

Supplementary Report to Creditors
Under Section 439A of the Corporations Act 2001

Australian Road Express Pty Limited
(Formerly known as W.A. Freightlines Pty Ltd)
ACN 051 918 015

Jolly's Transport Services Pty Ltd
ACN 097 891 248

(Both Receivers and Managers Appointed)
(Both Administrators Appointed)

13 October 2017

Peter Krejci, Andrew Cummins, John Carrello
Joint and Several Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
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BRI Ferrier

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1 EXECUTIVE SUMMARY

On 17 July 2017, we, Peter Krejci and Andrew Cummins, of BRI Ferrier (NSW), Level 30, Australia Square, 264 George Street, Sydney NSW 2000 and John Carello of BRI Ferrier (WA), Unit 3, 99-101 Francis Street, Northbridge WA 6003 were appointed Joint and Several Administrators of the following companies:

- Australian Road Express Pty Ltd ("ARE")
- Jolly's Transport Services Pty Ltd ("JTS")
- WAFL SPV Pty Ltd ("WAFL")
- Jetstyle Express Pty Ltd ("Jetstyle")

(Collectively referred to as "the Companies" or "ARX Group").

The Second Meetings of the Creditors of the ARX Group began concurrently on 21 August 2017. At the meetings, creditors resolved to place WAFL and Jetstyle into Liquidation and the meetings of those creditors ended. The creditors of ARE and JTS resolved to adjourn for a period of no more than 45 business days to permit Deeds of Company Arrangement to be proposed.

The meetings of the creditors of ARE and JTS will be resumed at 10:00am (AWST) on 23 October 2017 at the Len Buckeridge Room, Adina Apartment Hotel, 138 Barrack Street, Perth WA 6000. Please find attached as **Annexure "1"** the Notice of Resumption of Meeting of Creditors.

Creditors are advised to read this Report in conjunction with our Report to Creditors dated 11 August 2017 (our "Earlier Report"). Copies of our Earlier Report will be supplied if requested by email sent to rivet@brifnsw.com.au.

Although the meetings of the creditors of ARE and JTS Meetings were adjourned to allow the Secured Creditors to consider putting forward a proposal for a Deed of Company Arrangement ("DOCA") at the date of this Report we have not received a proposal for a DOCA and have confirmed with the Secured Creditors that no DOCA will now put forward by them. Accordingly, given that the Companies are insolvent, we recommend that the Companies be placed into Liquidation.

There appears to be a significant shortfall owing to the secured creditors. Based on investigations undertaken to date it is unlikely that a dividend will be paid to ordinary unsecured creditors. It is anticipated that eligible employees may be able to claim outstanding employee entitlements from the Fair Entitlements Guarantee scheme ("FEG"). It may be that they, or FEG, have some recourse to some circulating assets. Please refer to Section 2.3 below for our further comments.

As the Companies appear to be insolvent we recommend that the companies be placed in Liquidation.

We recommend against the return of the control of the companies to their director and, as there has been no proposal for a DOCA, we are unable to recommend that creditors resolve that the Companies execute a DOCA.

1.1 LIMITATION

This Report and the statements made in it are based upon the review of available books and records, information provided by the Companies' Director, Employees, Advisors, Creditors and from our own enquiries. Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should further information be made available to us, or should matters change after the date of this Report.

In considering the options available to Creditors and in formulating our recommendations, we have necessarily made forecasts and estimates and professional judgments. These forecasts, estimates and judgments may change as asset realisations progress, as Creditors' claims are made and adjudicated upon, and as further information become available.

Neither the Administrators nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Companies' affairs which they consider may impact on our investigation or reports, please provide it to our office as soon as possible.

1.2 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") pursuant to Section 436DA of the Act was enclosed in our Earlier Report. The DIRRI records that the Administrators' undertook a proper assessment of the risks to their independence prior to accepting the appointment.

There have been no material changes to the DIRRI that would affect the Administrators' independence.

2 FURTHER INVESTIGATIONS

2.1 OVERVIEW

Since our Earlier Report, we have undertaken further investigations into the ARX Group's affairs. In particular, we have sought to obtain further information regarding the securities held by the Secured Creditors.

Our investigations will continue throughout the course of a Liquidation. Under the *Insolvency Law Reform Act 2016*, Liquidators are required to prepare a further Report to creditors within 3 months of the beginning of Liquidation. In those Reports, further information will be provided regarding the likelihood of a dividend and progress regarding the liquidation generally.

2.2 ASSESSMENT OF INSOLVENCY

In our Earlier Report, we stated our preliminary conclusion that that the Companies became insolvent on or around 17 July 2017, when the Secured Creditors withdrew their support for the provision of funding support to the ARX Group. Until support was withdrawn, the Companies exhibited some, but not all, of the indicators of insolvency. Support had been demonstrated over the months before appointment.

Our assessment has been based on the information available to us from the Companies' records, from information provided by the Director, the Companies' management and from Creditors and on the basis of our investigations of the Companies' affairs. The assessment has necessarily been undertaken on a summary and preliminary basis. If the Companies are placed into Liquidation and litigation is contemplated, a liquidator will need to undertake a more thorough and rigorous assessment. Legal advice would also be necessary and the conduct of public examinations of the relevant parties may also be required.

2.2.1 Pre-appointment Correspondence with ARX Group

Our investigations indicate that the ARX Group and other related entities entered into negotiations with the Secured Creditors and other parties with a view to obtaining a solvent restructuring. We understand that those negotiations were unsuccessful and resulted in the appointment of Receivers and Managers and Administrators to the ARX Group.

As previously advised, the Secured Creditors have not been prepared to provide particulars of correspondence between the Secured Creditors and the ARX Group on the basis that the negotiations involved entities outside the ARX Group. We have not been successful to date in obtaining this information.

2.3 OTHER INVESTIGATIONS

2.3.1 Employee Entitlements

In our Earlier Report, we summarised our views about the likely operation of Security Interests granted by the Companies and noted that our preliminary investigations indicated that the Secured Creditors held a non-circulating security interest over current assets of ARE and JTE, including Cash and Sundry Debtors, both in respect of the first DOCA and at our appointment.

