the Wentworth Group. Please see below key actions since the last report to Creditors.

Area	Update
Mediation	<ul style="list-style-type: none">▶ A first mediation was attended by Wentworth, the Liquidators, their respective lawyers and the Commonwealth on 3 September 2021. No settlement was agreed.▶ Following service of the Wentworth Group's evidence (referred to below), the parties have agreed to participate in a further mediation before further significant costs are incurred in relation to the proceeding. The mediation has been scheduled for 25 July 2023.
Commercial List Statement/Amended Summons	<ul style="list-style-type: none">▶ The Wentworth Group completed serving their lay and expert evidence on 13 February 2023. Since being served with the evidence, the Liquidators and their lawyers have reviewed and assessed the evidence provided.▶ On 10 March 2023, the court made orders, including that the Liquidators' serve their evidence in reply and Amended Commercial List Reply by 23 June 2023 and that the proceeding be listed for further directions on 7 July 2023. Following the agreement to attend, and the scheduling of, the mediation, the parties consented to vacating the orders and standing over the proceeding until after the date of the mediation. In this regard, on 23 May 2023, the court made orders which accommodate the scheduled mediation and vacate the timetable set by the 10 March 2023 orders.
Next Steps	<ul style="list-style-type: none">▶ Prepare for and attend mediation with Wentworth on 25 July 2023.▶ Should a settlement not be achieved during mediation, obtain court orders to progress the proceeding.

The proceeding continues to be funded by the Commonwealth as previously approved by Creditors.

Reports to ASIC

We submitted a report to ASIC pursuant to Section 533 of the Act on 23 July 2021. This report is required to be submitted by liquidators to ASIC when a company is being wound-up and offences have been committed by directors. We reported to ASIC that the Directors had breached their duties and traded the Company whilst insolvent.

ASIC requested that the Liquidators prepare a supplementary report to ASIC on breaches committed by the Directors. This supplementary report was lodged with ASIC on 1 February 2023, we are yet to receive a response from ASIC.

Bankruptcy of Tamir Haikin

Throughout the liquidation of the Company, a number of creditors have contacted the Liquidators expressing disappointment with the limited investigations undertaken by the bankruptcy trustee of Tamir Haikin. The bankruptcy trustee has responded by explaining he has limited funding to undertake any meaningful investigations. As a consequence, the Liquidators approached FEG who have agreed to provide limited funding to a bankruptcy trustee to undertake these investigations. On 6 April 2023 the Liquidators wrote to the bankruptcy trustee requesting a meeting of creditors for the purposes of replacing the trustee with an alternate trustee nominated by the Liquidators, Mr John Melliush, who will be funded to undertake these investigations. This meeting will be held on 7 June 2023.

SECTION 3

ESTIMATED RETURN TO CREDITORS



ESTIMATED RETURN TO CREDITORS

The estimated return to creditors has been updated as follows:

Liquidation Return	High (c/\$)	Low (c/\$)
Secured Creditor	0.0 cents	0.0 cents
Employees (Preferential Creditors)	100.0 cents	0.0 cents
Unsecured Creditors	21.1 cents	0.0 cents

Please refer **Annexure B** for the full Estimated Outcome Statement ('EOS').

Any return to creditors is contingent on substantial recoveries from the claims discussed in section 2 of this report.

Employee (Priority Claims)

We have previously advised creditors of an increase to the outstanding employee superannuation following an updated proof of debt received from the ATO on 18 September 2019 in the amount of \$9,124,646.72. We have since liaised with the Company's pre-appointment superannuation fund, REST Industry Super, obtaining records detailing all employee contributions made since 2014 as we believe the ATO's claim is overstated. We continue to work with the ATO to reconcile the superannuation paid to employees. Once the reconciliation has been completed, we expect the ATO will update their proof of debt.

No changes have been made to the below estimates since our last report to creditors.

	Claim to date \$	Liquidators' estimate \$
Wages and allowances (including bonuses)	1,070,960	1,071,703
Superannuation (incl SGC)	9,288,098	3,145,349
Leave (annual leave, loading, long service)	797,121	766,698
Redundancy and PILN	1,149,318	1,055,028
Total (incl FEG advanced amounts)	12,305,497	6,038,778

