

INITIAL INFORMATION FOR CREDITORS

**SHANGRI-LA CONSTRUCTION PTY LTD
(IN LIQUIDATION)
ACN 130 534 244 (“THE COMPANY”)**

I was appointed Liquidator of the Company by a resolution of its members at a duly convened member’s meeting held on 31 March 2023.

The Company is now in liquidation and according to the Company’s records you are a creditor of the Company.

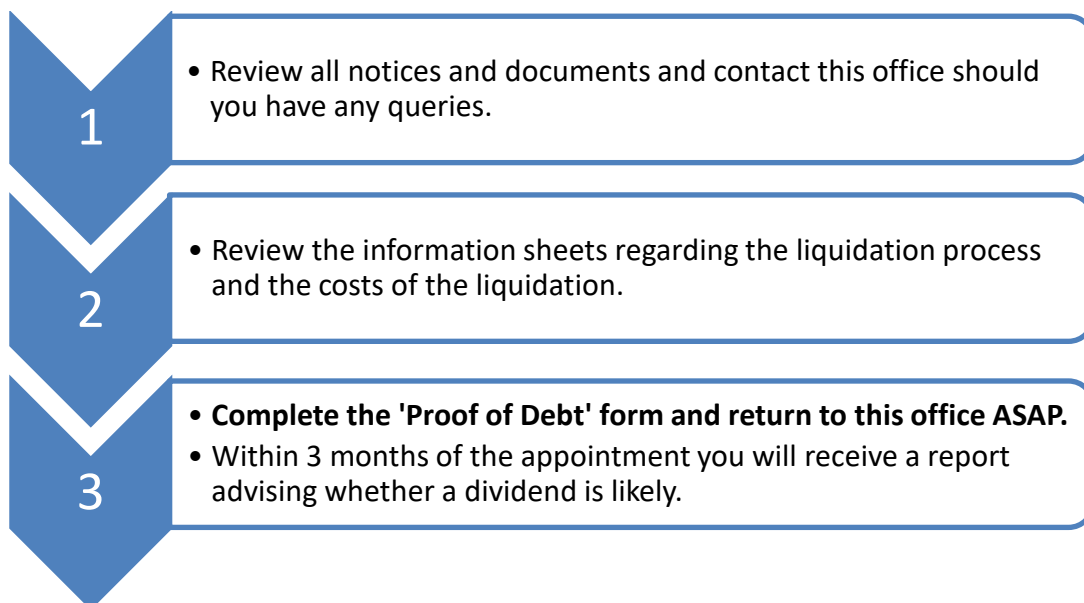
A detailed report outlining my investigations of the Company’s affairs will be issued within three months from the date of my appointment.

I have included the following initial notices and documents in connection with my appointment for your information.

Item #	Item	Description	Further Action Required by you
1	Liquidator’s Report	This document provides a brief summary of the tasks I have performed to date and my findings on the Company’s affairs.	No
2	Creditors Electronic Communication Method Approval form	As a creditor, you have a right to receive all communications from the Liquidator via electronic medium. It is recommended that creditors opt into this notification method. Complete the form and email to info@brifvic.com.au .	Yes
3	A Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)	The DIRRI assists you to understand any relevant relationships that I have, and any indemnities or upfront payments that have been provided to me. None of the relationships mentioned in this document affect my independence.	No
4	Summary of Affairs of the company (Form 509)	On 31 March 2023, the directors completed and provided a summary of the Report on Company Activities and Property (“ROCAP”) in the form 509.	No
5	List of Creditors	A detailed list of the creditors and an estimate of their claims that were shown in the ROCAP. Any creditors related to the Company are indicated on this form.	No
6	Information Sheet – Creditor Rights in Liquidation	As a creditor, you have certain rights, although you no longer have the right to seek payment by the Company of your outstanding debt. This information sheet provides a detailed list of your rights.	No

7	Proof of Debt ("POD") form	You must also provide information about what the company owes you and evidence to support your claim. Please complete and return POD form via email info@brifvic.com.au with your supporting documents.	Yes Include supporting documentation
8	Initial Remuneration Notice	This document indicates the costs associated with undertaking each task to perform the liquidation. I may send further notices from time to time to seek approval of our remuneration for the work that I do in completing the tasks.	No

What happens next?



Should you have any questions in relation to this matter, please contact Joshua May of this office on (03) 9622 1800.

DATED this 11th day of April 2023



DAVID COYNE
LIQUIDATOR

LIQUIDATOR'S REPORT TO CREDITORS

SHANGRI-LA CONSTRUCITON PTY LTD (IN LIQUIDATION) ACN 130 534 244 ("THE COMPANY")

1 INTRODUCTION

Pursuant to Section 70-30 of the Insolvency Practice Rules (Corporations) 2016 ("IPR"), I am required to notify each creditor of the occurrence of the liquidation within ten business days after my appointment.

Please treat this report as the notice pursuant to this Section.

2 BACKGROUND INFORMATION

The Company's business operated as a residential builder. I note that a sale of the Company's assets to a related party was executed in July 2021. My investigations with respect to this matter are ongoing.

I advise that the Company's business ceased to trade prior to my appointment and does not have the capacity to rectify any issues relating to ongoing or completed projects.

I am aware of claims of defects with respect to the following projects:

- Willansby Avenue, