

BRI Ferrier

SUPPLEMENTARY SECOND REPORT TO CREDITORS

AUSSIE STRENGTH PTY LTD

ACN 150 420 625

AUSSIE STRENGTH GLOBAL PTY LTD

ACN 646 609 501

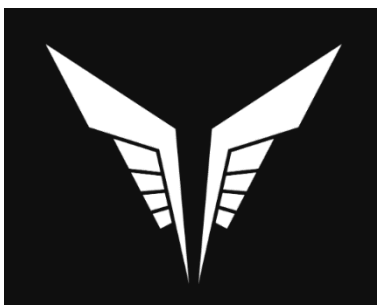
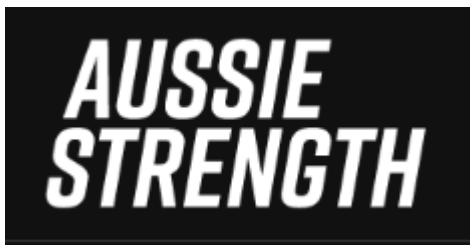
**(BOTH ADMINISTRATORS APPOINTED)
("THE COMPANIES")**

13 December 2022

JONATHON KEENAN

PETER KREJCI

Joint and Several Administrators



Phone 02 8263 2300

Email info@brifnsw.com.au

Website www.briferrier.com.au

Postal GPO Box 7079, Sydney NSW 2001

Address Level 30, Australia Square, 264 George Street,
Sydney NSW 2000

INTRODUCTION

We refer to our previous correspondence regarding the Companies, in particular, our second report to creditors dated 13 October 2022 (“Previous Report”) and provide creditors with an update on the matter.

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company’s creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the business, property, affairs and financial circumstances of the Companies and form an opinion about each of the following matters:

- ▶ Whether it would be in the Creditors’ interests for the Companies to execute a DOCA;
- ▶ Whether it would be in the Creditors’ interests for the Administrations to end; and
- ▶ Whether it would be in the Creditors’ interests for the Companies to be wound up.

This is a supplementary report which should be read in conjunction with our Previous report, in particular, our Second Report to Creditors dated 13 October 2022. If you have any questions relating to the administration, please do not hesitate to contact this office.

COMPANY DETAILS

Name	Aussie Strength Pty Ltd
Incorporated	13 April 2011
ACN/ABN	150 420 625/61 150 420 625
Registered Office	Level 4, 1 James Place North Sydney NSW 2060
Trading Address	99 Percival Road Smithfield NSW 2164
Name	Aussie Strength Global Pty Ltd
Incorporated	15 December 2020
ACN/ABN	646 609 501/21 646 609 501
Registered Office	99 Percival Road Smithfield NSW 2164
Trading Address	99 Percival Road Smithfield NSW 2164

ADMINISTRATORS

Name	Jonathon Keenan and Peter Krejci
Date Appointed	13 September 2022

ADMINISTRATION CONTACT

Name	Max Florian
Email	mflorian@brifnsw.com.au
Phone	02 8263 2300

EXECUTIVE SUMMARY

On 13 September 2022, we, Jonathon Keenan and Peter Krejci were appointed Joint and Several Administrators of the Companies pursuant to Section 436A of the Corporations Act.

This report should be read in conjunction with our Previous report, in particular, our Second Report to Creditors. We will not restate matters contained in the previous report, unless there are updates required.

Pursuant to Section 439A of the Act, we convened the Second Meetings of Creditors of the Companies on 20 October 2022. The meetings were held on a concurrent basis, and they were adjourned for up to 45 business days, to allow time to complete an orderly sale of the Companies' plant and equipment and stock from the Companies' leased premises. This also allowed further time to negotiate with potentially interested parties and/or for a Deed of Company Arrangement ("DOCA") to be proposed.

The resumption of the Second Meetings of Creditors have been convened for Wednesday, 21 December 2022 at 10:30AM (AEDT). Attached as **Annexure "1"** is the Notice of the Resumption of the Second Meetings of Creditors. The meetings of the Companies will be held concurrently, both in person and virtually for the convenience of creditors.

We provide below a summary of the matter.

With the assistance of agents, O'Maras, we have continued the rolling stock sales. To date we have completed 46 separate auctions with the last sale of stock having closed on Monday 12 December 2022. We have also commenced the sale of the Company's plant and equipment (including office equipment, pallet racking and forklifts).

Noting that the lease expired during November 2022, we continued to engage with the landlord, VPG, seeking to negotiate a commercial arrangement to allow for the orderly disposal of assets and exit from the leased premises. After much negotiation, we agreed to a licence arrangement to continue to occupy the premises until 24 December 2022. Based on the current auction schedule we are on track to vacate by this date.

Similarly, we engaged with CBA for their consent to the process, including the sale of assets currently subject to their registered security interest. In this regard, we are aware that the lease premises has been placed on the market for sale via auction. The auction of the property is due to occur on 20 December 2022 and it is expected to achieve a price sufficient to discharge the CBA debt in full. This is relevant in respect of any creditor guarantee claims from CBA and potential recovery of the loan owed by VPG.

We have continued to liaise with interested parties, and we received an offer to purchase selected items (including stock, plant and equipment, contracts and trademarks). Ultimately, we were unable to accept the offer made, however, we continued to liaise with this party, and the Director, in an attempt to facilitate a proposal for a DOCA for creditors' consideration. At the date of this Report, we have not received a DOCA proposal for either of the Companies.

The Director has failed to complete a Report as to Company Affairs and Property (ROCAP) as required under the Act. We have therefore reported the matter to ASIC for their assistance and appropriate action. In addition, we have reported our preliminary findings to ASIC pursuant to Section 438D of the Corporations Act. As Mr Taylor has now been a director of 2 or more entities that have entered external administration, ASIC have requested further information/report to determine if Mr Taylor should be banned as a director pursuant to Section 206F of the Corporations Act. We anticipate that this Report will be prepared and lodged, should we be appointed as Liquidators at the forthcoming meeting.

We are advised that the Director continues to be suffering from ill health and has been unable to assist the Administration process. Unfortunately, the lack of assistance from the Director has made the process of the Voluntary Administration more challenging than initially anticipated. Combined with there being no staff left in the business, the added complexity has resulted in more work to be done by our team and higher costs for creditors. Furthermore, we have incurred additional costs dealing with disputes between the Director and Former Director (Gavin Crown), including various legal proceedings and multiple requests for further information or documentation which has resulted in additional reporting to ASIC.

We have also continued with our investigations into the Companies' affairs and the conduct of the officers. We remain of the view that both entities have been insolvent since June 2021 or earlier. We believe that there are likely claims against the Director for continuing to trade the Companies whilst insolvent for around \$1M-\$1.6M. As alternative actions, there are a range of potential breach of duty and/or Unreasonable Director Related Transaction claims that could be pursued in respect of the sale/transfer of business from AS to ASG in 2021 and various other personal expense transactions recorded in the accounts.

We have undertaken further investigations into the Director's personal asset position (including undertaking further searches in other states) to determine if the Director holds any real property available to satisfy potential claims against him. We have identified a further property located in Darling Point, NSW.

As both Companies are insolvent and no DOCAs have been proposed for creditors to consider, we must recommend that creditors resolve to place the Companies into Liquidation.

The return for creditors is contingent on the values obtained from the Companies assets, and any recoveries from the Director in a Liquidation scenario. However, as a best estimate, we project the following returns may be available in a Liquidation scenario in 12-24 months:

Creditors	Aussie Strength		Aussie Strength Global	
	High c in the \$	Low c in the \$	High c in the \$	Low c in the \$
Secured	Assumed paid by VPG		N/A	N/A
Priority	100	100	100	100
Unsecured	74	0	24	3

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GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
AS	Aussie Strength Pty Ltd (Administrators Appointed)
ASG	Aussie Strength Global Pty Ltd (Administrators Appointed)
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
Committee	Committee of Inspection
Companies	Aussie Strength Pty Ltd and Aussie Strength Global Pty Ltd
Director	Andrew Taylor
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
DOCA	Deed of Company Arrangement
DOD	Australian Department of Defence
DPN	Director Penalty Notice
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
Former Director	Gavin Crown
IPR	Insolvency Practice Rules (Corporations)
IPS	Insolvency Practice Schedule (Corporations)
O'Maras	O'Maras Auctioneers
POD	Proof of Debt
PPSR	Personal Property Securities Register
Premises	99 Percival Road Smithfield NSW 2164
ROCAP	Report on Company Activities and Property
VA	Voluntary Administration
VPG	Valkyrie Property Group Pty Ltd

1. PURPOSE OF REPORT

The objective of Part 5.3A of the Corporations Act (“the Act”) is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company’s creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the Company’s business, property, affairs and financial circumstances and form an opinion about each of the following matters:

- ▲ Whether it would be in the Creditors’ interests for the Company to execute a DOCA;
- ▲ Whether it would be in the Creditors’ interests for the Administration to end; and
- ▲ Whether it would be in the Creditors’ interests for the Company to be wound up.

Our findings and recommendations were set out in the Previous Report. This supplementary report is a summarised update to creditors, where our recommendation has not changed.

2. DISCLAIMER

This Report and the statements made herein are based upon available books and records, information provided by the Companies’ Director, Advisors, and from our own enquiries. We note that the Director is unwell and seeking medical treatment, and he provided limited information to us during this process. 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 the underlying data prove to be inaccurate or materially 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 of asset realisations and the ultimate quantum of Creditors’ claims against the Companies where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors’ claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrators’ best assessment in the circumstances, Creditors should note that the Companies’ ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

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 forward the details to our office as soon as possible.

3. 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 the First Report to Creditors. The DIRRI records that we undertook a proper assessment of the risks to our independence prior to accepting the appointments. There is no update required to the DIRRI.

4. UPDATE ON THE VOLUNTARY ADMINISTRATION

4.1 CUSTOMER ORDERS

Since our last meeting, we have continued to liaise with various parties, regarding various orders. We provide below an update regarding various aspects of customers’ orders.

4.1.1 Customised Stock

Since our Previous Report, we indicated that there were parties continuing to press claims in respect of stock customised for specific clients. These claims have now been resolved, or seemingly discontinued, with the stock being made available for purchase via auction.

We have also resolved a further claim whereby a customer asserted that he had left items in the warehouse.

4.1.2 Miscellaneous Customer Sales

As mentioned in our Previous Report, we sought to complete outstanding orders, where the relevant stock was available (or majority available) and it was commercially in the interests for creditors to do so. In some circumstances, customers were asked to accept partially complete orders.

We assessed the orders on a commercial basis, as compared to potential auction results. Where possible the orders were completed, and the cash collected.

4.1.3 Department of Defence Orders

As one of the Companies' largest customers, we liaised with the DOD to determine if we could negotiate suitable terms to complete a number of outstanding orders. We sought to confirm the level of stock available to complete the orders, noting that we were aware of stock either awaiting shipment from overseas, or pending arrival shortly at the docks.

We also noted that the DOD had partly paid several orders ahead of receiving the goods, and contrary to their contractual terms. The DOD sought apply these deposits against the balance owed, which diminished the commercial value for creditors now that the Company was in Administration, and all creditors' interests are assessed collectively.

The potential recovery from the completion of the DOD orders, was assessed against the stock holdings which were incomplete, and could not be readily sourced or financed. DOD was also invited to mitigate its loss, by making an offer to purchase the residual stock on their orders. In the circumstances the stock was offered, as is where is, without any warranty. However, DOD declined to make an offer.

Ultimately, we determined that it was in creditors interests for the stock to be sold via auction.

4.1.4 Post Appointment Sales

On or shortly after our appointment, around \$10K of customer deposits were still being processed through the ASG's finance facilities. We sought to complete these sales where it was commercially viable to do so.