A “non-circulating” security interest entitles a secured creditor to the net proceeds of the sale or recovery of the assets to which it applies. A “circulating” security interest gives a secured creditor similar priority over unsecured creditors, but is subject, in some cases, to a claim for priority of payment by some employee unsecured creditors for some claims arising from their employment. Those priorities are conferred by Sections 433 and 561 of the *Corporations Act*. If the employees’ claims are met under the FEG, the Department administering FEG is subrogated to the employees’ priorities, which is to say, FEG can “stand in the employees’ shoes”.

Whether a security interest is circulating or non-circulating requires interpretation of the security instrument, consideration of the operation of the *Personal Property Securities Act* and an understanding of the operations of the Companies and the securities in practice.

While we have formed preliminary views, we have not yet formed a concluded view about whether the security interests are circulating or non-circulating. We are investigating this issue, and if it is possible to do so we will report further at the Meetings of Creditors.

Priority is only valuable if there is a surplus from the recovery of “circulating” assets. We are communicating with the Receivers about realizations.

2.3.2 Fair Entitlements Guarantee

Under the *Insolvency Law Reform Act 2016*, which began operation on 1 September 2017, the Commonwealth Government can require that we provide it with information, documents or reports where, as it has, it has formed the view that a claim may be made under the FEG.

The Commonwealth has made two requests for the production of information about the Companies. We have met with officers of the Department of Employment to discuss those requests and have responded, in part, to the requests. We have also corresponded with the Department about the requests. We expect that we will have responded to the second request before the Meeting resumes.

The Commonwealth is seeking information about the securities granted by the Companies; about the transfer of employees within the McAleese Group under the DOCAs, and about whether any transactions have been entered into that may have reduced the amount that may be recoverable by employees or, by subrogation, the FEG. The Commonwealth is also interested in a further issue relating to possible circulating security claims arising from provisions of the earlier Deeds of Company Arrangement. We are communicating with the former Receivers about this topic.

Claims can only be made under FEG if the companies proceed into liquidation. We expect that further investigation of these matters will be required in the liquidation.

2.4 INVESTIGATIONS IN A LIQUIDATION

Should creditors resolve at the forthcoming resumption of the Meetings of Creditors that the Companies be wound up, then a liquidator will be able to undertake more thorough investigations (subject to available funding) without time constraints. Those investigations may identify voidable transaction recoveries and/or an insolvent trading claim not identified in the Voluntary Administration, which may result in a return to unsecured creditors. Creditors will be notified in due course of any change to the prospect a return.

2.5 REPORT TO ASIC

In our Earlier Report, we advised that a Report would be submitted to ASIC pursuant to Section 438D addressing any offenses that may have been committed by the Director and/or the Companies.

After further consideration, we have determined that it was not appropriate to lodge such Report with ASIC at this time. The Liquidators, if appointed, will be required to prepare a similar Report to ASIC under Section 533 of the Act. We expect that a Report will be prepared and lodged with ASIC shortly before the dispatch of the Report to be issued to Creditors within 3 months of the appointment of Liquidators.

We encourage creditors to provide details of any concerns regarding the conduct of the ARX Group to our office as soon as possible.

2.6 ULTIMATE HOLDING COMPANY

An ASIC Company search indicates that Rivet Holdco Pty Ltd is the ultimate holding company of ARE and JTS.

Section 588V of the Act provides that it a Holding Company may be held liable in a fashion similar to the liability of a company director for losses suffered by unsecured creditors in respect of debts incurred when the company is insolvent.

Given our preliminary view that the Companies became insolvent on or about 17 July 2017, we do not believe such an action is likely to have significant value. However, further analysis regarding the solvency of the Companies will be required if the Companies are placed into Liquidation at the resumed Meeting.

3 ESTIMATED RETURN TO CREDITORS

It is anticipated that there will be a significant shortfall to the secured creditors and as such it is unlikely that a dividend will be payable to ordinary unsecured creditors.

As mentioned above, there is a possibility that some employee claims may have priority over the claims of the Secured Creditors in respect of some, "circulating" assets. We are unable at present to estimate a rate of dividend to employee creditors.

We expect that, if the Companies enter into liquidation, employees are likely to be paid under the FEG, which will then be subrogated the employees' in respect of any circulating asset priority.

4 FATE OF THE COMPANIES

4.1 DEED OF COMPANY ARRANGEMENT

We have not received any proposal for a DOCA from the Director or any other party. We have confirmed that such proposal will not be forthcoming from the Secured Creditors. **Accordingly this option is not available to Creditors.**

4.2 RETURN THE COMPANIES TO THEIR DIRECTOR

Creditors may resolve that the Administration of the Companies should end and that control of the Companies should be returned to their Director.

Our investigations indicate the Companies are insolvent (on the basis that funding is not available to continue trading) and in Receivership. If the administrations were to end, the Companies would be placed in a similar position to that existing prior to our appointment as Administrators, when the Secured Creditors were not willing to permit any further funding support to the Companies to enable continued trading. As such, we do not believe that return to the control of their Director is a viable option for the Companies.

We do not recommend that the Administrations end on the basis that the Companies appear to be insolvent and are without sufficient funding to facilitate continued trading.

4.3 LIQUIDATION

Should Creditors decide to wind up the Companies, the Voluntary Administrations will end and be replaced by Creditors Voluntary Liquidations. The Administrators will become the Liquidators, unless creditors resolved to appoint an alternative Liquidator.

The roles of the Liquidators will include:

- ✦ The completion of the investigations into the reasons for the Companies' failure begun by the Administrators and reported on in this Report and in our Earlier Report;
- ✦ Identification of any causes of action or voidable transaction recoveries against any entity or individual; and
- ✦ Consideration of the employee entitlement priority issue summarised above.

The Liquidators will also be required to report their findings to ASIC in the event that offences are uncovered; as well as reporting, if as is likely, that the Companies are unable to pay dividends to ordinary unsecured creditors of 50 cents in the dollar.

The Liquidators will also complete a further Report to Creditors setting out the prospects of any dividend and of further investigations.

