

Report to Creditors

Jolly's Transport Services Pty Ltd
ACN 097 891 248

(In Liquidation)

12 December 2019

Andrew Cummins and Peter Krejci
Joint and Several Liquidators

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 EXECUTIVE SUMMARY

As you are aware, on 17 July 2017, Peter Krejci, John Carrello and I were appointed Joint and Several Voluntary Administrators of Jolly's Transport Services Pty Ltd ("Jolly's").

Subsequently on 23 October 2017, Peter Krejci and I were appointed Joint and Several Liquidators of Jolly's at the Second Meeting of Creditors.

Jolly's is a member of a group of Companies which include Australian Road Express Pty Ltd, Jetstyle Express Pty Ltd and WAFL SPV Pty Ltd (All in Liquidation). These entities are known as the "ARX Group".

1.1 PURPOSE OF THE REPORT

The purpose of this Report is to provide creditors with an update on the progress of the Liquidation ahead of a Meeting of Creditors including:

- Conduct of the winding up;
- Our tasks to completion;
- An account of our receipts and payments to date; and
- The Liquidator's Remuneration Approval Report.

A meeting of creditors has been convened for Tuesday, 31 December 2019 at 9:30AM:

Meeting of Creditors	
Venue	BRI Ferrier Chartered Accountants Level 30 - Australia Square 264 George Street Sydney NSW 2000
Date	Tuesday, 31 December 2019
Meeting Commences	9.30AM

A Notice of Meeting is attached as **Annexure "1"**.

1.2 PREVIOUS COMMUNICATIONS

This report should be read in conjunction with our following reports:

- Initial Circular to Creditors dated 18 July 2017;
- Second Report to Creditors dated 11 August 2017;
- Supplementary Report to Creditors dated 13 October 2017; and
- Statutory report to creditors dated 23 January 2018.

Copies of these documents are available on request.

2 MEETING OF CREDITORS

Attached as **Annexure “1”** is a Notice convening a meeting of creditors to be held at the offices of BRI Ferrier (NSW) Pty Limited, Level 30, 264 George Street, Sydney NSW 2000 on Tuesday, 31 December 2019 at 9:30AM.

For the purposes of voting at the meeting, creditors are required to submit a Formal Proof of Debt in accordance with Form 535, a copy of which is attached as **Annexure “2”**. Creditors who have previously provided a proof of debt are not required to re-lodge their proof for the forthcoming Meeting.

Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be by an instrument in accordance with Form 532, a copy of which is attached as **Annexure “3”**.

Proxy forms or facsimiles thereof must be lodged with me at least twenty-four (24) hours prior to the commencement of the meeting. Where a facsimile copy of a proxy is sent, the original must be lodged with me within seventy-two hours after receipt of the facsimile. An attorney of a creditor must show the instrument by which he/she is appointed to the Chairperson prior to the commencement of the meeting.

Teleconference facilities will be available for those creditors who wish to attend the meeting by telephone. Please contact Mr Jack Li of this office before Monday, 30 December 2019, so that appropriate arrangements may be made.

3 LIQUIDATOR’S ACTS AND DEALINGS AND CONDUCT OF THE WINDING UP

We provide a summary of the work undertaken in the Liquidation since the circulation of our last report:

- Liaised with the Receivers and Managers regarding the realisation of ARX Group’s secured assets;
- Verified employee entitlements for claims lodged under the Fair Entitlements Guarantee Scheme with the Department of Employment (now the Attorney-General’s Department (“AGD”));
- Undertaken further investigations into the affairs of Jolly’s and the ARX Group;
- Finalised our review in respect to voidable transaction recoveries and insolvent trading claims;
- Prepared and lodged a Report to ASIC pursuant to Section 533 of the Act;
- Prepared and lodged quarterly business activity statements with the Australian Taxation Office;
- Prepared this Report to Creditors;
- Obtain clearance from ASIC to proceed to finalise the Liquidation; and
- Prepared and lodged Annual Administration Return with ASIC.

4 DIVIDEND TO CREDITORS

4.1 SECURED CREDITOR

We note the below in regard to secured creditors:

- As previously advised, the secured creditors appointed Receivers and Managers to the ARX Group at the same time as our appointment as Administrators.
- The Receivers and Managers have had control of the ARX Group's affairs and assets since that time. We understand that the secured creditor claims have not been paid full.
- The Receivers and Managers retired from their appointments to the ARX Group on 20 September 2019.

4.2 PRIORITY CREDITORS (EMPLOYEE ENTITLEMENTS)

To date, we note that:

- There have been 18 former employees of Jolly's who have lodged claims under the Fair Entitlement Guarantee Scheme ("FEG") with the AGD.
- We have reviewed and verified entitlements of 18 employees for Jolly's;
- We have provided various documents to FEG in order complete the verification process for employee entitlements;
- To date, AGD have made advancements totalling \$694,148 to eligible former employees of Jolly's. Below is an updated summary:

Employee Entitlements	ERV Amount (\$)
Wages	10,845
Annual Leave	155,175
Long Service Leave	150,124
Redundancy	254,926
Payment in Lieu of Notice	123,078
Total Priority Creditor Claims	694,148

- AGD subsequently subrogated employee claims pursuant to Section 560 of the Act; and
- We understand that AGD's claim against Jolly's has been partly satisfied from an agreement entered into with the Receivers and Managers.

4.3 UNSECURED CREDITORS

We advise that realisations achieved from the sale of ARX Group's assets by the Receivers and Managers will be insufficient to enable a dividend to unsecured creditors of Jolly's.

5 REMUNERATION

To date creditors have approved our remuneration to an amount of \$30,000 (plus GST).

At the forthcoming meeting, creditors will be asked to consider and, if thought fit, approve our remuneration incurred in relation to the liquidation of Jolly's as follows:

Resolution 1:

"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2017 to 4 December 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 12 December 2019, be fixed and approved at \$30,018.00 (plus GST) and that the Liquidators be authorised to draw that amount."

A summary of our work performed in relation to our remuneration is included in **Annexure "4"**, being our Remuneration Approval Report. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier (NSW). The Advice to Creditors about Remuneration is attached as **Annexure "5"**, which provides details of our hourly rates and the method used to calculate our remuneration.

The amount currently due exceeds \$60k, however we are prepared to write off any further amount due.

The funds available to pay our remuneration were received from the Receivers and Managers pursuant to an indemnity entered with the Receivers and Managers.

6 DISBURSEMENTS

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, however we are not seeking approval for our internal disbursements at this time. Creditors previously approved our internal disbursements to an amount of \$3,000 (plus GST).

Details of the basis of recovering disbursements in this administration are provided below.

Internal Disbursements	Rate (excl GST) (\$)
Photocopying / Printing	\$0.25 per page
Facsimiles	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

7 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of our receipts and payments to date is attached as **Annexure "6"**.

8 LIQUIDATOR'S TASKS TO COMPLETION

The matters that remain to be carried out in order to complete the winding up include:

- Hold forthcoming Meeting of Creditors and lodge minutes with ASIC;
- Statutory lodgements;
- Arrange for the lodgement of an end of administration return with ASIC; and
- Lodgement of the final Business Activity Statement with the ATO and cancellation of the ABN registration.

We anticipate that we will be in a position to finalise the Liquidation within the next 6 months.

9 CONTACT DETAILS

Should you have any queries in relation to this matter, please contact Jack Li of this office:

- Phone: (02) 8263 2300
- Facsimile: (02) 8263 2399
- Email: jli@brifnsw.com.au
- Mail: GPO Box 7079, Sydney NSW 2001

Yours faithfully

JOLLY'S TRANSPORT SERVICES PTY LTD (IN LIQUIDATION)



ANDREW CUMMINS

JOINT AND SEVERAL LIQUIDATOR

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the rectangle.

BRI Ferrier

**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "1"
Notice of Meeting**

**NOTICE OF MEETING OF CREDITORS
JOLLY'S TRANSPORT SERVICES PTY LTD
(IN LIQUIDATION)
ACN 097 891 248
("THE COMPANY")**

NOTICE IS GIVEN that a meeting of the Company's creditors will be held at the offices of BRI Ferrier (NSW) Pty Ltd, Level 30, 'Australia Square', 264 George Street, Sydney NSW 2000 on Tuesday, 31 December 2019 at 9.30am.

The purpose of the meeting is:

1. To receive the Report to Creditors.
2. To consider approving the remuneration of the Liquidators.
3. To consider any other business that may be lawfully brought forward.

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532.

Proxies to be used at the meeting should be given to us as Liquidators or to the person named as convening the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules section 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D.

Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the company in accordance with Insolvency Practice Rule 75-85 and that claim has been admitted for voting purposes wholly or in part by the Liquidators.

Pursuant to Insolvency Practice Rules 75-25 and 75-150 a special proxy can be lodged showing approval or rejection of each resolution. Proxy forms or emails thereof must be lodged with our office by 4.00pm on the day prior to the meeting. Where an email copy of a proxy is sent, the original must be lodged with our office within 72 hours after receipt of the email. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Telephone Conference Facilities

Creditors or members wishing to attend by telephone are advised they can utilise the following conference facility:

Telephone Number: 1800 062 923

Please contact Mr Jack Li of this office for the teleconference password, if you wish to attend by telephone.

Pursuant to Insolvency Practice Rule 75-75, creditors or members wishing to participate in the meeting by telephone must return to the convenor of the meeting not later than the second last working day 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 company.

DATED this 12th day of December 2019.



ANDREW CUMMINS

JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER (NSW) PTY LTD

Level 30

Australia Square

264 George Street

Sydney NSW 2000

Telephone: (02) 8263 2300

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**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "2"
Formal Proof of Debt Form**

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Jolly's Transport Services Pty Ltd (In Liquidation) ACN 097 891 248

1. This is to state that the company was, on 17 July 2017 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾ (full name):

.....
('Creditor')

.....
of (full address)

for \$dollars andcents.

Particulars of the debt are (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$ (Incl. GST)	Remarks ⁽⁴⁾ 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 manner of satisfaction or security for the sum or any part of it except for the following:

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 \$ c	Due Date

☐ I am **not** a related creditor of the Company ⁽⁵⁾

☐ I am a related creditor of the Company ⁽⁵⁾
relationship:

3A. ^{(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.

3B. ^{(6)*} I am the creditor's agent authorised 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.

<input type="checkbox"/>	<p>I authorise the External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) on behalf of the Company and his or her employees and agents to send and give electronic notification of documents in accordance with Section 600G of the Corporations Act 2001 to the following email address:</p> <p>Contact Name:</p> <p>Email Address:</p>
--------------------------	--

DATED thisday of2019

NAME IN BLOCK LETTERS

Occupation.....

Address.....

Signature of Signatory

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:		ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	
DATE AUTHORISED / /			
			\$

Proof of Debt Form 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) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
 - (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

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.

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BRI Ferrier

**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "3"
Appointment of Proxy Form**

APPOINTMENT OF PROXY
CREDITORS MEETING

JOLLY'S TRANSPORT SERVICES PTY LTD (IN LIQUIDATION)
ACN 097 891 248
("THE COMPANY")

I/We <i>(If a firm, strike out "I" and set out the full name of the firm.)</i>	
Of <i>(insert address of firm)</i>	
being a creditor of the Company, appoint <i>(Insert the name, address and description of the person appointed)</i>	
or in his or her absence <i>(Insert the name, address and description of the person appointed)</i>	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 31 December 2019, or at any adjournment of that meeting.	

Please mark any boxes with an

X

Proxy Type:

☐

General

☐

Special

	For	Against	Abstain
Resolution 1 <i>"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2017 to 4 December 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 12 December 2019, be fixed and approved at \$30,018.00 (plus GST) and that the Liquidators be authorised to draw that amount."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2019.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

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 or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

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BRI Ferrier

**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "4"
Remuneration Approval Report**

Remuneration Approval Report

Jolly's Transport Services Pty Ltd
(In Liquidation)
ACN 097 891 248

12 December 2019

Andrew Cummins and Peter Krejci
Joint and Several Liquidators

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
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1 DECLARATION

Peter Krejci and I, Andrew Cummins, of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of Jolly's Transport Services Pty Ltd (In Liquidation) 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 Liquidation.

2 EXECUTIVE SUMMARY

In compliance with the Australia Restructuring Insolvency and Turnaround Association (**ARITA**) Code of Professional Practice and the requirements of the Corporations Act 2001 (the **Act**), we set out below our Remuneration Report.

We note that previous remuneration approved by creditors totalled \$30,000.00 (plus GST) for the Liquidation and has been drawn in full. Accordingly, we intend to seek your approval for additional accrued remuneration to a further limit of \$30,018.00 (plus GST). This Report details the additional accrued remuneration for which we are seeking approval:

Remuneration Period	Amount (\$) (Excl. GST)	Comment
<u>Approved – Creditors Voluntary Liquidation (CVL)</u>		
24 October 2017 to conclusion	30,000.00	Remuneration approved by creditors on 23 October 2017 and drawn
Total Approved & Drawn – CVL	30,000.00	
<u>To be approved</u>		
21 December 2017 to 4 December 2019	30,018.00	Seeking approval from creditors – resolution. Report reference 3.1
Total to be Approved	30,018.00	

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

We note that the remuneration approval sought differs to the estimate of costs provided in the Remuneration Report dated 13 October 2017 for the following reasons:

- Undertaking verification services on behalf of the Department of Employment in respect of outstanding employee entitlements was more complex than initially anticipated.