We obtained copies of the invoices issued to these suppliers and with the assistance of O'Maras determined the stock available to complete these orders. Where the majority of stock was available, we contacted parties to determine if they were prepared to receive their order. In addition, where possible, we requested customers arrange collection of their items from the Smithfield premises directly. Where stock was not available, we have contacted parties to arrange refunds for their orders.

As at the date of this report, all post appointment customers have been contacted with the majority having collected the available goods or having the full amount refunded. The residual post appointment deposits that cannot be completed will be refunded shortly.

4.2 SALE OF STOCK BY O'MARAS

We had determined that due to the level of stock on hand, the stock sell-down process would take a period of 8 to 10 weeks and need to occur from the Smithfield premises given the relocation costs.

Creditors may recall that the inventory and accounting systems were materially inaccurate. As such, we instructed O'Maras to reorganise the warehouse and catalogue the available stock for sale. Those rolling stock sales have continued over the past weeks, and we anticipate that the process will be completed by 24 December 2022.

We are now proceeding with the sale of plant and equipment located at the premises including office equipment, pallet racking and the forklift. The CBA has consented to this approach, with the proceeds from the non-circulating assets being quarantined for the time being.

ASG has also purchased eight shipping containers with a local supplier based in Newcastle, NSW. The containers had been paid for in full prior to our appointment and are stored at the supplier's warehouse. We have instructed O'Maras to also arrange the sale of these shipping containers.

4.3 LANDLORD

As mentioned in our Previous Report, the Companies operated from a leased premise in Smithfield. VPG owns the property and AS is the lessee pursuant to a lease agreement. In November 2022, the lease expired, and VPG gave notice that it would not be extending the lease term.

Having regard to the large amount of stock and assets to deal with, it was necessary for the Companies to remain in place at the premises. We had sought relief on the rental obligations from VPG having regard to the tight cashflow position, and mutual interests in terms of dealing with the property in an orderly manner, given the joint exposure to CBA and AS's equitable interest in the property.

We presented this strategy to CBA as the secured creditor, and there was a general acceptance, subject to VPG's commitment. Noting the dispute between Mr Taylor and Mr Crown, we made separate requests in terms of the rental obligations and strategy to deal with the property.

After various negotiations with the parties, we agreed to a license arrangement to allow the Companies continued occupation of the Premises up to 24 December 2022. The license fee for this period was \$19,250 (including GST) which has been paid. We anticipate that the Companies will complete the asset sales and exit the premises on or around 24 December 2022. At the request of the landlord, we have also arranged for some minor upkeep to be completed, including the mowing of all lawns and the removal of certain items. There was no undertaking to make good or other material costs.

We are advised that VPG intends to sell the Premises during December 2022. To assist in this regard, we consented to an agent accompanying any prospective buyers to inspect the Premises and provided other assistance where possible. We understand that the anticipated sale proceeds may be sufficient to discharge the CBA debt in full, and which may extinguish the CBA's guarantee claim against AS, and also may improve the recovery prospects on the loan owed by VPG to AS.

4.4 SUPPLIERS

In our Previous Report, we advised creditors that the Company had ordered stock from an overseas supplier, with certain shipments being already in transit to Australia.

We entered into negotiations with the parties, to seek the release of the consignment of stock that had arrived in Sydney after our appointment. We sought information from both the supplier and freight forwarder seeking to understand the commercial value of the goods. Both parties sought to apply a lien for their costs against the stock, before its release.

Due to the limited funds on hand and with consultation with our valuers, O'Maras, we proposed a settlement which was based on the auction value of the goods in the circumstances. This was not accepted by the freight forwarder and supplier.

Accordingly, ASG will not deal with the stock. Instead the freight forwarder and supplier are entitled to lodge a proof of debt, however the extent of the claim is to be mitigated by the disposal of the goods.

4.5 MOTOR VEHICLES

AS's management accounts indicated that AS was the registered owner of a number of motor vehicles including two Ford Rangers and one Mazda Ute.

We continued to investigate the ownership of the Mazda Ute and based on recent Service NSW records, this vehicle has been sold.

We are also advised that one of the Ford Ranger's was sold prior to our appointment, and despite numerous requests, have not been provide with details (including a copy of the disposal papers) from the Director.

We have also been liaising with the Director regarding the third vehicle, being a 2015 Ford Ranger. After multiple requests we were recently provided access to the vehicle and have arranged for its collection. The vehicle is now with our auctioneers, O'Maras, who will arrange for the vehicle to sold shortly.

4.6 CLAIM AGAINST VALKYRIE

As discussed in our previous Report, the balance sheet of AS indicates that it is owed \$422K by VPG. The Director and the accounting records confirm that VPG is a debtor of AS. The management accounts indicate that AS advanced funds to VPG to assist with the purchase of the Premises. There also appears to be some leasehold improvements funded by AS.

We are advised by Mr Gavin Crown (one of the Directors of VPG) that the records are incorrect and that the rent owed to VPG from AS exceeds any claim AS may have against VPG. The counter-claim has not yet been substantiated by VPG despite our request for them to do so. We note that VPG lodged a proof of debt against AS in the amount of \$280,833.49 which was not admitted to vote.

VPG is in the process of selling the premises. As discussed above, we understand that the sale price may be sufficient to discharge the secured CBA debt in full. We have not been provided any financial information for VPG, however we see no reason why the loan owed to AS should not be repaid (in part at least).

This recovery will be pursued in a Liquidation of AS, likely on a commercial basis. Further updates will be provided in due course.

4.7 LEGAL PROCEEDINGS

At the time of our appointment, legal proceedings had been commenced against both AS and ASG by Mr Gavin Crown and his nominated entity. Pursuant to Section 440D of the Act, the proceedings were automatically stayed.

Since the adjournment of the creditors meeting, Mr Crown made an application to the Court seeking leave to continue the proceedings against AS. We are advised that on 21 November 2022, Justice Black heard and dismissed the application as against AS.

Subsequently, Mr Crown also sought leave of the Court to bring a form of derivative action against the Director on behalf of AS. We understand that that application also failed.

We understand that the legal proceedings as between Mr Crown and the Director are continuing. We will update creditors in due course, should those proceedings impact the Companies.

4.8 PERSONAL PROPERTY LOCATED AT TRADING PREMISES

At the time of our appointment, we were advised that the Director, Mr Crown and other associates/entities of the Director had stored personal items at the Premises. On enquiry, it appeared that there were ongoing disputes regarding the true ownership of the items, which appears consistent with the tenor of the disputes and legal proceedings.

We invited both parties (and their legal representatives) to resolve the disputes between themselves in the interests of costs. However, that was declined and put to us to resolve.

As the Companies' records were incomplete, we invited both parties to identify their respective items and provide evidence of ownership to support their claims. This achieved mixed results, as the documentation was lacking, as was the detail behind the claims.

Most of the items were personal in nature, and not likely to be assets of the Company. Further, the items were of limited realisable value.

Ultimately, we sought to resolve the matter commercially, rather than having to seek guidance from the Courts. Mr Crown has collected the items he identified, however the Director has not as yet. It is likely that the residual third party items will remain at the Premises for VPG or purchaser to resolve.

5. SALE OF THE COMPANIES' BUSINESS AND/OR ASSETS

Creditors may recall that we explored a sale and/or restructure of the Companies business by a public process and that at the time of the Second Meeting, we were still engaged with three parties regarding a potential purchase.

Ultimately, we received an offer, which included the purchase of certain customer contracts, IP and trademarks, pallet racking and selected stock items. The offer was subject to a confirmation of the stock on hand, was subject to adjustments and conditions.

We had to undertake substantial work to identify the assets sought by the purchaser, including whether they were available. Our analysis indicated that the offer would result in a lower return than would have been achieved should the stock be sold via auction. As such, we invited the purchaser to materially increase the offer. We also advised this party that an offer via a DOCA proposal may be a viable alternative given the interest in the customer contracts.

We understood that the offer was made with consultation of the Director, Mr Taylor, and that it was likely that if an offer was accepted or a DOCA proposed that Mr Taylor would be party to the arrangement.

5.1 PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT

We engaged in meaningful discussions with the potential purchaser, the Director and the Director's lawyer regarding a potential DOCA proposal. The value the purchaser had tentatively ascribed to the assets, as measured against potential Liquidator's recovery actions, meant that there was real commercial merit in a DOCA being proposed. Certainly there was value for the Director in terms of extinguishing potential actions against him, as previously reported.

Unfortunately, no proposal has been forthcoming from any party, and our recommendation is that creditors resolve to place the Companies into Liquidation.

6. TRANSFER OF BUSINESS FROM AS TO ASG

We have continued to investigate the transfer of business from AS to ASG, to classify the assets and proceeds as between AS and/or ASG. Our continued investigations indicate that there are no other documents or management agreements dealing with the sale or ongoing arrangements post sale.

Regardless, we have sought legal advice based on the available information, and determined that there is an enforceable agreement in terms of the sale of stock from AS to ASG, despite a lack of consideration subsequently being paid by ASG. AS has a creditor claim against ASG.

Therefore, in summary, the stock is an asset of ASG, and that other plant and equipment remain assets of AS (including the pallet racking, lease and vehicle). The asset realisations will be accounted for in this manner.

7. CURRENT FINANCIAL POSITION

Contained in this section is our analysis of the current financial position of the Companies, prepared utilising the available financial records and our enquiries to date. This has been updated since our last report, primarily to reflect a more accurate figure regarding the sale of the Companies' stock.

Despite a number of requests (including offers to assist the Director with completion), we have not received the Director's statement about the Company's business, property, affairs and financial position ("ROCAP") for either of the Companies. Provision of a ROCAP to an external administrator is required under the Corporations Act and as such, have reported the breach to ASIC. We are advised that ASIC has issued a further request to the Director for the completion of ROCAP for both AS and ASG, and is considering its position in terms of prosecution.

Accordingly, we are unable to make any comparison of the Director's reports to our own enquiries.

The financial position of the Companies remains materially in line with the information disclosed in the Second Report. We have updated the estimates to adopt actual figures where known, and included them in the update Estimated Outcome analysis discussed below.

8. ESTIMATED RETURN TO CREDITORS

We have set out in **Annexure “5”** and **Annexure “6”** an updated analysis of the estimated returns that may be available to creditors in a Liquidation scenario, noting that we do not have a DOCA proposal for comparison. Please note these figures are estimates only, and the actual results may vary materially.

In summary, we note that the estimated return provides as follows:

Aussie Strength Pty Ltd

- ▲ Priority Creditors a return of nil to 100 cents in the dollar; and
- ▲ Unsecured Creditors a return of nil to 74 cents in the dollar.
- ▲ Secured creditor CBA is assumed that it will be discharged by VPG.

Aussie Strength Global Pty Ltd

- ▲ Priority Creditors a return of nil to 100 cents in the dollar; and
- ▲ Unsecured Creditors a return of 3 to 24 cents in the dollar.

As noted above, the return for creditors is contingent on the values obtained from the Companies assets, and any recoveries from the Director in a Liquidation scenario. We have revised the realisations from the physical assets (including stock) based on auction results and projections. The litigation based recoveries from the Director are speculative, and subject to funding being available to pursue same, and thereafter enforcement.

As a best estimate, we project the returns to creditors may be available in a Liquidation scenario in 12-24 months. Please note that the employee’s claims will likely be discharged by the government Fair Entitlement Guarantee Scheme, and the government will subrogate the employees claims for a recovery from the Liquidation in due course.

In the interim, we encourage any creditors who have not already done so, to lodge a Formal Proof of Debt (“POD”) together with relevant supporting documentation. A copy of the POD is attached as **Annexure “2”** in this regard.

9. SUMMARY OF POTENTIAL OFFENCES

In our previous Report, we considered various potential contraventions of the Act, should the Companies be placed into Liquidation. We have summarised our findings below and provide a further update regarding work completed to date.