On the basis that the Companies are insolvent and that no DOCA has been submitted for creditors' consideration, we recommend that creditors resolve to wind up the Companies at the forthcoming Second Meeting of Creditors.

5 ADMINISTRATORS' RECEIPTS AND PAYMENTS

Please find attached the Summary of Receipts and Payments for the Company to date marked as Annexures "2".

6 CREDITOR'S RIGHTS IN VOLUNTARY ADMINISTRATION AND LIQUIDATION

As a creditor, you are given certain rights to request information and meeting as well as take certain actions. We are required to provide to creditors, details of these rights. Attached as **Annexure "3"** are copies of the ARITA Information Sheets on Creditors Rights in a Voluntary Administration and Liquidation.

7 ADMINISTRATORS' / LIQUIDATORS' REMUNERATION

In compliance with the Australian Restructuring, Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Request Report as **Annexure "4"** which details the major tasks that have been and will be conducted in these administrations. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This information is contained within the Remuneration Approval Request Report. In addition, a schedule of hourly rates is enclosed in **Annexure "5"**.

To date, our remuneration has been calculated on a "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our Firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

ASIC has issued an information sheet for creditors on approving remuneration for insolvency practitioners. This information sheet is available for download from www.asic.gov.au/insolvencyinfosheets. Alternatively, a copy can be obtained from our office.

7.1 VOLUNTARY ADMINISTRATION PERIOD

Creditors have previously approved our remuneration as Voluntary Administrators as follows:

Company	Period	Amount Approved (\$)
Australian Road Express	17 July 2017 to 9 August 2017	41,594.50
	10 August 2017 to 21 August 2017	8,405.50
	TOTAL	50,000.00
Jolly's Transport Services	17 July 2017 to 9 August 2017	20,392.00
	10 August 2017 to 21 August 2017	9,608.00
	TOTAL	30,000.00

We have incurred additional remuneration in dealing with the Administrations since the creditors meetings held on 21 August 2017. Accordingly, we have sought further approval from creditors in relation to my remuneration for the period 22 August 2017 to the date of the resumed meeting.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "4"** for further details.

7.2 LIQUIDATION PERIOD

If the Companies are placed into liquidation at the resumed meeting, we will be appointed Liquidators of the Companies, unless creditors resolve to appoint an alternate Liquidator. It is proposed that John Carrello will not become liquidator. We note that we have not received an alternate consent to act as Liquidator.

On the basis that we are to be appointed Liquidators, we will seek approval for our estimated remuneration in conducting the Liquidations. The attached Remuneration Approval Request Report details an estimate of the costs likely to be incurred in a liquidation. It is an estimate only and may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "4"** for further details.

8 RESUMPTION OF SECOND MEETINGS OF CREDITORS

The Second Meetings of Creditors will resume on 23 October 2017 at 10:00am (AWST). The formal Notice of Meeting is attached as **Annexure "1"** for your reference.

The purpose of the resumed Meetings is to enable Creditors to consider the Administrators' Report pursuant to section 439A of the Act and to determine the Companies' future.

To participate as a Creditor and/or eligible employee Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor and/or eligible employee Creditor. Proofs of Debt are enclosed as **Annexure "6"**. If you have previously provided a Proof of Debt and wish to amend your claim, you may do so. Otherwise, Creditors whose Proofs were accepted for voting at previous meetings are not required to be re-lodged for the upcoming meeting.
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be in accordance with Form 532 which is attached as **Annexure "7"**. Proxies submitted for the First Meeting of Creditors are not valid for the forthcoming meeting. **However, proxies lodged for the first part of the Second Meeting, held on 21 August 2017, are valid for the forthcoming meeting.** Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A special proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging special proxies, need to be mindful that their intended voting patterns can become academic or "contradictory" where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at my office by 4.00 pm one (1) business day prior to the meeting.
- Where a facsimile copy of a proxy is sent, the original must be lodged with our office within seventy-two hours after receipt of the facsimile. An attorney of a creditor must show the

instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

9 QUERIES

Should you have any further queries or require any assistance with the completion of forms, please contact our office as follows:

- ✦ Phone: (02) 8263 2300
- ✦ Email: rivet@brifnsw.com.au (preferred)
- ✦ Mailing: GPO Box 7079, Sydney NSW 2001
- ✦ Facsimile: (02) 8263 2399

Yours faithfully

AUSTRALIAN ROAD EXPRESS PTY LTD

JOLLY'S TRANSPORT SERVICES PTY LTD

(BOTH RECEIVERS AND MANAGERS APPOINTED)(BOTH ADMINISTRATORS APPOINTED)



PETER KREJCI

Joint and Several Administrator

Annexure 1

Notice of Resumption of Second Meeting of Creditors

FORM 529
CORPORATIONS ACT 2001
Subregulation 5.6.12(2)

NOTICE OF RESUMPTION OF SECOND MEETINGS OF CREDITORS

AUSTRALIAN ROAD EXPRESS PTY LTD
(FORMERLY KNOWN AS W.A. FREIGHTLINES PTY LTD)
ACN 051 918 015

JOLLY'S TRANSPORT SERVICES PTY LTD
ACN 097 891 248

(RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)

("THE COMPANIES")

NOTICE is given that the Second Meeting of the Creditors of the Companies, begun on 21 August 2017, will be resumed at the Len Buckeridge Room, Adina Apartment Hotel, 138 Barrack Street, Perth WA 6000 on Monday, 23 October 2017 at 10:00 am AWST.

A G E N D A

1. That the meetings of Australian Road Express Pty Ltd and Jolly's Transport Services Pty Ltd be held concurrently.
2. To receive the report of the Administrators and receive questions from creditors.
3. To consider approving the remuneration of the Administrators.
4. To consider approving the internal disbursements of the Administrators.
5. For creditors to resolve:
 - a. That the Voluntary Administration should end; or
 - b. That the Companies be wound up.
6. If creditors resolve to wind up the Companies:
 - a. To consider the appointment of an alternate Liquidator(s);
 - b. To consider approving the remuneration of the Liquidators;
 - c. To consider approving the internal disbursements of the Liquidators; and
 - d. To consider the early destruction of the Companies' books and records.
 - e. To consider the appointment of Committees of Inspection.
7. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the Sydney Office of the Administrators by 4.00pm (AEDT) on the business day prior to the meeting. A corporate creditor can only be represented by proxy or by an attorney pursuant to Corporations Regulations 5.6.28 and 5.6.31A or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

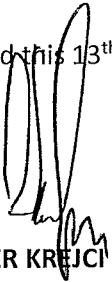
Teleconference facilities

Creditors wishing to attend by telephone are advised to contact Mr Anthony Locascio of this office by 4:00pm two (2) business days prior to the meeting.