Unsecured Creditors

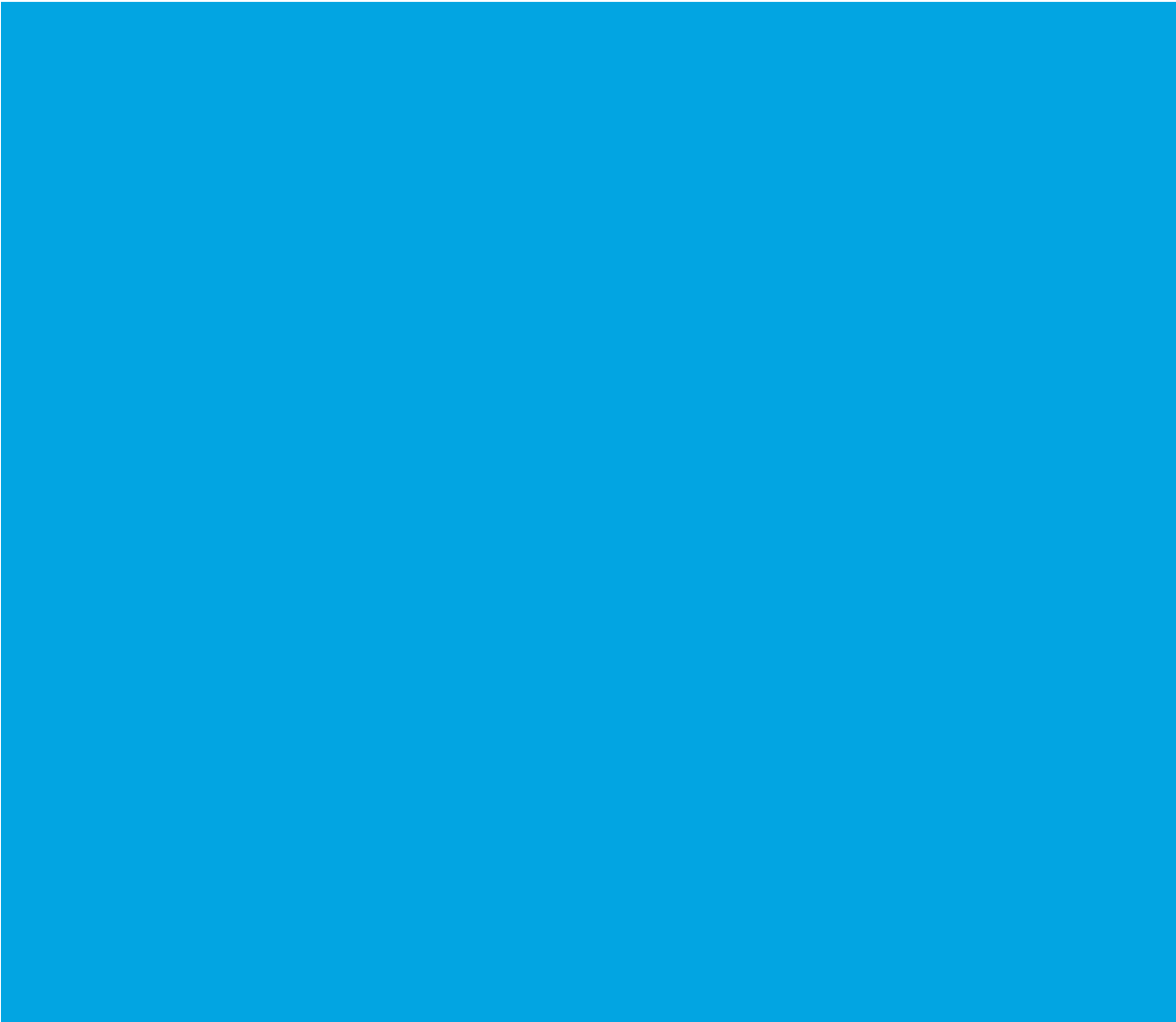
Unsecured creditors have lodged 72 proofs of debt, totalling \$17,522,287. This excludes claims by:

- The ATO for \$1,922,533 for unpaid taxation liabilities (excluding SGC);
- The Bankruptcy Trustee of the Directors for an amount of \$55,400,490.88; and
- The Wentworth Group for \$32,917,366 (comprising several proofs of debt).

We have not formally adjudicated on any of the claims received or verified any of the information contained in the books and records to date.

SECTION 4

RECEIPTS AND PAYMENTS



Receipts and Payments Summary - MB Australia Pty Ltd (In Liquidation)
18 October 2018 to 5 June 2023

Receipts	Amount (Incl. GST)
Bank Guarantee	16,365.53
Contributions	954,317.54
Dividends Recoverable	13,878.37
FEG Funding	2,461,017.13
CFA Funding	1,238,572.26
ATO Refund	290,813.55
Interest Income	19,521.02
Incorrect Deposits	4,624.72
Lease Costs Refund	215.00
Legal Recoveries	1,802,700.00
Rental Refund	8,517.70
Sales	1,236,921.13
Bank Fee Refunds	29.27
Stock/Inventory on Hand	308,860.44
TOTAL Receipts	8,356,353.66
Payments	Amount (Incl. GST)
Administrators Lien	(117,477.43)
Administrators Stock	(260,271.44)
Agents Fees	(99,074.33)
Allowances	(2,900.39)
Appointee Disbursements	(42,309.30)
Appointee Fees	(583,960.17)
Assignment Costs	(6,912.78)
Bank Charges	(21,996.61)
Bankruptcy Trustee Costs	(3,464.37)
Broker Fees	(6,088.50)
CFA GST Refunds	(44,466.00)
Cleaning Expenses	(25,656.64)
Contributions	(85,000.00)
FOI Application Fee	(60.00)
Freight Outwards	(5,641.61)
GST Paid	(72,950.00)
Hire Purchase Lease Equipment	(59,328.83)
Incorrect Deposits	(4,624.72)
Insurance	(21,123.39)
IT Expense	(45,614.91)
Legal Disbursements	(813,052.96)
Legal Fees	(3,246,449.93)
Meeting Costs	(7,611.52)
Merchant Fees	(19,767.96)
Motor Vehicle Expenses	(41.00)
Payroll Tax	(13,795.95)
PAYG Control (Paid)	(44,436.00)
Petitioning Creditor Costs	(216,884.43)
Policy Fees	(21.75)
Purchases (GST Free)	(68,420.03)
Purchases (GST Inclusive)	(192,356.66)
Reimbursement of Litigation Funders Costs	(520,700.00)
Refund of AMEX Sales	(14,526.68)
Refund of Delivery Sales	(29,481.15)
Rent & Rates	(390,898.55)
Repairs & Maintenance	(32,031.62)
Security Expenses	(627.00)
Stamp Duty	(1,033.24)
Stock/Inventory on Hand (Deposit from Sale Agreement)	(30,000.00)
Store Expenses (Music)	(1,057.91)
Subcontractors	(8,440.00)
Superannuation Control (Paid)	(33,978.90)
Utilities	(20,472.05)
Valuation Costs	(7,150.00)
Wages & Salaries (Net of PAYG, Superannuation and Payroll Tax)	(366,963.32)
TOTAL Payments	(7,589,120.03)
Net Receipts and Payments	767,233.63