Section	Potential Offence Identified	Summary of Offence
180 181 182	Director's breach of fiduciary duties by failing to act with care & diligence, good faith and use of position	Insolvent Trading Arranging for the transfer of assets from AS to ASG, to the detriment of AS Use of company funds for personal expenditure
588FDA	Unreasonable Director Related Transactions	Arranging for the transfer of assets from AS to ASG, to the detriment of AS Use of Company funds for personal expenditure
588G	Director's duty to prevent insolvent trading	Insolvent Trading

9.1 RECOVERY OF CLAIM

We previously provided comments on the Director's ability to meet any claim should we be successful in an insolvent trading claim. As mentioned, we have valued an insolvent trading claim in AS to be \$300K and ASG to be approximately \$1.3 Million.

Our investigations have identified the following:

- ▲ A Property search undertaken in NSW conducted on the Director indicated no real property held in the name of the director. However, further searches undertaken indicate that the Director is the owner of a property located in Darling Point NSW. The property is held on Company Title, and he is a shareholder in the Company who owns the Property.
- ▲ We have also performed Property searches in NSW and QLD to determine if the Director's company, Paper Street Industries Pty Ltd, is the owner of any real property. The QLD title search indicated that Paper Street Industries Pty Ltd is the registered owner of a property located on the Sunshine Coast. The property is encumbered to the Commonwealth Bank of Australia.
- ▲ We have requested that the Director provide a statement of personal assets and liabilities for our consideration for potential claims, and recovery of loans. Whilst this has not yet been received, we have been advised by his solicitor that the Director has little in personal assets available to meet a claim.

In the event an insolvent trading claim is pursued, we anticipate that significant costs would be incurred, for which a Liquidator would require funding. Given the unpredictable nature of litigation, and in particular the defences that may be brought, it is difficult to accurately estimate the costs that may be incurred. We have made a provision in our estimated statement of position outlining a possible cost for litigation funding, if any claim is pursued.

Please note that the insolvent trading claims are to some extent speculative and are subject to the risks of litigation, defences discussed above, and the pursuit of enforcement of any successful judgement.

As an alternative, a Liquidator can consider selling the causes of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. It would be

open to any creditor or any other party to submit an offer to the Liquidators, should they have such an interest.

10. RECOMMENDATION OF ADMINISTRATOR

Pursuant to Rule 75-225(3) of the IPR, the Administrator is required to make a statement setting out the Administrators' opinion about each of the following matters and provide his reasons for those opinions:

- ▶ Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- ▶ Whether it would be in the Creditors' interests for the administrations to end;
- ▶ Whether it would be in the Creditors' interests for the Companies to be wound up.

10.1 DEED OF COMPANY ARRANGEMENT

We set out below our opinions as to each of these options:

We invited various parties to consider putting forward a DOCA proposal for creditors consideration, this included both the Director, the former Director and the potential purchaser of the business. Unfortunately, no DOCA proposals have been forthcoming for either of the Companies.

We note that the second creditors meetings cannot be adjourned any further, and therefore the creditors must resolve the future of the Companies at the forthcoming resumption meetings.

In summary, the Companies are both insolvent, and no DOCA proposals have been put forward.

We do not recommend creditors resolve that the Companies execute a DOCA.

10.2 ADMINISTRATION TO END

Creditors may resolve that the Administration of the Companies should end and that control of the Companies should be handed back to its Director.

The Companies are clearly insolvent and if the administrations were to end, the Companies would be placed in a similar position to that existing prior to our appointment as Administrators.

We do not recommend that the Administrations end on the basis that the Companies are insolvent.

10.3 LIQUIDATION

Should Creditors decide to wind up the Companies, the Administrators would convert to a Creditors Voluntary Liquidators and the Administrators would become the Liquidators, unless creditors resolved to appoint alternative Liquidators.

One of the roles of the Liquidators would be to complete investigations into the reasons for the Companies' failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC in the event that offences are uncovered.

On the basis that the Companies are insolvent, and that no DOCAs has been proposed for creditors' consideration, we recommend that Creditors resolve to wind up the Companies.

11. ADMINISTRATORS' RECEIPTS AND PAYMENTS

Attached as **Annexure "7"** and **Annexure "8"** is the Administrators' Receipts and Payment for the Companies from 13 September 2022 to 12 December 2022.

12. REMUNERATION OF ADMINISTRATORS/LIQUIDATORS

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 Reports for AS as **Annexure "9"** and for ASG as **Annexure "10"**. These Remuneration Approval Reports details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure "11"**.

To date, our remuneration has been calculated on this "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.

For Creditors' information, ASIC information sheets that relate to specific circumstances once an insolvency practitioner is appointed to a Companies and approval of remuneration can be found at the following websites:

- ▲ <http://www.asic.gov.au/insolvencyinfosheets>
- ▲ <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet>

12.1 VOLUNTARY ADMINISTRATION PERIOD

At the adjourned second meetings, the Creditors approved part of our Administrators' remuneration. At the forthcoming resumption of the second meetings, Creditors will be asked to approve the Administrators' remuneration, which have not previously been approved.

Please refer to the Remuneration Approval Reports, attached as **Annexure "9"** and **Annexure "10"** for further details.

12.2 LIQUIDATION PERIOD

If the Companies are placed into liquidation at the resumed Second Meetings of Creditors, we will be appointed Liquidators of the Companies, unless creditors resolve to appoint an alternate Liquidators. We note that we have not received an alternate consent to act as Liquidators.

On the basis that we are to be appointed Liquidators, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the initial costs likely to be incurred in a liquidation scenario. It is an interim estimate only and does not factor in the costs of litigation, which may be significant. The estimate may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Reports, attached as **Annexure "9"** and **Annexure "10"** for further details.

13. RESUMPTION OF THE SECOND MEETING OF CREDITORS

As discussed previously, the Second Meeting of Creditors for the Companies were held on 20 October 2022 were adjourned up to forty-five (45) business days. We note that at the Second Meetings, the only resolutions that were dealt with related to the remuneration of the Administrators, and as such, the remaining agenda items will be dealt with at the resumed Second Meeting. The resumption of the Second Meeting of Creditors for the Company will be held on Wednesday, 21 December 2022 at 10:30 AM (AEDT). The formal Notice of Meeting is attached as **Annexure "1"** for your reference.

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 "2"**. Please indicate on the Proof of Debt Form if your claim is against AS or ASG. If you have previously provided a proof of debt and wish to supplement it, you may do so. Otherwise, Creditors whose proofs were accepted for voting at previous meetings are not required to be re-lodged for the resumption of the Second Meetings of Creditors.

- ▲ Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which is attached as **Annexure “3”** (AS) and **Annexure “4”** (ASG), must be in accordance with Form 532. **Creditors who submitted general proxies which were admitted to vote at the adjourned Second Meetings of Creditors are not required to be re-lodged for the resumption of the Second Meetings of Creditors, unless they wish to submit special proxies or nominate another proxy party.** We note that persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- ▲ A specific proxy can be lodged showing approval, rejection or abstention of each resolution. Creditors, in lodging specific 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 our office by 4:00 PM one (1) business day prior to the meeting.

14. QUERIES

The BRI Ferrier staff member responsible for this matter is as follows:

BRI Contact: Max Florian

Phone: (02) 8263 2300

Email: mflorian@brifnsw.com.au

Mailing: GPO Box 7079, Sydney NSW 2001

Yours faithfully,

**AUSSIE STRENGTH PTY LTD
AUSSIE STRENGTH GLOBAL PTY LTD
(BOTH ADMINISTRATORS APPOINTED)**



JONATHON KEENAN

Joint and Several Administrator

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**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "1"
Notice of the Resumption of
Second Meeting of Creditors**

FORM 529

CORPORATIONS ACT 2001
Section 439A

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

NOTICE OF RESUMPTION OF SECOND MEETINGS OF CREDITORS

**AUSSIE STRENGTH PTY LTD
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL PTY LTD
ACN 646 609 501**

**(BOTH ADMINISTRATORS APPOINTED)
("THE COMPANIES")**

Notice is given that the concurrent meetings of creditors of the Companies will be resumed on Wednesday, 21 December 2022 at 10:30 AM (AEDT). The meetings will be held at the offices of BRI Ferrier, Level 30, 'Australia Square', 264 George Street, Sydney NSW 2000.

Virtual meeting technology will also be made available should creditors wish to attend the meetings virtually. To attend virtually, creditors will need to register their details at the following link:

https://us06web.zoom.us/meeting/register/tZErdeirpzoie9ICcrlualB1MMofUks17_AI

A G E N D A

1. To receive the Report of the Administrators and receive questions from creditors.
2. To fix the remuneration of the Administrators.
3. To fix and determine the future remuneration of the Administrators.
4. To consider the internal disbursements of the Administrators.
5. For Creditors to resolve:
 - a. That the Companies execute a Deed of Company Arrangement; or
 - b. That the administrations should end; or
 - c. That the Companies be wound up.
6. If Creditors resolve to enter into a Deed of Company Arrangement:
 - a. To consider approving the remuneration of the Administrators;
 - b. To consider approving the remuneration of the Deed Administrators;
 - c. To consider approving the internal disbursements of the Deed Administrators.
7. If Creditors resolve to wind up the Companies:
 - d. To consider the appointment of an alternate Liquidator(s);

- e. To consider approving the remuneration of the Liquidators;
 - f. To consider approving the internal disbursements of the Liquidators; and
 - g. To consider the early destruction of the Companies' books and records.
- 8. To consider the appointment of a Committee of Inspection;
 - 9. To consider any other business that may be lawfully brought forward

Proxies to be used at the meetings should be lodged at the office of the Administrators by 4:00 PM (AEDT) on the business day prior to the meetings. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

Special Instructions for Meeting

Attendees who wish to attend the meetings virtually are required to register to attend the meetings at the above link.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person. Proxy Forms submitted for the previous meetings remain valid for the resumed meetings.

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a link to access the virtual meetings will be emailed to you. This link will be unique for each attendee and unable to be shared with other parties.

Telephone dial-in details will also be available for the virtual meetings. Those wishing to attend via telephone will also be required to complete the above registration process.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meetings computer program, as well as verbally indicating their vote if dialling in to the meetings.

This definition is necessary to ensure that a show of hands may be used at virtual meetings as an alternative to a poll.

DATED this 13th day of December 2022.



JONATHON KEENAN
JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER
Level 30
Australia Square
264 George Street
Sydney NSW 2000
Telephone: 02 8263 2300

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BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

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

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of: (please tick one)

Aussie Strength Pty Ltd (Administrators Appointed) ACN 150 420 625
Aussie Strength Global Pty Ltd (Administrators Appointed) ACN 646 609 501

1. This is to state that the company was, on 13 September 2022 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
(‘Creditor’)

.....
of (full address)

for \$.....dollars and.....cents.

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

Date	Consideration ⁽³⁾ <small>state how the debt arose</small>	Amount \$	GST included \$	Remarks ⁽⁴⁾ <small>include details of voucher substantiating payment</small>

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.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give give electronic notification of documents in accordance with Section 600G of the Corporations Act 2001. Please provide your email address below:

Contact Name:

Email Address:

DATED this..... day of.....2022

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.

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 grey rectangle.

BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

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

APPOINTMENT OF PROXY
 CREDITORS MEETING

AUSSIE STRENGTH PTY LTD
 (ADMINISTRATORS APPOINTED)
 ACN 150 420 625
 ABN 61 150 420 625

<i>*I/*We (If a firm, strike out "I" and set out the full name of the firm.)</i>	
<i>Of (insert address of creditor)</i>	
<i>being a creditor of the Company, appoint: (Insert the name, address and description of the person appointed)</i>	
<i>or in his or her absence (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 Wednesday, 21 December 2022 at 10:30AM AEDT, or at any adjournment of that meeting.	