Creditors wishing to participate in the meeting by telephone must return to the convenor of the meeting not later than two (2) business days before the day of the meeting, a written statement setting out the name of the person and of the proxy or attorney, (if any), an address to which notices to the person, proxy or attorney may be sent, a telephone number at which the person, proxy or attorney may be contacted and any facsimile number to which notices to the person, proxy or attorney may be sent. A person, or the proxy or attorney of a person who participates in the meeting by telephone, must pay any costs incurred in participating and is not entitled to be reimbursed for those costs from the assets of the Companies.

In accordance with Corporation Regulation 5.6.23(1), creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Companies with the Administrators.

Dated this 13th day of October 2017



PETER KREJCI

Joint and Several Administrator

Annexure 2

Summary of Receipts and Payments

Summarised Receipts & Payments

Jolly's Transport Services Pty Ltd
(Receivers and Managers Appointed) (Administrators Appointed)
Transactions From 17 July 2017 To 13 October 2017

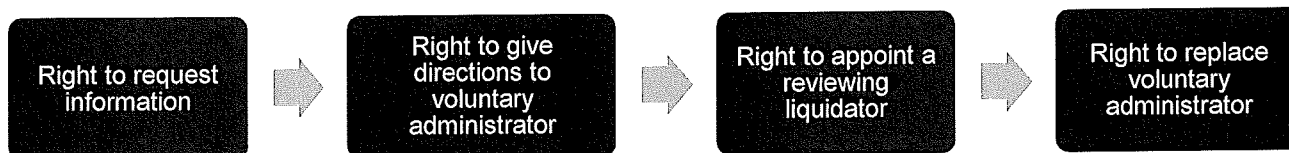
Account	Net Amount
Funds under Indemnity for VA's Costs	\$35,670.67
GST on Receipts	\$0.00
Total Receipts (inc GST)	\$35,670.67
Bank Charges	\$1.20
Administrators Remuneration	\$25,352.00
Administrators Expenses	\$1,433.38
GST on Payments	\$2,678.54
Total Payments (inc GST)	\$29,465.12
Balance in Hand	\$6,205.55

Annexure 3

ARITA Information Sheet on Creditor Rights

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

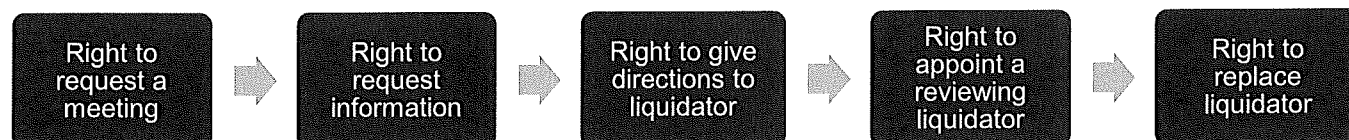
It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

For more information, go to www.arita.com.au/creditors

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

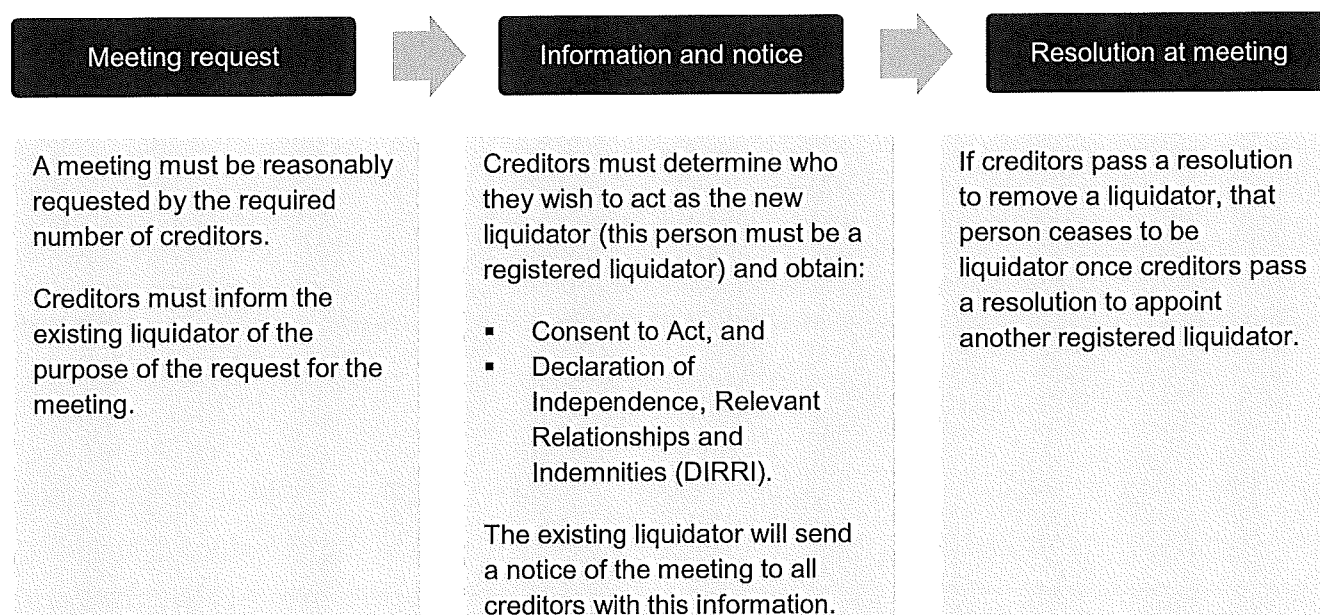
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

Annexure 4

Remuneration Approval Request Report

Remuneration Request Approval Report

Jolly's Transport Services Pty Ltd
(Receivers and Managers)
(Administrators Appointed)
ACN 097 891 248

13 October 2017

Andrew Cummins
Peter Krejci
John Carrello
Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
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1 DECLARATION

We, Andrew Cummins and Peter Krejci of BRI Ferrier (NSW) Pty Ltd, and John Carrello of BRI Ferrier (WA), have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Voluntary Administrators of Jolly's Transport Services Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed), 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 Administration.