3 DESCRIPTION OF WORK COMPLETED

Company	Jolly's Transport Services Pty Ltd (In Liquidation)	Period From	21 December 2017	To	4 December 2019
Practitioner	Andrew Cummins and Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Creditors' Voluntary Liquidation				

3.1 REMUNERATION FOR THE PERIOD 21 DECEMBER 2017 TO 4 DECEMBER 2019

Task Area	General Description	Includes
Creditors 8.70 Hours \$3,036.50 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries by telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Creditor reports	<ul style="list-style-type: none"> Preparation of Statutory Report to Creditors Preparation of further Report to Creditors Preparation of Annexures for Report to Creditors including preparation of Remuneration Approval Report
	Meeting of Creditors	<ul style="list-style-type: none"> Preparation and review of minutes of meeting of creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing Proofs of Debt
Investigation 5.70 Hours \$3,395.00 (excl GST)	ASIC Reporting	<ul style="list-style-type: none"> Prepare Report to ASIC pursuant to Section 533 of the Corporations Act
	Conduct Investigations	<ul style="list-style-type: none"> Continue to review Company books and records

		<ul style="list-style-type: none"> Preparation of file notes detailing additional investigations conducted and add to investigation program Internal meetings regarding investigation related matters
Employees 44.5 Hours \$17,741.00 (excl GST)	Fair Entitlements Guarantee (FEG)	<ul style="list-style-type: none"> Preparation of verification spreadsheet Liaising with Department regarding verification of employee entitlements and information available Resolve discrepancies with FEG
	Employees enquiry	<ul style="list-style-type: none"> Liaising with employees regarding entitlements
Administration 18.9 Hours \$5,845.50 (excl GST)	Correspondence	<ul style="list-style-type: none"> Liaising with Receivers and Managers regarding progress of matter
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Preparing annual administration review Filing of documents Maintaining job checklists
	Bank account administration	<ul style="list-style-type: none"> Requesting bank statements Bank account reconciliations Attend to payments as required during the course of the Liquidation Completing cheque requisitions
	ASIC Forms	<ul style="list-style-type: none"> Preparing and lodging statutory ASIC forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BASs as required
	Planning / Review	<ul style="list-style-type: none"> General correspondence Discussions regarding status of administration
TOTAL 77.8 Hours \$30,018.00 (Excl. GST)		

4 CALCULATION OF REMUNERATION

Jolly's Transport Services Pty Ltd (In Liquidation)
A.C.N. 097 891 248
For the Period 21 December 2017 to 4 December 2019

Name	Staff Classification	Rate per Hour	Creditors		Investigation		Employees		Administration		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Andrew Cummins	Appointee	650.00	-	-	4.70	3,055.00	0.5	325.00	0.6	390.00	5.8	3,770.00
Pauline Yeow	Senior Manager	500.00	2.4	1,200.00	-	-	23.2	11,600.00	1.0	500.00	26.6	13,300.00
Jack Li	Supervisor	400.00	-	-	-	-	0.3	120.00	1.3	520.00	1.6	640.00
Jack Li	Senior 1	340.00	2.3	782.00	1.00	340.00	0.9	306.00	6.2	2,108.00	10.4	3,536.00
Anthony Locascio	Senior 2	275.00	3.3	907.50	-	-	19.6	5,390.00	1.6	440.00	24.5	6,737.50
Casey Byrne	Senior 2	275.00	-	-	-	-	-	-	0.2	55.00	0.2	55.00
Zen Taureka	Intermediate 1	250.00	-	-	-	-	-	-	2.8	700.00	2.8	700.00
Karen Enriquez	Intermediate 2	225.00	-	-	-	-	-	-	0.7	157.50	0.7	157.50
Patrick Mao	Intermediate 2	225.00	-	-	-	-	-	-	0.7	157.50	0.7	157.50
Xiaoyan Lin	Intermediate 2	225.00	-	-	-	-	-	-	1.3	292.50	1.3	292.50
Jessica Mula	Senior Administration	210.00	-	-	-	-	-	-	1.0	210.00	1.0	210.00
Sonia Stelmach	Senior Administration	210.00	0.7	147.00	-	-	-	-	1.0	210.00	1.7	357.00
Vivienne McCarthy	Senior Administration	210.00	-	-	-	-	-	-	0.5	105.00	0.5	105.00
Total			<u>8.7</u>	<u>3,036.50</u>	<u>5.7</u>	<u>3,395.00</u>	<u>44.5</u>	<u>17,741.00</u>	<u>18.9</u>	<u>5,845.50</u>	<u>77.8</u>	<u>30,018.00</u>
											GST	3,001.80
											Total (incl GST)	<u>\$33,019.80</u>
Average rate per hour				<u>349.02</u>		<u>595.61</u>		<u>398.67</u>		<u>309.29</u>		<u>385.84</u>