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
<i>"That the remuneration of the Administrators, their partners and staff for the period 13 September 2022 to 9 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 December 2022 be fixed and approved at \$150,905.00 (excl. GST), and that the Administrators be authorised to draw that amount as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<i>"That the remuneration of the Administrators, their partners and staff for the period 10 December 2022 to 21 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Report to Creditors dated 13 December 2022 and approved to an interim cap of \$10,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Administrators be allowed internal disbursements for the period 12 December 2022 to the conclusion of the Administration at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 13 December 2022, up to an amount of \$1,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Voluntary Administration should end." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Company execute a Deed of Company Arrangement." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Company be wound up." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 34 December 2022 and approved to an interim cap of \$75,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 13 December 2022, up to an amount of \$1,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued"</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
If creditors resolve to wind up the Company: <i>"That subject to the consent of the Australian Securities & Investments 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>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That a Committee of Inspection be formed."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
- (1) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.

DATED thisday of December 2022

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by email: mflorian@brifnsw.com.au, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the 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 2022

Signature of Witness:

Description:

Place of Residence:

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "4"
Appointment of Proxy Form**

APPOINTMENT OF PROXY
 CREDITORS MEETING

AUSSIE STRENGTH GLOBAL PTY LTD
 (ADMINISTRATORS APPOINTED)
 ACN 646 609 501
 ABN 21 646 609 501

*/*We (If a firm, strike out "I" and set out the full name of the firm.)	
Of (insert address of creditor)	
being a creditor of the Company, appoint: (Insert the name, address and description of the person appointed)	
or in his or her absence (Insert the name, address and description of the person appointed)	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Wednesday, 21 December 2022 at 10.30AM AEDT, or at any adjournment of that meeting.	

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
"That the additional remuneration of the Administrators, their partners and staff for the period 13 September 2022 to 9 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 13 December 2022 be fixed and approved at \$93,501.00 (excl. GST), and that the Administrators be authorised to draw that amount as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
<i>"That the remuneration of the Administrators, their partners and staff for the period 10 December 2022 to 21 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 13 December 2022 and approved to an interim cap of \$20,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Voluntary Administration should end." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Company executed a Deed of Company Arrangement." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>"That the Company be wound up." ⁽¹⁾</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 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 Second Report to Creditors dated 13 December 2022 and approved to an interim cap of \$75,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as and when incurred."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 13 December 2022, up to an amount of \$3,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If creditors resolve to wind up the Company: <i>"That subject to the consent of the Australian Securities & Investments 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>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstain
If creditors resolve to wind up the Company: <i>"That a Committee of Inspection be formed."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
 - (1) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.
-

DATED thisday of December 2022

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by email: mflorian@brifnsw.com.au, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the 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 2022

Signature of Witness:

Description:

Place of Residence:

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**Annexure "5"
Revised Estimated Statement of
Position**

Aussie Strength Pty Ltd (Administrators Appointed)
Estimated Statement of Position

	Book Value as at 13/09/2022 Amount (\$)	Liquidation High	Liquidation Low
Assets			
Cash and Cash Equivalents			
ASE Saving (commbank)	59	-	-
PAYPAL	5,635	-	-
Stripe AUD	194	-	-
Tyro EFTPOS	9	-	-
ASE Daily (commbank)	(13)	200	200
Cash at Bank	-	21,177	21,177
Cash on Hand	10	-	-
Accounts Receivable	966,746	219,814	23,392
Petty Cash	1,772	-	-
Stock on Hand	464,418	-	-
Prepaid Stock	6,724	-	-
Property, Plant & Equipment			
Computer Equipment	7,161	-	-
Motor Vehicles	62,223	26,000	22,000
Office Equipment	12,177	62,450	28,740
Plant & Equipment	133,542	50,300	16,500
Website Development Costs	7,249	-	-
Less: Return to DeLage	(10,511)	-	(6,500)
Other Assets			
Loan - Gavin Crown	109,340	109,340	-
Loan - Valkyrie Property Group	247,033	247,033	-
2020 Shareholder's Loan - Andy Taylor	24,539	-	-
2021 Shareholder's Loan - Andy Taylor	104,437	-	-
Borrowing Costs	84	-	-
Legal Costs	13,555	-	-
Trademarks	400	-	-
Liquidators' Recovery - Unfair Preference	-	-	-
Liquidators' Recovery - Insolvent Trading	-	300,000	-
Estimated Fund Available for Creditors	2,156,784	1,036,314	105,509
Subject to Costs of Administration			
Less: Estimated Costs (Excl. GST)			
Administrators' Trading Costs and Overheads			
Trade on wages & entitlements	-	(29,971)	(29,971)
Other entitlements outstanding	-	(17,000)	(17,000)
Rent	-	-	-
Forklift and Pallet Racking	-	(7,000)	(7,000)
Security for Premises	-	(6,000)	(6,000)
Recovery on cost from ASG	-	40,000	40,000
Administrators' Fees	-	(160,905)	(160,905)
Administrators' Expenses	-	(3,000)	(3,000)
Administrators' Legal Costs	-	(30,000)	(20,000)
Deed Administrators'/Liquidators' Fees	-	(150,000)	(75,000)
Deed Administrators'/Liquidators' Expenses	-	(3,000)	(6,000)
Liquidators' Legal Costs	-	(150,000)	(50,000)
Litigation Funding Premium	-	(120,000)	-
Total Estimated Costs	-	(636,876)	(334,876)
Estimated Net Asset Recoveries	-	399,438	(229,367)
Funds Available for Priority Creditors	1,561,195	399,438	(229,367)
Priority Creditors:			
Wages and Superannuation	(9,949)	(8,193)	(8,193)
Annual Leave and Long Service Leave	-	(16,074)	(16,074)
PILN and Redundancy	-	(2,442)	(2,442)
Total Priority Claims	(9,949)	(26,709)	(26,709)
Funds Available for Unsecured Creditors	1,551,246	372,729	(256,076)
Unsecured Creditors			
Partly Secured Creditors (shortfall)	-	-	-
Trade Creditors - Payables & Others	(342,282)	(117,361)	(117,361)
Australian Taxation Office	(29,134)	(309,714)	(309,714)
Landlord	-	-	-
Other Creditors	-	-	-
Related Party Creditors	(131,012)	(77,565)	(77,565)
Total Unsecured Creditor Claims	(502,428)	(504,639)	(504,639)
Return to Creditors			
Secured Creditors			
Priority Creditors:			
Wages and Superannuation	-	100	Nil
Annual Leave and Long Service Leave	-	100	Nil
PILN and Redundancy	-	100	Nil
Unsecured Creditors	-	74	Nil

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**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "6"
Revised Estimated Statement of
Position**

Aussie Strength Global Pty Ltd (Administrators Appointed)
Estimated Statement of Position

	Book Value as at 13/09/2022 Amount (\$)	Liquidation High	Liquidation Low
Assets			
Cash and Cash Equivalents			
American Express Platinum CC	12,137	12,137	-
AUD PayPal	1,628	1,628	-
CBA Business Trans Acct - Pre appointment account	12,052	12,052	12,667
Cash at Bank - Post appointment account - NAB	-	38,000	38,000
Stock sales to date	11,980	791,262	791,262
Remaining Stock Sales		52,435	40,098
Sundry Other Stock		30,000	15,000
Property, Plant & Equipment		-	-
Plant & Equipment	13,871	-	-
Loan Accounts		-	-
Directors Loan Account	70,281	70,281	-
Related party loan account	-	-	-
Liquidators' Recovery - Unreasonable Director Related Transactions	-	100,000	-
Liquidators' Recovery - Insolvent Trading & Transfer of Business claim	-	1,330,519	-
Estimated Fund Available for Creditors	121,949	2,438,315	897,027
Subject to Costs of Administration			
Less: Estimated Costs (Excl. GST)			
Administrators' Trading Costs and Overheads			
Management Fee from AS (Partial Wages, Rent & Utilities)	-	(40,000)	(40,000)
Rent	-	(29,618)	(29,618)
Electricity	-	(240)	(240)
Utilities	-	(3,000)	(10,000)
Advertising	-	(5,000)	(5,000)
Freight	-	(8,000)	(8,000)
Waste Disposal	-	(15,000)	(10,000)
Consumables	-	(600)	(600)
Insurance & Premium Funding	-	(11,080)	(11,080)
Bookkeeper	-	(2,500)	(2,500)
Software Subscription Fees	-	(2,460)	(2,460)
IT Costs	-	(3,000)	(3,000)
Stocktake and Valuers Expenses	-	(228,685)	(207,318)
Locksmith	-	(1,200)	(1,200)
Provision for Warehouse cleanup	-	(15,000)	(10,000)
Administrators' Fees	-	(384,441)	(384,441)
Administrators' Expenses	-	(2,000)	(2,000)
Administrators' Legal Costs	-	(20,000)	(20,000)
Deed Administrators'/Liquidators' Fees	-	(300,000)	(75,000)
Deed Administrators'/Liquidators' Expenses	-	(2,000)	(4,000)
Deed Administrators'/Liquidators' Legal Costs	-	(250,000)	(10,000)
Litigation Funding Premium	-	(572,208)	-
Total Estimated Costs	-	(1,896,032)	(836,457)
Estimated Net Asset Recoveries	121,949	542,283	60,570
Funds Available for Priority Creditors	121,949	542,283	60,570
Priority Creditors:			
Wages and Superannuation	-	-	-
Annual Leave and Long Service Leave	-	-	-
PILN and Redundancy	-	-	-
Total Priority Claims	-	-	-
Funds Available for Unsecured Creditors	121,949	542,283	60,570
Unsecured Creditors			
Partly Secured Creditors (shortfall)	-	-	-
Trade Creditors - Payables	(164,874)	(194,941)	(194,941)
Australian Taxation Office - GST	(20,492)	(20,492)	(20,492)
Customer Deposits	-	(865,086)	(865,086)
Other Creditors (contingent)	-	(250,000)	(250,000)
Related Party Creditors - AS	(891,367)	(891,367)	(1,011,687)
Total Unsecured Creditor Claims	(1,076,733)	(2,221,886)	(2,342,206)
Return to Creditors			
Secured Creditors			
Priority Creditors:			
Wages and Superannuation	-	100	100
Annual Leave and Long Service Leave	-	100	100
PILN and Redundancy	-	100	100
Unsecured Creditors	-	24	3

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**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**Annexure "7"
Summary of Receipts and Payments**

Summarised Receipts & Payments

Aussie Strength Pty Ltd

(Administrators Appointed)

Transactions From 13 September 2022 To 12 December 2022

A/C	Account	Net	GST	Gross
73	Cash on Hand	2,865.00	0.00	2,865.00
74	Cash at Bank	21,176.92	0.00	21,176.92
88	Preappointment Insurance Refund	183.74	0.00	183.74
89	Management Fees	17,834.56	1,783.46	19,618.02
Total Receipts (inc GST)		\$42,060.22	\$1,783.46	\$43,843.68
27	Security Patrol Services	4,240.00	424.00	4,664.00
36	Insurance	1,193.44	119.34	1,312.78
41	Professional Fees	2,635.07	263.51	2,898.58
51	Wages & Salaries	28,362.68	0.00	28,362.68
53	Stamp Duty	62.34	0.00	62.34
57	Staff Reimbursements	157.83	15.78	173.61
132	Bank Charges	3.10	0.00	3.10
157	Superannuation	2,920.75	0.00	2,920.75
228	Superannuation Liability	(2,920.75)	0.00	(2,920.75)
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(7,286.00)	0.00	(7,286.00)
Total Payments (inc GST)		\$29,368.46	\$822.63	\$30,191.09
Balance in Hand - By Bank Account				
212	Cheque Account			13,652.59
				\$13,652.59