2 EXECUTIVE SUMMARY

To date, remuneration totalling \$30,000.00 (plus GST) has been approved in this administration. This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (\$, excl GST)
Past Remuneration Approved:		
<i>Administrators' remuneration for the period 17 July 2017 to 9 August 2017</i>		\$20,392.00
<i>Administrators' remuneration for the period 10 August 2017 to 21 August 2017</i>		\$9,608.00
Resolution [2]: <i>Administrators' remuneration for the period 22 August 2017 to 12 October 2017</i>	[3.1]	\$17,731.50
Resolution [3]: <i>Administrators' remuneration for the period 13 October 2017 to 23 October 2017</i>	[3.2]	\$6,000.00
Resolution [4]: <i>Administrator's disbursements for the period 17 July 2017 to the 23 October 2017</i>	[5]	\$3,000.00
<u>If the Creditors resolve to wind up the Company:</u>		
Resolution [7]: <i>Liquidators' remuneration for the period 24 October 2017 to the conclusion of the Liquidation</i>	[4]	\$30,000.00
Resolution [8]: <i>Liquidators' disbursements for the period 24 October 2017 to the conclusion of the Liquidation</i>	[5]	\$3,000.00

This is consistent with the estimate of costs provided in the Advice to Creditors regarding Remuneration annexed to my First Report to Creditors dated 18 July 2017. This estimated a cost to complete the Voluntary Administration of \$50,000 to \$100,000 (excluding GST).

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

3 DESCRIPTION OF WORK COMPLETED IN VOLUNTARY ADMINISTRATION

The tables below provide a summary of the work completed/to be completed by us and our staff in the Administration.

Company	Jolly's Transport Services Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed)	Period From	22 August 2017	To	12 October 2017
Practitioner	Andrew Cummins, Peter Krejci and John Carrello	Firm	BRI Ferrier (NSW) Pty Ltd and BRI Ferrier (WA)		
Administration Type	Voluntary Administration				

3.1 REMUNERATION FOR THE PERIOD 22 AUGUST 2017 TO 12 OCTOBER 2017

Task Area	General Description	Includes
Creditors 21.2 hours \$9,705.00 (excl. GST)	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Secured creditor reporting	Liaising with Secured Creditors regarding status of administration
	Creditor reports	Preparing Supplementary Report to Creditors regarding adjournment of meeting detailing investigations and resumed Second Meeting of Creditors
	Dealing with proofs of debt	Receipting and filing Proofs of Debt when not related to a dividend
	Committee of Creditors	Organising and holding meeting of Committee of Creditors
	Resumed second meeting of creditors	Preparation of meeting notices, proxies and advertisements
Employees 4.4 hours \$2,590.00 (excl. GST)	Employees enquiry	Reviewing and preparing correspondence to employees to confirm termination of employment Responding to employees' queries Maintaining employee enquiry register
	Fair Entitlement Guarantee ("FEG")	Liaising with FEG regarding status of employee entitlements

Task Area	General Description	Includes
Investigation 4.4 hours \$2,485.00 (excl. GST)		Meeting with FEG regarding investigation and recoveries Tasks associated with complying with FEG requests for information Liaise with various parties to obtain information and documents to comply with FEG request Liaising with solicitor regarding release of security documents Obtaining legal advice regarding complying with request
	Conducting investigation	Reviewing Company's books and records provided by McGrathNicol Review of specific transactions and liaising with Internal Accountants regarding certain transactions Preparation of investigation file Conducting investigations into the various transactions that warranted investigations. Correspondence with the company's financial accountant, COO and CFO in respect of the above matters Investigating other potential voidable transactions
Administration 9.9 hours \$2,951.50 (excl. GST)	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening accounts Opening and maintenance of bank account
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 5011, 561 etc.
	ATO and other statutory reporting	Notification of appointment Completion of first quarter BAS
	Planning / Review	Discussions regarding status of administration Correspondence with Directors and staff regarding administration process WIP and Fees spreadsheet preparation and review
	Books and records / storage	Locating and dealing with various company records Sending job files to storage
Total hours: 39.9		
Total: \$17,731.50 (excl. GST)		

JOLLY'S TRANSPORT SERVICES PTY LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
CALCULATION OF REMUNERATION TO DATE
FOR THE PERIOD FROM 22 AUGUST 2017 TO 12 OCTOBER 2017

Staff Member	Position	Average Rate	Total		Creditors		Employees		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Cummins	Principal (NSW)	650.00	3.20	2,080.00	0.2	130	0.6	390	1.9	1235	0.5	325
Peter Krejci	Principal (NSW)	650.00	2.00	1,300.00			2	1300				
Peter Sheppard	Director (NSW)	540.00	8.40	4,536.00	8.4	4536						
Pauline Yeow	Manager (NSW)	500.00	11.20	5,600.00	6.8	3400	1.8	900	2.5	1250	0.1	50
Katherine La	Supervisor (NSW)	400.00	0.60	240.00	0.6	240						
Jack Li	Senior Accountant (NSW)	340.00	0.50	170.00							0.5	170
Jonathan Carter	Senior Accountant (WA)	330.00	0.20	330.00							0.2	330.00
Anthony Locascio	Senior Accountant (NSW)	275.00	8.60	2,365.00	4.8	1320					3.8	1045
Xiaoyan Lin	Intermediate Accountant (NSW)	225.00	2.40	540.00							2.4	540
Donna Selby	Senior Administration (NSW)	210.00	0.40	84.00							0.4	84
Jessica Mula	Senior Administration (NSW)	210.00	0.40	84.00	0.2	42					0.2	42
Sonia Stelmach	Senior Administration (NSW)	210.00	1.30	273.00							1.3	273
Jared Andersen	Undergraduate Accountant (WA)	185.00	0.70	129.50	0.2	37.00					0.5	92.50
TOTAL (EXCLUDING GST)			39.9	17,731.50	21.2	9,705.00	4.4	2,590.00	4.4	2,485.00	9.9	2,951.50
Add : GST				1,773.15								
TOTAL (INCLUDING GST)				19,504.65								
<i>Average hourly rate (excl GST)</i>				<i>444.40</i>		<i>457.78</i>		<i>588.64</i>		<i>564.77</i>		<i>298.13</i>