SECTION 5

LIQUIDATORS REMUNERATION



LIQUIDATORS REMUNERATION

Appointees' Remuneration

To date, creditors and the Court have approved the Liquidators' remuneration to 15 October 2021 in the amount of \$1,202,511.25. We are now seeking approval of our current remuneration and fees as follows:

Period	Amount being sought (\$)
Resolution 1: 16 October 2021 to 28 February 2022	164,482.50
Resolution 2: 1 March 2022 to 24 February 2023	372,518.50
Resolution 3: 25 February 2023 to 31 May 2023	108,722.00
TOTAL	645,723.00

A significant portion of the remuneration relating to the Doody Street and Mothership Proceedings will be funded by the Attorney General's Department and CFA.

Attached in **Annexure C** is a detailed report on our remuneration, called a Remuneration Approval Report. We are unable to pay our remuneration without the approval of creditors or the court.

To minimise the costs of the liquidation, we are seeking creditor approval of our remuneration by a proposal without a meeting.

To participate in the proposal, please complete and return the following by no later than 27 June 2023:

- ▶ The "proposal without a meeting" form included in **Annexure D**; and
- ▶ The "proof of debt" form included in **Annexure A**, which provides information about what the company owes you, along with supporting documents for your claim (if not returned previously).

The documents can be scanned and emailed to nathan.moxey@bdo.com.au or via post to our firm's address, attention Nathan Moxey. Please ensure that you allow enough time for our office to receive the forms by the due date.

We are unable to pay our remuneration without the approval of creditors or the Court.

Should you have any queries, please contact Nathan Moxey of this office on 9240 9987 or via email nathan.moxey@bdo.com.au.

SECTION 6

CONCLUSION



CONCLUSION

Summary

We welcome any information which creditors feel may be of assistance in the conduct of the liquidation.

Should any creditor require further information regarding the matters raised in this report, please do not hesitate to contact Nathan Moxey of this office on (02) 9240 9987 or nathan.moxey@bdo.com.au.

Further Information

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA's website at arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au.

Electronic Communications

If you would like to receive all communications electronically, please send an email to: nathan.moxey@bdo.com.au. The request will remain active until you provide us with further instructions to the contrary. Please alert us if you change your email address or postal address.

Commitment to Client Service

BDO's policy is to conduct files to the highest ethical and professional standards.

BDO adheres to the codes of conduct prescribed by the adheres to the codes of conduct prescribed by Chartered Accountants Australia & New Zealand, AFSA, ARITA and INSOL the International Federation of Insolvency Professionals.

If creditors have any questions, queries or complaints concerning the conduct of this administration please direct them to this office.

If you are dissatisfied with a decision made by the appointee, you may ask the appointee to review his decision or explain their reasons. If you are still not satisfied it may be necessary for an application to court to have the decision reviewed. In this instance it is recommended that you seek your own independent legal advice.

In the event that you are not satisfied with our handling of your query you may refer your complaint to the ASIC.

In an effort to improve our standards and the quality of information that you receive, we welcome your feedback. You can submit feedback anonymously in writing to this office or by email on info@bdo.com.au.

SECTION 7

ANNEXURES

Annexure
A - Proof of Debt
B - Estimated Outcome Statement (EOS)
C - Remuneration Report
D - Proposal Forms
E - Proposal Without a Meeting Information Sheet



ANNEXURE A

Proof of Debt Form

Page left intentionally blank

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

**MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993 (THE COMPANY)**

To the Liquidators of

MB AUSTRALIA PTY LTD (IN LIQUIDATION) ACN 115 512 993

1. This is to state that the company was on 17 October 2018, and still is, justly and truly indebted to (insert full name and address of the creditor¹)

for (insert amount of claim in words)

	dollars and	
		cents

Particulars of the debt are (give details of claim²):

Date	Consideration (state how the debt arose)	Amount \$ ¢	Remarks (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 following³:

3. ⁴I 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. I am the creditor, employed by the creditor, and/or the creditor's agent duly authorised in writing to make this statement.