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**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "8"
Summary of Receipts and Payments**

Summarised Receipts & Payments

Aussie Strength Global Pty Ltd

(Administrators Appointed)

Transactions From 13 September 2022 To 12 December 2022

A/C	Account	Net	GST	Gross
1	Sales	322,050.45	32,205.05	354,255.50
2	Sales (2)	520.00	52.00	572.00
72	Sundry Debtors (B)	38,000.00	0.00	38,000.00
74	Cash at Bank	1.57	0.00	1.57
79	Reversal of unauthorised withdrawal	572.00	0.00	572.00
Total Receipts (inc GST)		\$361,144.02	\$32,257.05	\$393,401.07
22	Funds Remaining in CBA	200.00	0.00	200.00
24	Refunds to customer	37.71	3.77	41.48
26	Disposal of Waste	4,126.42	412.64	4,539.06
27	Unauthorised Withdrawal	572.00	0.00	572.00
28	Marketing	5,817.26	581.73	6,398.99
30	Commissions paid	17,021.60	1,702.13	18,723.73
31	Credit Card Merchant Fee	339.65	33.97	373.62
33	Valuers/Agents Expenses	17,592.20	1,759.22	19,351.42
34	Hire of Equipment	3,928.16	392.82	4,320.98
35	Labour (realisation of stock)	41,400.00	4,140.00	45,540.00
36	Insurance	4,112.86	0.00	4,112.86
43	Rent Paid (Commercial)	17,500.00	1,750.00	19,250.00
44	Repairs & Maintenance	2,303.60	230.36	2,533.96
49	Transport / Courier	610.00	61.00	671.00
57	Management Fees	17,834.56	1,783.45	19,618.01
139	Legal Fees (1)	9,180.00	918.00	10,098.00
Total Payments (inc GST)		\$142,576.02	\$13,769.09	\$156,345.11
Balance in Hand - By Bank Account				
212	Cheque Account			237,055.96
				\$237,055.96

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**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**Annexure "9"
Remuneration Approval Report**

Remuneration Approval Report

**AUSSIE STRENGTH PTY LTD
ACN 150 420 625**

**(ADMINISTRATORS APPOINTED)
("THE COMPANY")**

13 December 2022

Jonathon Keenan & Peter Krejci
Voluntary Administrators

Novabrif Pty Ltd ABN 61 643 013 610
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier 

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1 EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements.

	Remuneration (excl. GST) (\$)	Disbursements (excl. GST) (\$)
Voluntary Administration (VA)	160,905.00	1,000.00
If Company is liquidated	75,000.00	1,000.00

Details of our remuneration can be found in section 3 and 4 of this report.

Creditors will be asked to pass resolutions in relation to our remuneration at the resumed meeting of creditors on Wednesday, 21 December 2022.

We estimate the total cost of the Voluntary Administration for Aussie Strength Pty Ltd will be \$160,905.00 (excl. GST). This has increased from our previous estimate in the Initial Remuneration Notice because of the following reasons:

- The Voluntary Administration which has run over the course of 3 months, which is longer than anticipated;
- The resignation of staff during our appointment, resulting in additional work for our staff;
- Liaising with the landlord in respect continued occupation of the Premises; and
Dealing with issues arising from litigation proceedings.

2 DECLARATION

We have undertaken an assessment of this remuneration claim in accordance with law and applicable professional standards. We are satisfied that the remuneration claimed is necessary and proper.

We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3 REMUNERATION SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates to apply	When it will be drawn
Completed Work	13 September 2022 to 9 December 2022	150,905.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available.

For	Period	Amount \$ (excl. GST)	Rates to apply	When it will be drawn
Future Work	10 December 2022 to 21 December 2022	10,000.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available and incurred.
VA total		160,905.00 (excl. GST)		
If Company liquidated – Future work	21 December 2022 to finalisation of liquidation	75,000.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available.
Liquidation total		75,000.00 (excl. GST)		

Details of the work done for the period 13 September 2022 to 9 December 2022 and future work expected for are included at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the concurrent meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy forms for the concurrent meeting provided to you.

We will only seek approval of the resolutions for the liquidations if creditors vote to place the Company into liquidation.

4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

We are required to obtain creditor’s consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 15 September 2022.

The disbursements we would like creditors to approve are as follows:

For	Period	Amount (excl. GST) (\$)
Disbursements incurred during the VA period	13 September 2022 to 21 December 2022	1,000.00
VA total (excl. GST)		1,000.00
If Company liquidated - Future disbursements	21 December 2022 to conclusion	1,000.00
Liquidation total (excl. GST)		1,000.00

Details of disbursements incurred and future disbursements are included at **Schedule D**. Actual resolutions to be put to the resumed meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy forms for the concurrent meeting provided to you.

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Estimated outcomes for each of the Company are set out in our report dated 13 December 2022. Any dividend payable to creditors will depend on a range of variables, particularly the decision creditors make on the future of the Company, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

6 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments as at 12 December 2022 is attached to this Report.

7 QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office.

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

- ARITA at www.arita.com.au/creditors
- ASIC at <http://www.asic.gov.au> (search for INFO 85).

Further supporting documentation for our remuneration claim can be provided to creditors on request.

8 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

SCHEDULE A – DETAILS OF WORK

		Tasks		
		Work completed (excl. GST)	Future work (excl. GST)	Liquidation Work (excl. GST)
Period		13 September 2022 to 9 December 2022	10 December 2022 to 21 December 2022	21 December 2022 to the conclusion of the Liquidation
Amount (excl. GST)		\$150,905.00	\$10,000.00	\$75,000.00
Task Area	General Description			
Assets		36.8 Hours \$18,871.00	\$1,000.00	\$10,000.00
	Debtors	Reviewing related party loan accounts Preparing and Issuing debtor demand for related party loan accounts	N/A	Liaising with solicitors regarding related party loan accounts Pursuing recovery of related party loan accounts Consider commercial settlement, if necessary
	Plant and Equipment	Reviewing fixed asset register Attendance on site to inspect plant and equipment Correspondence with Director regarding identification and location of plant and equipment Liaising with valuers regarding valuation Reviewing valuation report Tasks relating to the realisation of onsite equipment Discussion with O'Mara regarding sale of equipment	Liaising with valuers regarding finalisation of sale of plant and equipment Arranging payment for PMSI creditors	Finalising sales of plant and equipment Liaising with valuers regarding plant and equipment sales

		Tasks relating to the payout of equipment Liaising with director re location of fixed assets		
	Leasing	Review and discuss lease terms Discussion with Landlord regarding occupation of premises under license Arranging for general upkeep of premises	N/A	N/A
	Sale of business as a Going Concern	Prepare advert for sale of business Prepare and distribute information memorandum Prepare and distribute confidentiality agreement Liaising with interested parties Internal meetings to discuss sale of business Reviewing and considering offers from potential purchasers Receipt of refundable deposits from interested parties Provide requested documentation for interested parties Prepare and maintain interested parties register Internal meetings to discuss sale of business Organise refunds of EOI deposits for parties no longer interested in business	N/A	N/A
	Other Assets	Liaising with customer regarding customised stock Securing cash at bank funds	N/A	Tasks associated with the realisation other assets

		Correspondence with Financial institutions regarding sweep of funds Tasks relating to the realisation of motor vehicles		
Creditors		123.2 Hours \$60,027.50	\$7,000.00	\$12,000.00
	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post	Review and prepare correspondence to creditors and their representatives by email and post	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post Considering reasonableness of creditor request Compiling information requested by creditors
	Creditor Reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Preparing and issuing Second Report to Creditors detailing investigation and convening Second Meeting of Creditors Preparation of necessary annexures for First Report to Creditors Preparing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors	Meeting of Creditors Preparing and issuing Supplementary Second Report to Creditors to resume Second Meeting of Creditors	Prepare Circular to Creditors regarding Liquidation Prepare Statutory Report to Creditors Preparation of necessary annexures for Statutory Report to Creditors
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Maintaining register of Proofs of Debts received	Receipting, processing, and filing Proofs of Debts when not related to a dividend	Receipting, processing, and filing Proofs of Debts when not related to a dividend

	<p>Reviewing supporting documentation from creditors</p>	<p>Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors</p>	<p>Maintaining register of Proofs of Debts received Reviewing supporting documentation from creditors</p>
Secured creditor reporting	<p>Notifying PPSR registered creditors of appointment Reviewing CBA security documents Providing regular updates to CBA Provide regular updates to various other secured creditors Obtaining payout figures for leased assets Liaising with secured parties requesting confirmation of debt or discharge of security interest</p>	<p>Providing regular updates to CBA</p>	<p>Liaising with CBA re discharge of their security Reporting to CBA regarding return from sale proceeds</p>
Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Holding first meeting of creditors Preparation and lodgement of minutes of first meeting of creditors with ASIC Holding second meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Preparation and lodgement of first minutes of meetings with ASIC</p>	<p>Preparation of meeting notices, proxies and advertisements Sending Notice of Resumed Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Holding Resumed meeting of creditors</p>	<p>Preparation and lodgement of minutes of meetings with ASIC Convening creditors meeting as necessary</p>

		Discussion with Creditors regarding submission of Proxy form		
	DOCA Planning	<p>Liaising with interested party re possible DOCA Proposal</p> <p>Liaising with Director, former director and advisors regarding DOCA</p> <p>Discuss potential offers with solicitors</p> <p>Preparation of estimated statement of position with details of DOCA</p>	N/A	N/A
	Proposal to Creditors	N/A	N/A	<p>Preparing proposal notices and voting forms</p> <p>Reviewing votes and determining outcome of proposal</p> <p>Preparation and lodgement of proposal outcome with ASIC</p>
Investigation		<p>54.9 Hours</p> <p>\$26,336.00</p>	<p>\$0.00</p>	<p>\$30,000.00</p>
	Conducting Investigation	<p>Conducting and summarising statutory searches</p> <p>Reviewing Company's books and records</p> <p>Follow up with Director to obtain books and records of the Company</p> <p>Organise backup of electronic books and records</p> <p>Preparation of investigation file</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Preparation of working capital analysis</p> <p>Preparation of solvency analysis</p>	N/A	<p>Obtaining and reviewing further Company's books and records</p> <p>Preparation of updated comparative financial statements if necessary</p> <p>Preparation of updated deficiency statement if necessary</p> <p>Review of specific transactions and liaising with Directors regarding certain transactions</p> <p>Updating investigation file</p> <p>Lodgement of investigation with ASIC</p>

	<p>Discussion surrounding the potential impacts of the sale of business transaction to ASG</p> <p>Liaising with lawyers regarding the sale of business transaction to ASG</p> <p>Liaising with previous director re discussion of personal items</p> <p>Tasks relating to the identification of motor vehicles</p>		
Litigation/ Recoveries	<p>Liaising with solicitors regarding recovery of loan account</p> <p>Discussions with lawyers regarding status of the administration</p> <p>Attendance of legal proceedings</p> <p>Review correspondence received by Court</p>	N/A	<p>Conducting further investigations into potential claims</p> <p>Consider conducting public examinations</p> <p>Seeking funding to conduct further investigations and public examinations</p> <p>Brief solicitor</p> <p>Commencing recovery actions</p>
ASIC Reporting	<p>Prepare and finalise s438D report</p> <p>Prepare and lodge ASIC request for assistance</p> <p>Liaising with ASIC re further information for request for assistance</p>	N/A	<p>Preparing statutory investigation reports</p> <p>Liaising with ASIC</p> <p>Preparation and lodgement of supplementary report (as requested)</p>
Trade On	<p>40.7 Hours</p> <p>\$18,085.00</p>	\$0.00	\$0.00
Trade On Management	<p>Attendance on site to monitor trading</p> <p>Meeting with management regarding Company background, financial position and trade on management</p> <p>Liaising with management regarding trading position</p> <p>Conducting assessment of Company's financial position</p>	N/A	N/A