3.2 REMUNERATION FOR THE PERIOD 13 OCTOBER 2017 TO 23 OCTOBER 2017

Company	Jolly's Transport Services Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed)	Period From	13 October 2017	To	23 October 2017
Practitioner	Andrew Cummins, Peter Krejci and John Carrello	Firm	BRI Ferrier (NSW) Pty Ltd and BRI Ferrier (WA)		
Administration Type	Voluntary Administration				

Task Area	General Description	Includes
Assets 1.0 hours \$425.00 (excl GST)	Assets subject to specific charges	Liaising with McGrathNicol regarding charged assets Obtain security documents from secure creditors
	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post.
Creditors 3.8 hours \$1,300.00 (excl. GST)	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend Adjudicate on creditor claims for voting purposes
	Creditor reports	Preparing and issuing Second Report to Creditors detailing investigations and convening Resumed Second Meeting of Creditors
	Resumed Second Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting Responding to stakeholder queries immediately following meeting Prepare meeting file Attendance at meeting

Task Area	General Description	Includes
Employees 3.5 hours \$1,697.50 (excl. GST)	Employees enquiry	Responding to employees' queries Maintaining employee enquiry register
	Fair Entitlement Guarantee ("FEG")	Liaising with FEG regarding request for information Internal discussions regarding FEG request Discussion with secured creditor regarding security documents Review of books and records to comply with request
Investigation 1.5 hours \$525.00 (excl. GST)	Conducting investigation	Internal meetings regarding above matters Liaising with Grant Thornton regarding cost allocation from Receivership realisations Consider any future actions available to liquidator Obtain legal advice regarding same
Administration 5.4 hours \$2,052.50 (excl. GST)	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Planning / Review	Discussions regarding status of administration
Total hours: 15.2 Total: \$6,000.00 (excl. GST)		

JOLLY'S TRANSPORT SERVICES PTY LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
CALCULATION OF REMUNERATION TO DATE
FOR THE PERIOD FROM 13 OCTOBER 2017 TO 23 OCTOBER 2017

Staff Member	Position	Average Rate	Total		Assets		Creditors		Employees		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Cummins	Principal (NSW)	650.00	0.5	325.00									0.5	325.00
Peter Krejci	Principal (NSW)	650.00	0.5	325.00									0.5	325.00
John Carrello	Principal (WA)	630.00	0.5	315.00									0.5	315.00
Michelle Shackles	Director (WA)	575.00	0.1	57.50			0.1	57.50						
Peter Sheppard	Director (NSW)	540.00	1.5	810.00					1.5	810.00				
Pauline Yeow	Manager (NSW)	500.00	4.2	2,100.00	0.5	250.00	1.2	600.00	1.5	750.00	0.5	250.00	0.5	250.00
Katherine La	Supervisor (NSW)	400.00	0.3	120.00	0.3	120.00								
Anthony Locascio	Senior Accountant (NSW)	275.00	5.5	1,512.50	0.2	55.00	2.0	550.00	0.5	137.50	1.0	275.00	1.8	495.00
Jessica Mula	Senior Administration (NSW)	210.00	1.1	237.50									1.1	237.50
Sonia Stelmach	Senior Administration (NSW)	210.00	0.5	105.00									0.5	105.00
Jared Anderson	Undergraduate Accountant (WA)	185.00	0.5	92.50			0.5	92.50						
TOTAL (EXCLUDING GST)			15.2	6,000.00	1.0	425.00	3.8	1,300.00	3.5	1,697.50	1.5	525.00	5.4	2,052.50
Add: GST				600.00										
TOTAL (INCLUDING GST)				6,600.00										
<i>Average hourly rate (excl GST)</i>				<i>393.93</i>		<i>425.00</i>		<i>342.11</i>		<i>485.00</i>		<i>350.00</i>		<i>377.93</i>

4 LIQUIDATORS' REMUNERATION FOR THE PERIOD 24 OCTOBER 2017 TO CONCLUSION

Company	Jolly's Transport Services Pty Ltd	Period From	24 October 2017	To	Completion
Practitioner	Andrew Cummins and Peter Krejci	Firm	BRI Ferrier (NSW) Pty Ltd		
Administration Type	Creditors Voluntary Liquidation				

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Andrew Cummins and Peter Krejci as Joint and Several Liquidators of same. The Joint and Several Liquidators will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

Task Area	General Description	Includes
Assets 3.5 hours \$1,412.50 (excl. GST)	Assets subject to specific charges	Reviewing lease documents Liaising with McGrathNicol regarding status of asset realisations
	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post
Creditors 9.5 hours \$3,227.50 (excl. GST)	Secured creditor reporting	Liaising with Secured Creditors regarding status of administration
	Creditor reports	Preparing and issuing report to creditors regarding outcome of the second meeting of creditors Preparing Report to Creditors regarding investigations and dividend likelihood Preparing further reports to creditors (if necessary)
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend Corresponding with OSR and ATO regarding Proofs when not related to a dividend

Task Area	General Description	Includes
Employees 18.0 hours \$8,322.50 (excl. GST)	Meetings of Creditors (if required)	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Employees enquiry	Review and prepare correspondence to creditors and their representatives by facsimile, email and post Responding to employee queries Maintaining employee enquiry register
	Other employee issues	Correspondence regarding employees not previously mentioned above
	FEG	Assist employees with FEG application forms Liaising with FEG regarding entitlement verification and timing of distribution Liaising with FEG Recovery Team regarding requests for information and investigation progress
Investigation 18.6 hours \$8,377.50 (excl. GST)	Conducting investigation	Reviewing Company's books and records Preparation of updated deficiency statement (if necessary) Investigating matters that may be subject to further scrutiny in a winding up Finalisation of investigation file Lodgement of investigation with the ASIC Consider if any voidable transaction recoveries may be warranted
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC Preparation of supplementary report to ASIC
Administration 24.7 hours \$8,660.00 (excl. GST)	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists

Task Area	General Description	Includes
	Bank account administration	Setting up internal bank account Processing receipts and payments Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 5011 etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BASs
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
Total hours: 74.3		
Total: \$30,000.00 (excl. GST)		

JOLLY'S TRANSPORT SERVICES PTY LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
CALCULATION OF REMUNERATION TO DATE
FOR THE PERIOD FROM 24 OCTOBER 2017 TO COMPLETION

Staff Member	Position	Average Rate	Total		Assets		Creditors		Employees		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Andrew Cummins	Principal (NSW)	650.00	4.3	2,795.00			1.0	650.00	0.5	325.00	1.8	1170.00	1.0	650.00
Peter Krejci	Principal (NSW)	650.00	2.3	1,495.00							1.3	845.00	1.0	650.00
Michelle Shackles	Director (WA)	575.00	0.5	287.50									0.5	287.50
Peter Sheppard	Director (NSW)	540.00	6.5	3,510.00					6.5	3510.00				
Pauline Yeow	Manager (NSW)	500.00	24.7	12,350.00	2.0	1000.00	1.5	750.00	6.5	3250.00	8.5	4250.00	6.2	3100.00
Katherine La	Supervisor (NSW)	400.00	2.3	920.00							1.5	600.00	0.8	320.00
Anthony Locascio	Senior Accountant (NSW)	275.00	24.5	6,737.50	1.5	412.50	5.5	1512.50	4.5	1237.50	5.5	1512.50	7.5	2062.50
Xiaoyan Lin	Intermediate Accountant (NSW)	225.00	0.5	112.50									0.5	112.50
Jessica Mula	Senior Administration (NSW)	210.00	5.7	1,187.50			1.5	315.00					4.2	872.50
Sonia Stelmach	Senior Administration (NSW)	210.00	2.0	420.00									2.0	420.00
Jared Anderson	Undergraduate Accountant (WA)	185.00	1.0	185.00									1.0	185.00
TOTAL (EXCLUDING GST)			74.3	30,000.00	3.5	1,412.50	9.5	3,227.50	18.0	8,322.50	18.6	8,377.50	24.7	8,660.00
Add : GST				3,000.00										
TOTAL (INCLUDING GST)				33,000.00										
<i>Average hourly rate (excl GST)</i>				<i>404.01</i>		<i>403.57</i>		<i>339.74</i>		<i>462.36</i>		<i>450.40</i>		<i>351.25</i>

5 DISBURSEMENTS

Disbursements are divided into three types:

- ✦ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ✦ Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- ✦ 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.

We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

The following disbursements have been reimbursed to our firm to date:

Disbursement Paid	Rate	Total (\$)
Internal Disbursements:		
Printing/Photocopying	5732 pages @ 25c/page	1433.00
TOTAL		1433.00

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of Internal Disbursements. Creditors will be asked to approve our Internal Disbursements prior to these disbursements being paid from the external administration.

Details of the basis of recovering internal disbursements in this external administration are provided below:

└ NSW Office

Internal Disbursements	Rate (Excl. GST) (\$)
Printing/Photocopying	\$0.25 per page
Facsimile	\$0.25 per page
Staff vehicle use	In accordance with ATO mileage allowances

└ WA Office

Internal Disbursements	Rate (Excl. GST) (\$)
Photocopying/Printing	\$0.65 per page
Scanning	\$0.10 per page
Facsimile	\$1.00 per page
Stationery	\$10.00 per file
Staff vehicle use	As per ATO prescribed rate

6 STATEMENT OF REMUNERATION AND DISBURSEMENTS CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

Resolution 2: Administrators' Remuneration for the period 22 August 2017 to 12 October 2017

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 22 August 2017 to 12 October 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be fixed and approved at \$17,731.50 (plus GST), and that the Administrators be authorised to draw that amount."

Resolution 3: Administrators' Remuneration for the period 13 October 2017 to 23 October 2017

"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 13 October 2017 to 23 October 2017 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be fixed and approved at \$6,000.00 (plus GST), and that the Administrators be authorised to draw that amount."

Resolution 4: Administrators' Internal Disbursements for the period 17 July 2017 to 23 October 2017

"That the internal disbursements claimed by the Joint and Several Voluntary Administrators for the period 17 July 2017 to Conclusion, in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be approved to an amount of \$3,000.00 (plus GST) and that the Administrators be authorised to draw that amount as required."

If the Company is wound up:

Resolution 7: Liquidators' Remuneration for the period 24 October 2017 to the conclusion of the Liquidation

"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017 and approved to an interim cap of \$30,000.00 (plus GST), that the Joint and Several Liquidators be authorised to draw that amount as and when incurred, and that they be allowed to seek further remuneration in the future if required ."

Resolution 8: Liquidators' Internal Disbursements for the period 24 October 2017 to the conclusion of the Liquidation

"That the internal disbursements claimed by the Joint and Several Liquidators for the period 24 October 2017 to Conclusion, in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be approved to an amount of \$3,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as required."

At this time, we do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

7 QUERIES

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrator's office to seek further information concerning the remuneration claim if they so need.

The Australian, Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled: "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA Website www.arita.com.au or can be obtained from this office.

Annexure 5

Advice to Creditors about Remuneration

ADVICE TO CREDITORS ABOUT REMUNERATION

BRI FERRIER

REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

▲ Time based / hourly rates or “Time Cost”

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

▲ Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

▲ Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

▲ Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

METHOD CHOSEN

BRI Ferrier normally charges to use a Time Cost basis, because:

- ▲ It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- ▲ The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- ▲ The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- ▲ The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 2018. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, I will seek their approval.

EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are comparable to an hourly wage rate.