5 STATEMENT OF REMUNERATION CLAIM

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

Resolution 1: Liquidators' Remuneration for the period 21 December 2017 to 4 December 2019

"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2017 to 4 December 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 12 December 2019, be fixed and approved at \$30,018.00 (plus GST) and that the Liquidators be authorised to draw that amount."

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 and we wish to seek further remuneration then we will be required to present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

6 REMUNERATION RECOVERABLE FROM EXTERNAL SOURCES

To date, the Department of Employment (now the Attorney General's Department) have provided us an amount of \$7,410.00 (plus GST) for the provision of employee entitlement verification services.

7 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 charge 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.

Internal disbursements provided by our Firm are charged to the administration on the following basis:

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

We advise that to date, creditors have approved \$3,000.00 (plus GST) of our internal disbursements. We have drawn internal disbursements totalling \$1,433.38 to date.

We are not seeking any approval of our internal disbursements at this time.

8 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report to creditors as **Annexure “6”** is a summary of the receipts and payments in the administration to date.

9 QUERIES & INFORMATION SHEET

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

Creditors should contact the Liquidator’s office to seek further information concerning the remuneration claimed if they so require.

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.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green diagonal stripe on the right side.

BRI Ferrier

**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "5"
Advice to Creditors about
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Jolly's Transport Services Pty Ltd (In Liquidation)
ACN 097 891 248 ("the Company")

1.1 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.

1.2 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.

Given the nature of this administration, we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- ▲ We will only be paid for work done, subject to sufficient realisations of the Company assets.
- ▲ It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- ▲ We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted are current effective for this particular administration. BRI Ferrier may increase the hourly rates charged for work performed after 30 June 2020. If hourly rates are increased, we will seek approval from creditors.

1.3 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 not comparable to an hourly wage rate.

HOURLY RATES

Title	Description	Rate (excl 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
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
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
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
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills, and studying or has completed specialised study in Insolvency and Reconstruction. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$480
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
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
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
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
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
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$210
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

1.4 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 charge 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 administration. To date, creditors have approved our disbursements to an amount of \$3,000 (plus GST).

Details of the basis of recovering disbursements in this administration are provided below.

Internal Disbursements	Rate (excl GST) (\$)
Photocopying / Printing	\$0.25 per page
Facsimiles	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

Dated this 12th day of December 2019



ANDREW CUMMINS
LIQUIDATOR

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green diagonal stripe is on the right side of the rectangle.

BRI Ferrier

**Jolly's Transport Services
Pty Ltd
(In Liquidation)**

ACN 097 891 248

**Annexure "6"
Liquidators' Summary of
Receipts and Payments**

Summarised Receipts & Payments

Jolly's Transport Services Pty Ltd

(In Liquidation)

Transactions From 23 October 2017 To 12 December 2019

Account	Net	GST	Gross
Cash at Bank	6,205.55	0.00	6,205.55
Funds under Indemnity for VA's Costs	21,818.18	2,181.82	24,000.00
Funds under Indemnity for Liq Costs	12,544.15	0.00	12,544.15
Professional Fees for FEG Services	7,410.00	741.00	8,151.00
Total Receipts (inc GST)	\$47,977.88	\$2,922.82	\$50,900.70
Bank Charges	4.30	0.00	4.30
Liquidators Remuneration	11,137.73	1,113.77	12,251.50
Administrators' Remuneration	21,818.18	2,181.82	24,000.00
FEG Professional Services Fee	7,410.00	741.00	8,151.00
Administrators Remuneration WA	5,097.00	509.70	5,606.70
GST Clearing Account	564.00	0.00	564.00
Total Payments (inc GST)	\$46,031.21	\$4,546.29	\$50,577.50
Balance in Hand			\$323.20