		<p>Dealing with continued occupation of premises Liaising with staff regarding keys and access codes to premises Discussions with management regarding employee roles and reporting structure Reviewing lease documentation Correspondence with landlord regarding premises lease and rent abatement Organising security patrol for premises General correspondence with money processors and financial institutions Create and review of receipts and payments in relation to trade on of Company Discussion with landlord regarding ongoing occupation of premises Completion of tasks in relation to upkeep of premises Correspondence with logistic companies relating to the completion of previous orders</p>		
	<p>Budgeting and Financial Reporting</p>	<p>Preparing projected cash flow Maintaining cash flow analysis for trade-on Internal discussions regarding projected cash flow Correspondence with internal bookkeeper</p>	<p>N/A</p>	<p>N/A</p>
	<p>Processing Receipts and Payments</p>	<p>Discussion with employees and staff members to determine accurate wage amounts</p>	<p>N/A</p>	<p>N/A</p>

		<p>Preparing internal receipt and payment vouchers</p> <p>Preparing and processing trade-on wages</p> <p>Preparing and processing payments to trade-on suppliers</p>		
Employees		<p>27.3 Hours</p> <p>\$10,883.50</p>	\$0.00	\$5,000.00
	Employees enquiries	<p>Receive and follow up employee enquiries</p> <p>Review and prepare correspondence to employees by email and post</p>	N/A	<p>Receive and follow up employee enquiries via telephone</p> <p>Maintain employee enquiry register</p> <p>Review and prepare correspondence to employees and their representatives via email and post</p>
	FEG	N/A	N/A	<p>Correspondence with FEG</p> <p>Preparing notification spreadsheet</p> <p>Preparing FEG quotations</p> <p>Completing FEG quotations</p> <p>Completing FEG questionnaires</p> <p>Reviewing employee entitlements</p>
	Calculation of entitlements	<p>Internal correspondence regarding employee entitlements</p> <p>Calculating employee entitlements</p> <p>Reviewing employee files and Company's books and records</p> <p>Reviewing awards</p> <p>Liaising with employees regarding employment contracts</p> <p>Review company records to prepare iCare compensation forms</p>	N/A	<p>Reviewing employee files and Company's books and records</p> <p>Reconciling superannuation accounts</p> <p>Reviewing awards</p>
	Other employee issues	<p>Discussions with specific employees regarding potential continuation of employment</p>	N/A	

		Dealing with employee resignations and notice periods Preparing employee termination letters Further correspondence with previous employees in relation to superannuation details		
	Workers Compensation claims	Extract and review of employee information from software storage system Preparation and review of workers compensation insurance forms		
Dividend		\$0.00	\$0.00	\$10,000
	Processing proofs of debt	N/A	N/A	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register. Adjudicating PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	N/A	N/A	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Liaising with accountant to prepare outstanding pre-appointment tax lodgements

				<p>Obtain clearance from ATO to allow distribution of company's assets</p> <p>Preparation of dividend calculation</p> <p>Preparation of distribution</p> <p>Preparation of dividend file</p> <p>Preparation of payment vouchers to pay dividend</p> <p>Preparation of correspondence to creditors enclosing payment of dividend</p>
Administration		44.8 Hours \$16,702.00	\$2,000.00	\$8,000.00
	ASIC Forms and lodgements	<p>Preparing and lodging ASIC forms</p> <p>Preparing and lodging ASIC PNW Advertisements</p>	<p>Preparing and lodging ASIC PNW Advertisements</p>	<p>Correspondence with ASIC regarding ASIC assistance</p> <p>Preparing and lodging ASIC forms</p> <p>Correspondence with ASIC regarding statutory forms</p> <p>Preparing and lodging ASIC PNW Advertisements</p>
	Bank account administration	<p>Preparing correspondence opening bank account</p> <p>Bank account reconciliations</p> <p>Preparing receipt and payment vouchers</p> <p>Discussion with Bank regarding establishment of accounts</p> <p>Preparing and processing payments to suppliers</p>	<p>Preparing receipt and payment vouchers</p> <p>Bank account reconciliations</p> <p>Preparing and processing payments to suppliers</p>	<p>Preparing receipt and payment vouchers</p> <p>Bank account reconciliations</p>
	Books and Records/ Storage	<p>Correspondence with accounting software company relating to recovery of account</p> <p>Arranging for backup of electronic Records</p>	N/A	<p>Dealing with records in storage</p> <p>Sending job files to storage</p> <p>Receive and review books and records of Company</p> <p>Prepare storage logistics for books and records</p>

	Correspondence	Correspondence with various parties Preparation of day one documents	Correspondence with various parties	Correspondence with various parties
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents Preparing and updating internal records	Updating job checklists Filing of documents Periodic administration review.	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment Lodgement of INCAP form	Preparing BAS	Notification of appointment as Liquidators Preparing BAS
	Insurance	Reviewing insurance policies Correspondence with insurance broker Obtained insurance policy	Tasks related to the maintenance of insurance	Finalise policy covers
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration	Discussions regarding status of Liquidation
	Finalisation	N/A	Notifying ATO of finalisation Completing checklists Finalising WIP	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (WORK ALREADY COMPLETED)

Aussie Strength Pty Ltd (Administrators Appointed)
ACN 150 420 625
For the period 13 September 2022 to 9 December 2022

Staff Classification	Name	Hourly Rate (\$, ex GST)	Administration		Assets		Creditors		Employees		Investigation		Trade On		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	John Keenan	680	2.2	1,496.00	9.1	6,188.00	15.3	10,404.00	0.50	340.00	4.8	3,264.00	6.7	4,556.00	38.6	26,248.00
Appointee	Peter Krejci	680	0.8	544.00	1.4	952.00	1.3	884.00	-	-	-	-	0.6	408.00	4.1	2,788.00
Principal	Andrew Cummins	680	-	-	-	-	1.5	1,020.00	-	-	-	-	0.3	204.00	1.8	1,224.00
Senior Manager	Katherine La	545	0.1	54.50	-	-	5.2	2,834.00	-	-	1.2	654.00	0.6	327.00	7.1	3,869.50
Senior Manager	Pauline Yeow	545	5.4	2,943.00	9.4	5,123.00	47.7	25,996.50	3.30	1,798.50	10.6	5,777.00	7.4	4,033.00	83.8	45,671.00
Assistant Manager	Jack Li	470	4.3	2,021.00	1.0	470.00	2.9	1,363.00	2.00	940.00	24.4	11,468.00	3.1	1,457.00	37.7	17,719.00
Assistant Manager	Savio Monis	470	8.1	3,807.00	9.4	4,418.00	21.8	10,246.00	10.00	4,700.00	7.1	3,337.00	7.1	3,337.00	63.5	29,845.00
Intermediate 1	Joshua Coorey	270	1.8	486.00	-	-	2.0	540.00	11.50	3,105.00	3.1	837.00	-	-	18.4	4,968.00
Intermediate 1	Max Florian	270	9.9	2,673.00	5.8	1,566.00	22.6	6,102.00	-	-	3.7	999.00	9.7	2,619.00	51.7	13,959.00
Intermediate 2	Sushma Mandira	245	0.3	73.50	-	-	-	-	-	-	-	-	-	-	0.3	73.50
Senior Administration	Sonia Stelmach	220	2.5	550.00	-	-	-	-	-	-	-	-	-	-	2.5	550.00
Senior Administration	Jessica Mula	220	6.8	1,496.00	0.7	154.00	2.9	638.00	-	-	-	-	3.1	682.00	13.5	2,970.00
Senior Administration	Liam Moran	220	0.3	66.00	-	-	-	-	-	-	-	-	2.1	462.00	2.4	528.00
Senior Administration	Sarita Gurung	220	2.1	462.00	-	-	-	-	-	-	-	-	-	-	2.1	462.00
Junior Administration	Patrick Mao	150	0.2	30.00	-	-	-	-	-	-	-	-	-	-	0.2	30.00
Total			44.8	16,702.00	36.8	18,871.00	123.2	60,027.50	27.3	10,883.50	54.9	26,336.00	40.7	18,085.00	327.7	150,905.00
															GST	15,090.50
															Total (incl GST)	<u>165,995.50</u>
Average Hourly Rate			<u>372.81</u>	<u>512.80</u>	<u>487.24</u>	<u>398.66</u>	<u>479.71</u>	<u>444.35</u>	<u>460.50</u>							

SCHEDULE C – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **section 3** and **4** and in the attached Schedules.

Administrators’ Remuneration for the period 13 September 2022 to 9 December 2022

“That the remuneration of the Administrators, their partners and staff for the period 13 September 2022 to 9 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Report to Creditors dated 13 December 2022 be fixed and approved at \$150,905.00 (excl. GST), and that the Administrators be authorised to draw that amount as required.”

Administrators’ Remuneration for the period 10 December 2022 to 21 December 2022

“That the remuneration of the Administrators, their partners and staff for the period 10 December 2022 to 21 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Supplementary Report to Creditors dated 13 December 2022 and approved to an interim cap of \$10,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as and when incurred.”

Administrators’ Internal Disbursements for the period 13 September 2022 to 21 December 2022

“That the Administrators be allowed internal disbursements for the period 13 September 2022 to 21 December 2022 at the rates of charge annexed to the Voluntary Administrators’ Supplementary Report to Creditors dated 13 December 2022, up to an amount of \$1,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as accrued.”

Liquidators’ Remuneration for the period 21 December 2022 to conclusion of the liquidation

“That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators’ Second Report to Creditors dated 34 December 2022 and approved to an interim cap of \$75,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as and when incurred.”

Liquidators’ Internal Disbursements for the period 22 December 2022 to Conclusion

“That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators’ Remuneration Approval Report dated 13 December 2022, up to an amount of \$1,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued”

SCHEDULE D – 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 advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolution:

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

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

BRI Ferrier

**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "10"
Remuneration Approval Report**

Remuneration Approval Report

**AUSSIE STRENGTH GLOBAL PTY LTD
ACN 646 609 501**

**(ADMINISTRATORS APPOINTED)
("THE COMPANY")**

13 December 2022

Jonathon Keenan & Peter Krejci
Voluntary Administrators

Novabrif Pty Ltd ABN 61 643 013 610
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



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1 EXECUTIVE SUMMARY

We are asking creditors to approve the following remuneration and disbursements.

	Remuneration (excl. GST) (\$)	Disbursements (excl. GST) (\$)
Voluntary Administration (VA)	113,501.00	N/A
If Company is liquidated	75,000.00	3,000.00

Details of our remuneration can be found in section 3 and 4 of this report.

Creditors will be asked to pass resolutions in relation to our remuneration at the concurrent resumed meeting to be held on 21 December 2022.

We estimate the total cost of the Voluntary Administration for Aussie Strength Global Pty Ltd will be \$384,441.50 (excl. GST). This has increased from our previous estimate in the Initial Remuneration Notice. Details of the reasons for the increase are particularised in **Schedule E**.

Creditors have previously approved my remuneration and disbursements of:

	Remuneration (excl. GST) (\$)	Disbursements (excl. GST) (\$)
Voluntary Administration (VA)	270,940.50	3,000.00

2 DECLARATION

We have undertaken an assessment of this remuneration claim in accordance with law and applicable professional standards. We are satisfied that the remuneration claimed is necessary and proper.

We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3 REMUNERATION SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount \$ (excl. GST)	Rates to apply	When it will be drawn
Completed Work	13 September 2022 to 9 December 2022	93,501.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available.
Future Work	10 December 2022 to conclusion	20,000.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available and incurred.
VA total		113,501.00 (excl. GST)		
If Company liquidated – Future work	21 December 2022 to finalisation of liquidation	75,000.00	Provided in our First Report to Creditors dated 15 September 2022	It will be drawn when funds are available.
Liquidation total		75,000.00 (excl. GST)		

Details of the work already completed and future work that we intend to do are included at **Schedule A**.