As we anticipate staff from both our New South Wales ("NSW") and Western Australian ("WA") offices will be engaged in the administration, the hourly rates for both offices are set out on the following page and staff from each office will charge at their applicable hourly rate.

Title	Description	NSW Hourly Rate (ex GST)	WA Hourly Rate FY2017 (ex GST)	WA Hourly Rate FY2018 (ex GST)
Appointee	An Official Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	\$650	\$600	\$630
Principal	A Registered or Official Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$620	\$550	\$575
Director	An accountant with more than 10 years' experience. May be an Official or Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$540	\$500	\$525
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$500	\$475	\$495
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$480	\$450	\$470
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$400	\$400	\$420
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA.. Able to complete work on appointments with limited supervision.	\$340	\$320	\$330
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$275	\$280	\$290
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$250	\$230	\$240
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$225	\$180	\$185
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$210	\$180	\$185
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150	\$150	\$155

ESTIMATION OF COST

We estimate the amount of the remuneration to conduct the Voluntary Administration to be between \$50,000 and \$100,000 (excl. GST, disbursements and legal costs, as necessary). Additionally, we estimate the amount of remuneration to be between \$50,000 and \$100,000 (excl. GST, disbursements and legal costs, as necessary) in conducting the Liquidation.

These estimates are based on the information available to date. Should any of the above circumstances change, we believe that costs will likely increase from our estimate above. However, as mentioned previously, actual remuneration sought to be approved may exceed this estimate and this higher amount must be approved by the Creditors, Committee of Creditors or Court.

DISBURSEMENTS

Disbursements are divided into three types:

- ✦ Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- ✦ Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- ✦ Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally 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.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the liquidation.

Details of the basis of recovering internal disbursements in this liquidation are provided below:

- ✦ NSW Office

Internal Disbursements	Rate (Excl. GST) (\$)
Printing/Photocopying	\$0.25 per page
Facsimile	\$0.25 per page
Staff vehicle use	In accordance with ATO mileage allowances

WA Office

Internal Disbursements	Rate (Excl. GST) (\$)
Photocopying/Printing	\$0.65 per page
Scanning	\$0.10 per page
Facsimile	\$1.00 per page
Stationery	\$10.00 per file
Staff vehicle use	As per ATO prescribed rate

Annexure 6

Formal Proof of Debt

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

JOLLY'S TRANSPORT SERVICES PTY LTD
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
ACN 097 891 248
("the Company")

To the Administrator of Jolly's Transport Services Pty Ltd (Receivers and Managers Appointed) (Administrator Appointed)

1. This is to state that the Company was, on 17 July 2017 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾
.....for
..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount \$	GST included \$	Remarks ⁽⁴⁾

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾
- 3.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.^{(6)*} I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2017

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation.....

Address

If you would like to receive future correspondence via electronic means, please complete your details below:

Email Address.....

Telephone Number.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per RATA	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED / /			

Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
 - (2) Insert full name and address (including ABN) 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.
 - (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
 - (4) Under "Remarks" include details of vouchers substantiating payment.
 - (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount	Date Due
	\$	¢		

-
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
-

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

Annexure 7

Proxy Form

Form 532
Corporations Act 2001
Regulation 5.6.29

APPOINTMENT OF PROXY

JOLLY'S TRANSPORT SERVICES PTY LTD
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)
ACN 097 891 248
("the Company")

*I/*We⁽¹⁾.....of.....
.....a creditor of Jolly's Transport Services Pty Ltd,
appoint⁽²⁾..... or in his or her absence
..... as *my/our general/special proxy to vote at the Resumed Second
Meeting of Creditors of the Company to be held on Monday, 23 October 2017 at 10:00am AWST, or at any
adjournment of that meeting.⁽³⁾

To vote as follows: ⁽³⁾

	RESOLUTION	FOR	AGAINST	ABSTAIN
1.	<i>"That the meetings of Australian Road Express Pty Ltd and Jolly's Transport Services Pty Ltd be held concurrently."</i>			
2.	<i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 22 August 2017 to 12 October 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be fixed and approved at \$17,731.50 (plus GST), and that the Administrators be authorised to draw that amount."</i>			
3.	<i>"That the remuneration of the Joint and Several Voluntary Administrators, their partners and staff for the period 13 October 2017 to 23 October 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be fixed and approved at \$6,000.00 (plus GST), and that the Administrators be authorised to draw that amount."</i>			
4.	<i>"That the internal disbursements claimed by the Joint and Several Voluntary Administrators for the period 17 July 2017 to Conclusion, in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be approved to an amount of \$3,000.00 (plus GST) and that the Administrators be authorised to draw that amount as required."</i>			
5.	<i>"That the Voluntary Administration should end."</i>			
6.	<i>"That the Company be placed into Liquidation."</i>			

	RESOLUTION	FOR	AGAINST	ABSTAIN
7.	If creditors resolve to <u>wind up the Company</u>: <i>"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 24 October 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017 and approved to an interim cap of \$30,000.00 (plus GST), that the Joint and Several Liquidators be authorised to draw that amount as and when incurred and that they be allowed to seek further remuneration in the future if required."</i>			
8.	If creditors resolve to <u>wind up the Company</u>: <i>"That the internal disbursements claimed by the Joint and Several Liquidators for the period 24 October 2017 to Conclusion, in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 October 2017, be approved to an amount of \$3,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as required."</i>			
9.	If creditors resolve to <u>wind up the Company</u>: <i>"That subject to the consent of the Australian Securities & Investment Commission, the Joint and Several Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i>			

INSTRUCTIONS FOR COMPLETING:

1. Insert name and address.
2. Insert name of person to be appointed as proxy.
3. To vote in favour of one of options 5 or 6 regarding the future of the Company tick (✓) the "for" box next to the desired option and tick (✓) the "against" box for all other options. In relation to remuneration, you may tick (✓) either "for" or "against" or "abstain".

DATED (4) Signature
 (If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00pm one business day prior to the meeting by:

Email: rivet@brifnsw.com.au, or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS (5) -(to be completed only where person giving proxy is blind or incapable of writing)

I,of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED thisday of 2017

Signature of Witness

Description

Place of Residence