Signed

Dated

Confirmation of postal/contact details of Creditor

Address		
City	State	Postcode
Phone	Email	

Correspondence by email

Do you consent to this office electing to send correspondence regarding the company to the above email address? Yes

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 B

Estimated Outcome Statement (EOS)

Page left intentionally blank

MB Australia Pty Ltd (In Liquidation)

Estimated Outcome Statement

	Low	High
Liquidators' Rights of Action		
Amount recovered by Liquidators to date	2,205,700	2,205,700
Bank Guarantees and Turnover Rent Adjustment	42,876	42,876
Claims against Directors	-	-
Doody Street Proceeding	-	20,000,000
Total Recoveries Available for Distribution	2,248,576	22,248,576
Petitioning Creditor Costs	(216,884)	(216,884)
Administrators' lien claim (shortfall)	(117,477)	(117,477)
Estimated Liquidator and Legal Fees	(5,761,131)	(5,711,131)
Less: Liquidator and Legal Fees Funded by the Purchaser	938,714	938,714
Available for Priority Creditors	-	17,141,797
Priority Creditors		
Wages	1,071,703	1,071,703
Superannuation (incl penalties and interest)	3,145,349	3,145,349
Annual and Long Service Leave	797,121	766,698
Retrenchment (PILN and Redundancy)	1,149,318	1,055,028
Total Priority Creditors	6,163,491	6,038,778
Surplus/(shortfall) in Recoveries	(6,163,491)	11,103,018
Estimated Return to Priority Creditors (c/\$)	-	100.0
Unsecured creditors		
Trade Creditors	17,522,287	17,522,287
Statutory Creditors	1,922,533	2,075,376
Secured Creditor Shortfall	32,917,366	32,917,366
Related Party Creditors	25,742,562	-
Total Unsecured Creditors	78,104,748	52,515,029
Estimated Return to Unsecured creditors (c/\$)	-	21.1

ANNEXURE C

Remuneration Report

Page left intentionally blank



REMUNERATION REQUEST APPROVAL REPORT

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993 ('the Company')

Part 1: Declaration

We, Andrew Sallway and Helen Newman have undertaken a proper assessment of this remuneration claim for our appointment as Liquidator 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 in the conduct of the liquidation.

Part 2: Executive Summary

To date, \$1,202,511.25 in remuneration has been approved. This remuneration report details the approval sought for the following fees:

Period	Remuneration Report Reference	Amount (excl. GST and disbursements)
Past remuneration approved		\$1,202,511.25
Resolution 1: 16 October 2021 to 28 February 2022	(A & B)	\$164,482.50
Resolution 2: 1 March 2022 to 24 February 2023	(C & D)	\$372,518.50
Resolution 3: 25 February 2023 to 31 May 2023	(E & F)	\$108,722.00
Total cost of liquidation to 31 May 2023:		<hr/> \$1,848,234.25

Indemnities

The indemnified amounts are discussed in Part 9 of the Remuneration Request Approval Report.

Part 3: Details of Remuneration

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

Resolution	Detailed ¹	Summary ²
Resolution 1: 16 October 2021 to 28 February 2022	Schedule A	Schedule B
Resolution 2: 1 March 2022 to 24 February 2023	Schedule C	Schedule D
Resolution 3: 25 February 2023 to 31 May 2023	Schedule E	Schedule F

Notes:

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

Part 4: Statement of Remuneration Claim

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

Resolution [1]: ‘To approve the remuneration of the Liquidators, their partners and staff for the period 16 October 2021 to 28 February 2022 on a time basis fixed in the amount of \$164,482.50 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO as at 1 July 2021. Such remuneration may be drawn as funds become available.’

Resolution [2]: ‘To approve the remuneration of the Liquidators, their partners and staff for the period 1 March 2022 to 24 February 2023 on a time basis fixed in the amount of \$372,518.50 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO as at 1 July 2021 and 1 July 2022. Such remuneration may be drawn as funds become available.’

Resolution [3]: ‘To approve the remuneration of the Liquidators, their partners and staff for the period 25 February 2023 to 31 May 2023 on a time basis fixed in the amount of \$108,722.00 exclusive of GST and disbursements calculated in accordance with the hourly rates prescribed by BDO as at 1 July 2022. Such remuneration may be drawn as funds become available.’

Detail of the work completed has been included in **Schedules A, C and E**.

Part 5: Likely impact on dividends

The Corporations Act 2001 sets the order for payment of claims against the Company and it provides for remuneration of the liquidation to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receives 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 recoveries that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

At this stage, our estimated return to creditors is as follows:

Liquidation Return	High (c/\$)	Low (c/\$)
Employees (Preferential Creditors)	100.0 cents	0.0 cents
Unsecured Creditors	21.1 cents	0.0 cents

Part 6: Statement of Disbursements Claim

Disbursements are divided into three types:

1. Externally provided professional services - these are recovered at costs. An example of an externally provided professional service disbursement is legal fees;
2. Externally provided non-professional costs such as travel accommodation and search fees - these are recovered at costs; and
3. Internal disbursements such as ASIC Industry Funding Levy Coverage, advertising, photocopying, printing and postage and travel costs. These disbursements, if charged to the Administration, would generally be charged at costs; 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.

At the time of writing, no disbursements have been charged in this matter.

Future disbursements provided by our firm will be charged to the administration on the following basis:

Internal disbursements	Basis
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
ASIC Industry Funding Levy Coverage	
- Flat fee	\$160
- Fee per metric event	\$185
Advertising	At Cost
Printing	At Cost
Travel	At Cost
Staff vehicle use	\$0.75 per km

Part 7: Report on the Progress of the Liquidation

Andrew Sallway, Helen Newman, and Nicholas Martin were appointed Joint and Several Liquidators of the Company on 17 October 2018 pursuant to an order by the Supreme Court of Queensland. On 4 August 2020, Nicholas Martin ceased as a Joint and Several Liquidator of the Company.

We are continuing the litigation mentioned in this report, including the Doody Street litigation. The Mothership Proceedings have finalised with all active claims settled prior to the final hearing.

Part 8: Summary of Receipts and Payments

A summary of the receipts and payments is enclosed in Section 4 of our creditors' report.

Part 9: Remuneration funded from External Sources

Name	Nature of indemnity or funding	Amount Drawn to Date
Attorney Generals' Department	<p>The agreed work includes the following:</p> <ul style="list-style-type: none"> Public Examinations; Investigations into the financial affairs of the Company; Legal advice about potential claims available to the Company and/or the Liquidators; Taking other steps that are reasonably necessary to undertake the above work and preserve assets; The Doody Street Litigation. <p>The Attorney General's Department has also agreed to provide the Liquidators with an indemnity for adverse costs orders in the Mothership Proceedings.</p>	<p>This funding agreement has been used to pay part of the Liquidators' remuneration (including remuneration the subject of the previous approval and remuneration the subject of the current request for approval), fees and disbursements.</p> <p>This funding agreement will include the Liquidators' remuneration for future remuneration approvals.</p>
CFA	<p>The funding agreement between the Liquidators and CFA provides funding for costs related to the Mothership Proceedings.</p> <p>The costs include the Liquidators' remuneration as well as other expenses such as legal fees.</p>	<p>This funding agreement has been used to pay part of the Liquidators' remuneration (including remuneration the subject of the previous approval and remuneration the subject of the current request for approval), legal fees and disbursements.</p>
Opera	<p>Creditors will recall that Opera purchased the Company's business from the Liquidators.</p> <p>Opera provided an indemnity to the Liquidators in respect of any trading expenses incurred during the Liquidation. The indemnity also funded the fees and disbursements of the Liquidators and their legal costs in respect of trading the business during the negotiation and completion of the Sale Agreement.</p> <p>This indemnity has been used to pay part of the Liquidators' past remuneration, fees, and disbursements.</p>	<p>This indemnity has been used to pay remuneration totalling \$331,119.75 (excluding GST) for the period 1 July 2019 to 30 June 2020.</p> <p>I do not anticipate relying on this indemnity in the future.</p>

Part 10: Remuneration Methods

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

- **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.

- **Fixed Fee**

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

- **Percentage**

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

- **Contingency**

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

Method chosen

Given the nature of this liquidation, we propose that our remuneration be calculated on time based / hourly rates. This is because:

- This method reflects our practice of assigning staff at the appropriate level to conduct the necessary work. Individuals are required to record the nature of the work performed at intervals of six minutes. This method ensures creditors are only charged for work that is performed and provides complete transparency; and
- Fixed fee and percentage method are inappropriate as we are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. In addition, we are required to perform a number of tasks which do not relate to the realisation of assets, e.g., statutory obligations, responding to creditor queries, and reporting to ASIC.

It is proposed that the remuneration of the Liquidators is calculated on an hourly basis at the hourly fees charged by BDO current at the time the costs are incurred.

Attached is a table that details BDO Rates as at 1 July 2021 and 1 July 2022, together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take.

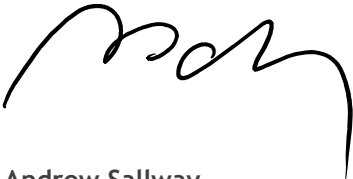
Part 11: Queries/Information Sheets

The above information is provided to assist creditors in considering the appropriateness of the remuneration claim that is being made.

Creditors should feel free to contact the Liquidators' office to seek further information concerning the remuneration claim if they so need.

ASIC have produced an Information Sheet entitled "Approving fees: a guide for creditors" that can be downloaded from the ARITA website (<http://www.arita.com.au>), the ASIC website (www.asic.gov.au) or alternatively a copy can be obtained if you contact this office.

Yours faithfully,

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

Andrew Sallway
Joint and Several Liquidator

Schedule A: Description of Work completed

Resolution 1: 16 October 2021 to 28 February 2022

	General Description	Includes
Administration 80.6 Hrs \$37,188.00	Planning / Review	<ul style="list-style-type: none"> Attended to all statutory requirements Liaised with our solicitors on progress of liquidation Internal meetings on the status of liquidation External meetings with our solicitors External meetings with current litigation funders
	Remuneration Application	<ul style="list-style-type: none"> Liaising with solicitors in preparation of affidavit Review and amendment of Liquidator's time entries and narrations Providing necessary supporting documentation for affidavit Review the affidavit for the application to court for remuneration Assisting Solicitors in compiling supporting information and providing further detail for application Assisting Solicitors with any ad hoc queries
	Document Maintenance / File Review / Checklist	<ul style="list-style-type: none"> File of documents File reviews Update checklists
	Banking	<ul style="list-style-type: none"> Bank account reconciliations Payments made to third parties Prepared monthly invoices for CFA and Commonwealth Funding
	ASIC Forms & Other Statutory Lodgements	<ul style="list-style-type: none"> Corresponded with ASIC regarding statutory forms Complete ASIC Form 5602 "Annual Administration Form" Completed BAS lodgements

Creditors 64.8 Hrs \$30,240.50	Creditor Enquiries	<p>Telephone conversations with creditors</p> <p>Receive and follow up creditor enquiries via telephone, email, and post</p> <p>Review and prepare correspondence to creditors and their representatives via email and post</p>
	Processing proofs of debt	<p>Receive and file PODs</p> <p>Correspond with the ATO regarding POD</p> <p>Update creditor claims on the file and MYOB</p> <p>Reviewing the proofs of debts issued by the ATO, the Wentworth Group of Companies and the Bankruptcy Trustee on behalf of the Estate of the Directors</p>
	Creditor Report	<p>Prepared report to creditors dated 10 March 2022</p> <p>Prepared Liquidators' remuneration report</p>
	Creditors' Meeting	<p>Convened and held the meeting of creditors on 12 November 2021</p> <p>Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors and notice of meeting</p> <p>Reviewed and approved proofs and proxies, attendance register etc. at the meeting</p> <p>Responded to stakeholder queries and questions immediately following meeting</p> <p>Prepare and lodge the minutes of the meeting with the Australian Investments & Securities Commission (ASIC)</p>
Employees 3.50 Hrs \$1,435.00	Employee Enquiries	<p>Responded to ongoing employee queries including entitlements and superannuation</p> <p>Reviewed and withdrew application from Administrative Appeals Tribunal</p>
	Superannuation Guarantee	<p>Liaised with the Company's pre-appointment superannuation fund, REST Industry Super, for a reconciliation of employer contributions</p>

Schedule B: Summary of Work Completed

Resolution 1: Liquidators' Remuneration for the Period from 16 October 2021 to 28 February 2022

Staff	Staff Position	Hourly Rate	Total		Administration		Creditors		Employees		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Andrew Sallway	Partner	710.00	55.40	39,334.00	6.00	4,260.00	5.20	3,692.00	-	-	44.20	31,382.00
Tom Whitmarsh	Senior Manager	545.00	110.70	60,331.50	20.00	10,900.00	19.90	10,845.50	0.80	436.00	70.00	38,150.00
Ben Carney	Manager	500.00	9.00	4,500.00	9.00	4,500.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	460.00	46.50	21,390.00	-	-	11.00	5,060.00	-	-	35.50	16,330.00
Bill Todd	Senior Accountant	410.00	30.60	12,546.00	16.40	6,724.00	0.60	246.00	-	-	13.60	5,576.00
Bill Todd	Accountant	370.00	71.30	26,381.00	29.20	10,804.00	28.10	10,397.00	2.70	999.00	11.30	4,181.00
Total			323.50	164,482.50	80.60	37,188.00	64.80	30,240.50	3.50	1,435.00	174.60	95,619.00
GST				16,448.25								
Total (incl. GST)				180,930.75								
Average hourly rate				508.45								

Schedule C: Description of Work completed

Resolution 2: 1 March 2022 to 24 February 2023

	General Description	Includes
Administration 170.10 Hrs \$76,332.00	Planning / Review	<ul style="list-style-type: none"> Attended to all statutory requirements Liased with our solicitors on progress of liquidation Internal meetings on the status of liquidation External meetings with our solicitors External meetings with current litigation funders
	Remuneration Application	<ul style="list-style-type: none"> Liaising with solicitors in preparation of affidavit Review and amendment of Liquidator’s time entries and narrations Providing necessary supporting documentation for affidavit Review the affidavit for the application to court for remuneration Assisting Solicitors in compiling supporting information and providing further detail for application Assisting Solicitors with any ad hoc queries
	Document Maintenance / File Review / Checklist	<ul style="list-style-type: none"> File of documents File reviews Update checklists
	Banking	<ul style="list-style-type: none"> Bank account reconciliations Payments made to third parties Prepared monthly invoices for CFA and Commonwealth Funding
	ASIC Forms & Other Statutory Lodgements	<ul style="list-style-type: none"> Corresponded with ASIC regarding statutory forms Complete ASIC Form 5602 “Annual Administration Form” Completed BAS lodgements

Creditors 70.10 Hrs \$36,177.00	Creditor Enquiries	<p>Telephone conversations with creditors</p> <p>Receive and follow up creditor enquiries via telephone, email, and post</p> <p>Review and prepare correspondence to creditors and their representatives via email and post</p>
	Processing proofs of debt	<p>Receive and file PODs</p> <p>Correspond with the ATO regarding POD</p> <p>Update creditor claims on the file and MYOB</p> <p>Reviewing the proofs of debts issued by the ATO, the Wentworth Group of Companies and the Bankruptcy Trustee on behalf of the Estate of the Directors</p>
	Creditor Report	<p>Prepared report to creditors dated 10 March 2022</p> <p>Prepared report to creditors dated 21 February 2023</p> <p>Prepared Liquidators' remuneration report</p>
Employees 47.80 Hrs \$18,469.00	Employee Enquiries	<p>Responded to ongoing employee queries including entitlements and superannuation</p> <p>Reviewed and withdrew application from Administrative Appeals Tribunal</p>
	Superannuation Guarantee	<p>Liaised with the Company's pre-appointment superannuation fund, REST Industry Super, for a reconciliation of employer contributions</p> <p>Reconciled ATO proof of debt with pre-appointment SGC contributions</p> <p>Issued the ATO with a request for an amended Proof of Debt</p>
Investigations 471.00 Hrs \$241,540.50	Conducting investigation	<p>Review Legal Advice about potential claims available to the Company and/or the Liquidators</p> <p>Meetings with CFA and FEG to discuss progress of litigation</p> <p>Prepare monthly reports to the CFA and FEG</p> <p>Discussions with solicitors regarding Doody Street Litigation</p>

Liaising with the Bankruptcy Trustee of the Director regarding progress of Bankruptcy and replacement of Trustee

Further investigations into Company's books and records for additional potential unfair preference claims

Further investigations of additional Director Related transactions following review of Company books and records

Preparation of solvency evidence and liaising with lawyers on preparation of expert's solvency evidence

Attend directions hearings for Doody Street Litigation and Mothership Proceedings

Further review of Secured Creditors' claims

Finalise Investigations File Note



Schedule D: Summary of Work Completed

Resolution 2: Liquidators' Remuneration for the Period from 1 March 2022 to 24 February 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Creditors		Employees		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Andrew Sallway	Partner	770.00	44.60	34,342.00	1.00	770.00	2.00	1,540.00	0.50	385.00	41.10	31,647.00
Andrew Sallway	Partner	710.00	23.00	16,330.00	8.00	5,680.00	2.00	1,420.00	-	-	13.00	9,230.00
Clayton Eveleigh	Partner	690.00	0.50	345.00	0.00	-	-	-	-	-	0.50	345.00
Fady Abi Abdallah	Partner	970.00	3.00	2,910.00	3.00	2,910.00	-	-	-	-	-	-
Joel Brown	Director	865.00	2.90	2,508.50	2.90	2,508.50	-	-	-	-	-	-
Jeff Marsden	Director	615.00	1.00	615.00	-	-	-	-	-	-	1.00	615.00
Tom Whitmarsh	Director	670.00	97.80	65,526.00	4.60	3,082.00	6.50	4,355.00	-	-	86.70	58,089.00
Tom Whitmarsh	Senior Manager	545.00	56.50	30,792.50	1.60	872.00	7.60	4,142.00	-	-	47.30	25,778.50
Liam Garland	Senior Manager	455.00	6.00	2,730.00	0.00	-	-	-	-	-	6.00	2,730.00
Ben Carney	Manager	540.00	21.80	11,772.00	21.80	11,772.00	-	-	-	-	-	-
Ben Carney	Manager	500.00	9.00	4,500.00	9.00	4,500.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	31.50	15,750.00	0.00	-	31.50	15,750.00	-	-	-	-
Ryan Davies	Assistant Manager	460.00	70.80	32,568.00	10.60	4,876.00	12.40	5,704.00	-	-	47.80	21,988.00
Bill Todd	Senior Accountant	450.00	156.50	70,425.00	39.50	17,775.00	0.50	225.00	22.10	9,945.00	94.40	42,480.00
Bill Todd	Senior Accountant	410.00	115.00	47,150.00	22.80	9,348.00	7.10	2,911.00	9.60	3,936.00	75.50	30,955.00
Kat Tran	Assistant Manager	365.00	2.00	730.00	-	-	-	-	-	-	2.00	730.00
Nathan Moxey	Assistant Analyst	330.00	44.80	14,784.00	7.40	2,442.00	-	-	2.10	693.00	35.30	11,649.00
Nathan Moxey	Graduate	260.00	69.50	18,070.00	35.10	9,126.00	0.50	130.00	13.50	3,510.00	20.40	5,304.00
Nathan Moxey	Graduate	235.00	2.30	540.50	2.30	540.50	-	-	-	-	-	-
Christian Hallgren	Graduate	260.00	0.50	130.00	0.50	130.00	-	-	-	-	-	-
Total			759.00	372,518.50	170.10	76,332.00	70.10	36,177.00	47.80	18,469.00	471.00	241,540.50
GST				37,251.85								
Total (incl. GST)				409,770.35								
Average hourly rate				490.80								

Schedule E: Description of Work completed

Resolution 3: 25 February 2023 to 31 May 2023

	General Description	Includes
Administration 30.40 Hours \$13,341.00	Planning / Review	Liaise with our solicitors on the progress of liquidation Internal meetings on the status of liquidation External meetings with litigation funders
	Correspondence	General correspondence with third parties General administrative tasks including filing and scanning records
	Document Maintenance / File Review / Checklist	File of documents File reviews Update checklists
	Banking	Reconciling bank accounts Enter receipts and payments into Liquidators' accounting system Prepare monthly invoices for CFA and Commonwealth Funding
	ASIC Forms & Other Statutory Lodgements	Attend to all statutory requirements
Creditors 53.50 Hours \$23,837.00	General Creditor Enquiries	Correspond with creditors regarding the administration Attend to and follow up on creditor enquiries via telephone, email and post
	Creditor Updates	Preparing updates to creditors, including issuing the February 2023 creditors report and preparing the June 2023 creditors report Preparing for and convening creditors meeting on 20 March 2023

<p>Employees 1.50 Hours \$495.00</p>	<p>Employee Enquiries</p>	<p>Responded to ongoing employee queries relating to creditors meetings and entitlements</p>
<p>Investigations 115.10 Hours \$71,049.00</p>	<p>Investigations and Mothership and Doody St Proceedings</p>	<p>Time spent progressing the Liquidators claims in the Mothership Proceedings and Doody St Litigation</p> <p>Attending meetings with CFA, FEG and the various legal representatives to discuss aspects of the proceedings</p> <p>Settlement discussions and negotiations with the Mothership Defendants</p> <p>Preparing monthly update reports to the CFA and FEG</p> <p>Liaise with solicitors regarding Doody Street Litigation</p> <p>Liaising with the Bankruptcy Trustee of the Director regarding the progress of the Bankruptcy and replacement of the Trustee</p> <p>Further investigations of additional Director Related transactions following a review of Company books and records</p>



Schedule F: Summary of Work Completed

Resolution 3: Liquidators' Remuneration for the Period from 25 February 2023 to 31 May 2023

Staff	Staff Position	Hourly Rate	Total		Administration		Creditors		Employees		Investigations	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
David McCourt	Partner	900.00	1.00	900.00	-	-	-	-	-	-	1.00	900.00
Andrew Sallway	Partner	770.00	41.00	31,570.00	1.00	770.00	6.00	4,620.00	-	-	34.00	26,180.00
Helen Newman	Partner	740.00	0.20	148.00	-	-	-	-	-	-	0.20	148.00
Tom Whitmarsh	Director	670.00	61.10	40,937.00	1.50	1,005.00	8.10	5,427.00	-	-	51.50	34,505.00
Ben Carney	Manager	540.00	9.10	4,914.00	9.10	4,914.00	-	-	-	-	-	-
Ryan Davies	Assistant Manager	500.00	10.40	5,200.00	3.50	1,750.00	6.90	3,450.00	-	-	-	-
Nathan Moxey	Graduate Analyst	330.00	69.30	22,869.00	13.20	4,356.00	27.00	8,910.00	1.50	495.00	27.60	9,108.00
Christian Hallgren	Assistant Analyst	260.00	8.40	2,184.00	2.10	546.00	5.50	1,430.00	-	-	0.80	208.00
Total			200.50	108,722.00	30.40	13,341.00	53.50	23,837.00	1.50	495.00	115.10	71,049.00
GST				10,872.20								
Total (incl. GST)				119,594.20								
Average hourly rate				542.25								

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 Analyst	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
Analyst	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 Analyst	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 Analyst	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

Note: Office rates charged by BDO are subject to change.

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
Associate 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

Note: Office rates charged by BDO are subject to change.

ANNEXURE D

Proposal Forms

Page left intentionally blank

NOTICE OF PROPOSAL TO CREDITORS

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993
(‘THE COMPANY’)

5 June 2023

Proposals for creditor approval

To approve the remuneration of the Liquidator, his partners and staff for the period 16 October 2021 to 28 February 2022 on a time basis up to a maximum amount of \$164,482.50 excluding GST and disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring Pty Ltd’s as at 1 July 2021. 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 Liquidator needs to obtain remuneration approval from creditors for the cost of winding up the Company. The Liquidator’s remuneration is associated with the costs of the liquidation process, including the realisation of assets of the Company (if any). Therefore, this resolution will only impact the return to creditors in the event that assets are realised by the Liquidators.

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 Liquidation 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 27 June 2023 for your vote to be counted, via email to nathan.moxey@bdo.com.au or via post to our firm’s address, attention Nathan Moxey. If posting, please ensure you allow sufficient time for your vote to arrive by the due date.

NOTICE OF PROPOSAL TO CREDITORS

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993
(‘THE COMPANY’)

5 June 2023

Proposals for creditor approval

To approve the remuneration of the Liquidator, his partners and staff for the period 1 March 2022 to 24 February 2023 on a time basis up to a maximum amount of \$372,518.50 excluding GST and disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring Pty Ltd’s 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 Liquidator needs to obtain remuneration approval from creditors for the cost of winding up the Company. The Liquidator’s remuneration is associated with the costs of the liquidation process, including the realisation of assets of the Company (if any). Therefore, this resolution will only impact the return to creditors in the event that assets are realised by the Liquidators.

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 Liquidation 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 27 June 2023 for your vote to be counted, via email to nathan.moxey@bdo.com.au or via post to our firm’s address, attention Nathan Moxey. If posting, please ensure you allow sufficient time for your vote to arrive by the due date.

NOTICE OF PROPOSAL TO CREDITORS

MB AUSTRALIA PTY LTD (IN LIQUIDATION)
ACN 115 512 993
(‘THE COMPANY’)

5 June 2023

Proposals for creditor approval

To approve the remuneration of the Liquidator, his partners and staff for the period 25 February 2023 to 31 May 2023 on a time basis up to a maximum amount of \$108,722.00 excluding GST and disbursements calculated in accordance with the hourly rates prescribed by BDO Business Restructuring Pty Ltd’s as at 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 Liquidator needs to obtain remuneration approval from creditors for the cost of winding up the Company. The Liquidator’s remuneration is associated with the costs of the liquidation process, including the realisation of assets of the Company (if any). Therefore, this resolution will only impact the return to creditors in the event that assets are realised by the Liquidators.

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 Liquidation 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 27 June 2023 for your vote to be counted, via email to nathan.moxey@bdo.com.au or via post to our firm’s address, attention Nathan Moxey. If posting, please ensure you allow sufficient time for your vote to arrive by the due date.

ANNEXURE E

Proposal Without a Meeting Information Sheet

Page left intentionally blank

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").