Schedule B includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the concurrent meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy forms for the concurrent meeting provided to you.

We will only seek approval of the resolutions for the liquidation, if creditors vote to place the Company into liquidation.

4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. To date, we have not paid any such costs in the administration.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 15 September 2022.

The disbursements we would like creditors to approve are as follows:

For	Period	Amount (excl. GST) (\$)
If Company liquidated - Future disbursements	21 December 2022 to conclusion	3,000.00
Liquidation total (excl. GST)		3,000.00

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company and it provides for the remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

An estimated outcome for the Company is set out in our report dated 14 December 2022. Any dividend payable to creditors will depend on a range of variables, particularly the decision creditors make on the future of the Company, future realisations, our estimated remuneration as we have set out in this report and creditor claims.

6 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of the receipts and payments as at 12 December 2022 is attached to this Report.

7 QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office.

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

- ▲ ARITA at www.arita.com.au/creditors
- ▲ ASIC at <http://www.asic.gov.au> (search for INFO 85).

Further supporting documentation for our remuneration claim can be provided to creditors on request.

9 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – Explanation where remuneration previously approved

SCHEDULE A – DETAILS OF WORK

		Tasks		
		Work completed (excl. GST)	Future work (excl. GST)	Liquidation Work
Period		13 September 2022 to 9 December 2022	10 December 2022 to 21 December 2022	21 December 2022 to the conclusion of the Liquidation
Amount (excl. GST)		Less: Already Approved & Discount applied \$384,441.50 (\$270,940.50) (\$20,000.00) \$113,501.00	\$20,000.00	\$75,000.00
Task Area	General Description			
Assets		185.3 Hours \$102,078.50	\$4,000.00	\$5,000.00
	Stock	Attendance on site to inspect stock Tasks relating to the identification of onsite stock Liaising with staff regarding stock and stock management system Receive and communicate legal advice regarding stock held Reviewing overseas stock orders Discussion with major customers in relation to branding of stock Correspondence with customers regarding disputes over stock Discussions with valuers regarding stock listing	Liaise with customers regarding potential sale of stock Receive further updates from valuers regarding sales Receipting sale proceeds Tasks relating to the completion of sales for post appointment deposits	Finalising sale of stock in conjunction with O'Maras Resolve any issues outstanding regarding collection of stock Liaising with O'Maras regarding sale of shipping containers and other residual stock

	<p>Correspondence with interested parties regarding stock availability</p> <p>Liaising with valuers regarding sale strategy</p> <p>Reviewing valuation report</p> <p>Receive updates from valuers regarding sales</p> <p>Tasks surrounding completion of defence contracts</p> <p>Discussion with Logistics and suppliers regarding the delivery of further equipment</p> <p>Review legal advice regarding fulfilment of pre-appointment orders</p> <p>Tasks relating to the completion of post appointment customers</p> <p>Correspondence with past customers regarding sale of inventory</p> <p>Liaising with solicitors regarding customised stock and disputed orders</p> <p>Providing instructions to O'Mara's regarding stock set aside</p>		
Debtors	<p>Reviewing related party loan accounts</p> <p>Preparing debtor demand for related party loan accounts</p> <p>Liaising with various parties to advise of debts outstanding</p>	N/A	<p>Liaising with solicitors regarding related party loan accounts</p> <p>Pursuing recovery of related party loan accounts</p> <p>Consider commercial settlement, if necessary</p>
Sale of Business as a Going Concern	<p>Prepare advertisement for sale of business</p> <p>Prepare and distribute information memorandum</p> <p>Prepare and distribute confidentiality agreement</p>	<p>Correspondence with interested parties</p> <p>Internal meetings to discuss sale of business</p> <p>Prepare sale deed, if necessary</p>	N/A

	<p>Correspondence with interested parties</p> <p>Receipt of refundable deposits from interested parties</p> <p>Provide requested documentation for interested parties</p> <p>Prepare and maintain interested parties register</p> <p>Internal meetings to discuss sale of business</p> <p>Reviewing Company records for information requested by interested parties</p> <p>Reviewing and considering offers from potential purchasers</p> <p>Arrange refund of EOI deposits where parties are no longer interested</p> <p>Analysis of offer received and determine commerciality of offer</p> <p>Liaising with interest party regarding offer made and DOCA opportunities</p>		
Other Assets	<p>Securing cash at bank and Paypal funds</p> <p>Gaining access to money processors systems</p> <p>Correspondence with money processor systems</p> <p>Discussion with previous director relating to personal effects on premise</p> <p>Refund of payments made in relation to DOCA proposal</p>	N/A	Tasks associated with identifying and realising other assets
Leasing	<p>Correspondence with Landlord regarding payment of rent</p> <p>Discussions with property agent regarding site inspections</p>	Further correspondence with landlord regarding vacating premises	Correspondence with landlord

	Arranging for lawn mowing and clean-up of Trading Premises		
Assets subject to Specific Charges	Tasks relating to the sale of business assets Liaising with PMSI creditor for payout figures	Tasks relating to the sale of business assets Liaising with PMSI creditor for payout figures and discharge of security interest	
Creditors	224.0 Hours \$99,224.50	\$12,000.00	\$15,000.00
Creditor Enquiries	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post Respond to Creditor enquiries in relation to the issuing of report Respond to Creditors in relation to rolling auctions	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post Liaising with creditors re attendance at meeting	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post Considering reasonableness of creditor request Compiling information requested by creditors
Creditor Reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparation of necessary annexures for First Report to Creditors Preparing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors	Preparing and issuing Second Supplementary Report to Creditors detailing further enquiries, sales update and reconvening Second Meeting of Creditors Preparation of necessary annexures Preparation of Creditor Meeting Minutes from adjourned Second Meeting	Prepare Circular to Creditors regarding Liquidation Prepare further Reports to Creditors Preparation of Statutory Report to Creditors (including annexures)

	<p>Preparing and issuing Supplementary Report to Creditors to resume Second Meeting of Creditors</p> <p>Annexures for Supplementary Report to Creditors</p> <p>Initial preparation of supplementary report to creditors and supporting annexures</p>		
Dealing with proofs of debt	<p>Receipting and filing POD when not related to a dividend</p> <p>Maintaining register of Proofs of Debts received</p> <p>Reviewing supporting documentation from creditors</p>	<p>Receipting, processing, and filing Proofs of Debts when not related to a dividend</p> <p>Maintaining register of Proofs of Debts received</p> <p>Reviewing supporting documentation from creditors</p>	<p>Receipting, processing, and filing Proofs of Debts when not related to a dividend</p> <p>Maintaining register of Proofs of Debts received</p> <p>Reviewing supporting documentation from creditors</p>
Meeting of Creditors	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Sending Notice of Meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting</p> <p>Holding first and second meeting of creditors</p> <p>Preparation and lodgement of minutes of first meeting of creditors with ASIC</p>	<p>Preparation of meeting notices, proxies and advertisements</p> <p>Sending Notice of Meeting to all known creditors</p> <p>Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting</p> <p>Holding second meeting of creditors</p>	<p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Preparation of Minutes of Meeting</p> <p>Convening creditors meeting as Necessary</p>
Secured creditor reporting	<p>Notifying PPSR registered creditors of appointment</p> <p>Reviewing CBA security documents</p> <p>Providing regular updates to CBA</p>	<p>Providing regular updates to CBA</p>	<p>Providing regular updates to CBA</p> <p>Reporting to CBA regarding return from sale proceeds</p> <p>Consider validity of registered security interests</p>

		Correspondence with CBA re consent to realise fixed charge assets		
	DOCA Planning	<p>Liaising with interested party re possible DOCA Proposal</p> <p>Liaising with Director, former director and advisors regarding DOCA</p> <p>Discuss potential offers with solicitors</p> <p>Preparation of estimated statement of position with details of DOCA</p>	N/A	N/A
Investigation		74.0 Hours \$36,171.50	\$0.00	\$40,000.00
	Conducting Investigation	<p>Conducting and summarising statutory searches</p> <p>Reviewing Company's books and records</p> <p>Follow up with Director to obtain books and records of the Company</p> <p>Organise backup of electronic books and records</p> <p>Preparation of investigation file</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Preparation of working capital analysis</p> <p>Preparation of solvency analysis</p> <p>Investigations relating to the completion of various ASIC forms</p> <p>Reconstruction of financial comparatives</p> <p>Further correspondence with directors relating to assets of the Company</p> <p>Preparation of deficiency statements</p> <p>Preference analysis</p>		<p>Obtaining and reviewing further Company's books and records</p> <p>Preparation of updated comparative financial statements if necessary</p> <p>Preparation of updated deficiency statement if necessary</p> <p>Review of specific transactions and Liaising with Directors regarding certain transactions</p> <p>Updating investigation file</p> <p>Lodgement of investigation with ASIC</p>

	Tasks relating to the fulfilment of post appointment orders Correspondence with ASIC to receive assistance in obtaining Report on Company Affairs and Property Lodgement of investigation with ASIC Obtain backup of computer systems and data		
Litigation/ Recoveries	Liaising with solicitors re litigation on foot Liaising with solicitors re leave for proceedings to continue Liaising with solicitors re	N/A	Conducting further investigations into potential claims Consider conducting public examinations Seeking funding to conduct further investigations and public examinations Briefing solicitors Commencing recovery actions
ASIC Reporting	Prepare and Finalise s438D report Prepare and lodge ASIC request for assistance Liaising with ASIC re further information for request for assistance	Prepare witness statement for ASIC request for assistance with ROCAP compliance	Preparing and lodging statutory investigation report Preparing supplementary report to ASIC (as requested) Liaising with ASIC Seeking funding to conduct further investigations and public examinations
Trade on	244.6 Hours \$104,815.00	\$0.00	\$0.00
Processing Receipts and payments	Preparing internal receipt and payment vouchers Review of internal receipt and payment vouchers Review of money processor systems to aid in creation of receipt and payment vouchers	N/A	N/A

		<p>Preparing and processing payments to trade-on suppliers</p>		
	<p>Trade On Management</p>	<p>Attendance on site to monitor trading Completion of various post appointment orders Conducting assessment of Company's financial position Tasks relating to general upkeep of property to ensure trading Correspondence with suppliers regarding continued trading and setup of trade-on accounts Liaising with freight/logistic companies regarding importation of goods Reviewing outstanding pre-appointment orders and sale documentation Reviewing reports from stock management system for continued trading Discussions with staff regarding outstanding pre-appointment orders Discussions with staff regarding overseas stock orders Cost analysis of stock orders on water Correspondence with customers regarding the fulfilment of pre-appointment orders Dealing with continued sales and operations of the business Dealing with potential completion of defence orders</p>	<p>N/A</p>	<p>N/A</p>

		<p>Discussion with Lawyers regarding the obligation to complete orders</p> <p>Preparing and reconciling schedule of post-appointment deposits with outstanding orders</p> <p>Various tasks relating to the completion of post appointment orders</p> <p>Tasks associated with the removal of funds from money processors</p> <p>Tasks associated with the payment of licensing fee and discussions with Landlord</p> <p>Correspondence with domestic logistic company</p> <p>Liaise with O'Maras in relation to the completion of post appointment orders</p> <p>Correspondence with previous customers to notify of rolling auctions of stock</p> <p>Correspondence with stock provider in relation to software subscriptions</p> <p>Tasks relating to site visitation of directors</p> <p>Calculation and update of cash flows forecasts</p>		
	<p>Budgeting and Financial Reporting</p>	<p>Preparing projected cash flow</p> <p>Maintaining cash flow analysis for trade-on</p> <p>Preparing cost analysis for various outstanding customer orders</p> <p>Correspondence with internal bookkeeper</p>	<p>N/A</p>	<p>N/A</p>

Dividend		\$0.00	\$0.00	\$10,000
	Processing proofs of debt	N/A	N/A	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register. Adjudicating PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
Dividend Procedures	N/A	N/A	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register Adjudicating PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Tasks associated with declaration of dividend	
Administration		106.0 Hours \$42,152.00	\$4,000.00	\$5,000.00
ASIC Forms and lodgements	Preparing and lodging ASIC forms Preparing and lodging ASIC PNW Advert Prepare and lodge ASIC Assistance form	Preparing and lodging ASIC forms	Correspondence with ASIC regarding ASIC assistance Preparing and lodging ASIC forms Correspondence with ASIC regarding statutory forms	
Bank account administration	Bank account reconciliations Preparing receipt and payment vouchers Review bank accounts to confirm payment of post appointment customers	Preparing receipt and payment vouchers Bank account reconciliations	Preparing receipt and payment vouchers Bank account reconciliations	

	Books and Records/ Storage	Correspondence with Xero regarding access to Company's account Liaising with IT specialist re backup for Company data	Correspondence with Xero regarding access to Company's account	Dealing with records in storage Sending job files to storage
	Correspondence	Correspondence with various parties Correspondence with Director Discussion with O'Maras Internal correspondence in relation to tasks to be completed	Correspondence with various parties	Correspondence with various parties
	Document maintenance/file review/checklist	Preparing and updating job checklists Filing of documents	Updating job checklists Filing of documents Periodic administration review.	Filing of documents File reviews Updating checklists
	ATO and other statutory reporting	Notification of appointment	Preparing BAS	Preparing BAS
	Planning / Review	Discussions regarding status of administration	Discussions regarding status of administration	Discussions regarding status of liquidation
	Insurance	Reviewing insurance policies	Tasks related to the maintenance of insurance	Finalise policy covers
	Finalisation	N/A	N/A	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (WORK ALREADY COMPLETED)

Aussie Strength Global Pty Ltd (Administrators Appointed)

ACN 646 609 501

For the period 13 September 2022 to 9 December 2022

Staff Classification	Name	Hourly Rate (\$, ex GST)	Administration		Assets		Creditors		Investigation		Trade On		Total	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Appointee	John Keenan	680	3.0	2,040.00	56.2	38,216.00	28.0	19,040.00	4.8	3,264.00	21.6	14,688.00	113.6	77,248.00
Appointee	Peter Krejci	680	1.5	1,020.00	3.3	2,244.00	2.7	1,836.00	1.1	748.00	0.7	476.00	9.3	6,324.00
Principal	Andrew Cummins	680	1.2	816.00	-	-	1.5	1,020.00	-	-	1.5	1,020.00	4.2	2,856.00
Senior Manager	Katherine La	545	0.4	218.00	-	-	5.7	3,106.50	0.7	381.50	0.5	272.50	7.3	3,978.50
Senior Manager	Pauline Yeow	545	23.3	12,698.50	57.3	31,228.50	48.4	26,378.00	20.0	10,900.00	40.5	22,072.50	189.5	103,277.50
Assistant Manager	Jack Li	470	12.0	5,640.00	19.7	9,259.00	5.6	2,632.00	27.9	13,113.00	13.7	6,439.00	78.9	37,083.00
Assistant Manager	Savio Monis	470	14.8	6,956.00	40.0	18,800.00	48.2	22,654.00	12.5	5,875.00	76.3	35,861.00	191.8	90,146.00
Intermediate 1	Joshua Coorey	270	2.0	540.00	-	-	1.2	324.00	-	-	-	-	3.2	864.00
Intermediate 1	Max Florian	270	33.6	9,072.00	7.9	2,133.00	80.8	21,816.00	7.0	1,890.00	84.6	22,842.00	213.9	57,753.00
Intermediate 2	Sushma Mandira	245	1.1	269.50	-	-	-	-	-	-	-	-	1.1	269.50
Senior Administration	Sonia Stelmach	220	3.3	726.00	-	-	-	-	-	-	-	-	3.3	726.00
Senior Administration	Jessica Mula	220	6.7	1,474.00	0.9	198.00	1.9	418.00	-	-	2.4	528.00	11.9	2,618.00
Senior Administration	Liam Moran	220	1.3	286.00	-	-	-	-	-	-	2.8	616.00	4.1	902.00
Senior Administration	Sarita Gurung	220	1.8	396.00	-	-	-	-	-	-	-	-	1.8	396.00
Total			106.0	42,152.00	185.3	102,078.50	224.0	99,224.50	74.0	36,171.50	244.6	104,815.00	833.9	384,441.50
												Less: Amount Previously Approved	(270,940.50)	
													113,501.00	
												Less: Discount Applied	(20,000.00)	
													93,501.00	
												GST	9,350.10	
												Total (incl GST)	102,851.10	
Average Hourly Rate			397.66	550.88	442.97	488.80	428.52	461.02						

SCHEDULE C – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in **Section 3** and **4** and in the attached Schedules.

Administrators' Remuneration for the period 13 September 2022 to 9 December 2022

“That the additional remuneration of the Administrators, their partners and staff for the period 13 September 2022 to 9 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 13 December 2022 be fixed and approved at \$93,501.00 (excl. GST), and that the Administrators be authorised to draw that amount as required.”

Administrators' Remuneration for the period 10 December 2022 to 21 December 2022

“That the remuneration of the Administrators, their partners and staff for the period 10 December 2022 to 21 December 2022, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Supplementary Second Report to Creditors dated 13 December 2022 and approved to an interim cap of \$20,000.00 (excl. GST) and that the Administrators be authorised to draw that amount as and when incurred.”

Liquidators' Remuneration for the period 21 December 2022 to conclusion of the liquidation

“That the remuneration of the Liquidators, their partners and staff for the period 21 December 2022 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 Second Report to Creditors dated 13 December 2022 and approved to an interim cap of \$75,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as and when incurred.”

Liquidators' Internal Disbursements for the period 21 December 2022 to Conclusion

“That the Liquidators be allowed internal disbursements for the period 21 December 2022 to the conclusion of the Liquidation at the rates of charge annexed to the Voluntary Administrators' Remuneration Approval Report dated 13 December 2022, up to an amount of \$3,000.00 (excl. GST) and that the Liquidators be authorised to draw that amount as accrued.”

SCHEDULE D – 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 advise that to date we have not paid any disbursements incurred during this Administration by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage.

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

SCHEDULE E – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED

Our remuneration was approved by creditors up to an amount of \$270,940.50 (plus GST). To date, we have not drawn any remuneration. Our remuneration incurred has exceeded this cap and, in this report, we are now seeking approval of a further amount of \$113,501.00 (plus GST) to enable us to complete the voluntary administration. We have applied a discount of \$20,000.00 to the remuneration incurred to date.

To assist members with understanding how total remuneration has and/or will be incurred, this table shows remuneration to date, including the current claims, divided by task categories.

Task	Fees already approved as at 13 December 2022 (\$, excl GST)	Approval sought for work already done (\$, excl GST)	Approval sought for future work (\$, excl GST)	Total per task (\$, excl GST)
Assets	73,936.00	28,142.50	4,000.00	106,078.50
Creditors	61,912.00	37,312.50	12,000.00	111,224.50
Employees	0.00	0.00	0.00	0.00
Trade On	80,960.50	23,854.50	0.00	104,815.00
Investigation	29,684.00	6,487.50	0.00	36,171.50
Dividend	0.00	0.00	0.00	0.00
Administration	24,448.00	17,704.00	4,000.00	46,152.00
TOTAL	270,940.50	113,501.00	20,000.00	404,441.50
Total Remuneration previously approved				270,940.50
Less: Discount Applied				(20,000.00)
Difference (see table below for further explanation)				113,501.00
Payment Reconciliation:				
Total (including amount claimed now)				404,441.50
Less: Amount approved to date				(270,940.50)
Less: Discount applied				(20,000.00)
Amount outstanding (incl amount claimed now)				113,501.00

In this table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Remuneration Previously approved	Total per task (from previous table)	Additional Remuneration Incurred	Reasons for Differences
Assets	73,936.00	106,078.50	32,142.50	<p>Additional time has been incurred in respect of the following:</p> <ul style="list-style-type: none"> - Liaising with O'Maras regard creditors claims against stock on hand - Liaising with O'Maras and seeking advice on customised orders, customer claims and post appointment sales - Resolving issues arising from stock sales - Liaising with a large number of interested parties who ultimately did not make an offer for the business/assets - Preparing extensive analysis of the offer made and liaising with this party to attempt to formulate a DOCA proposal - Becoming party to the Director and AS's Former Director dispute (which had little benefit to creditors generally).
Creditors	61,912.00	111,224.50	49,312.50	<p>Additional time incurred with respect to the following:</p> <ul style="list-style-type: none"> - Attending to various queries and requests from creditors generally which were not initially anticipated - Conducting reconciliation with respect to claims from related party creditors with the Company's records; - Issuing detailed Supplementary Reports to Creditors
Investigation	29,684.00	36,171.50	6,487.50	<p>Additional time has been incurred in respect of the following:</p> <ul style="list-style-type: none"> - Preparing Reports to ASIC for assistance and lodgement of Section 438D Report - Further investigations were conducted in relation to the Director Loan and flow of the Company's funds advanced from same.

				- Preparing comparative analysis and considering rates of return in a DOCA/Liquidation Scenario for DOCA planning purposes
Trade On	80,960.50	104,815.00	23,854.50	Additional time incurred in relation to trading on, as it was hoped that the Director and staff members would assist with the ongoing trading of the Company.
Administration	24,448.00	46,152.00	21,704.00	Additional time incurred in relation to additional reporting to ASIC
Total	270,940.50	404,441.50	133,501.00	
Less: Discount applied			(20,000.00)	
Total approval sought			113,501.00	

We also make the following general comments regarding the progress of the Voluntary Administration that have affected our previous remuneration estimate:

- ▲ The Voluntary Administration has now run over the course of 3 months, which is longer than initially anticipated.
- ▲ We encountered disputes between the Director and former director over personal assets which did not have much benefit to creditors generally.
- ▲ Engaged in extensive negotiation with possible proponents of the DOCA, where a proposal was not received.
- ▲ Become involved in litigation proceedings commenced by Mr Crown against the Company and the Director, which have now been dismissed.
- ▲ Substantial resistance in obtaining the necessary records to form views on the Company's affairs and potential outcomes for creditors.

We have provided an explanation of tasks above remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green triangle pointing upwards and to the right.

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL
PTY LTD
(ADMINISTRATORS
APPOINTED)
ACN 646 609 501**

**Annexure "11"
Advice to Creditors About
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

**AUSSIE STRENGTH PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 150 420 625**

**AUSSIE STRENGTH GLOBAL PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 646 609 501
("THE COMPANIES")**

A 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.

B. METHOD CHOSEN

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 Companies assets.

- It ensures creditors are only charged for work that is performed. Our time are 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 below remain current until 30 June 2023. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, we will seek approval from creditors.

C. 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.

Title	Description	Hourly Rates (ex GST)
Principal/Appointee	A 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.	\$680
Director	An accountant with more than 10 years' experience. May be a 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.	\$590
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.	\$545
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.	\$505
Assistant Manager	An accountant with more than 5 years' experience. Typically qualified with sound technical and commercial skills. Plans and controls smaller matters independently. Assists with management of staff and medium to large appointments.	\$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.	\$435
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.	\$370
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.	\$310
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	\$270

Title	Description	Hourly Rates (ex GST)
Intermediate 2	medium appointments under supervision. An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$245
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150

D. 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 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.

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

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
Faxes and Photocopying	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances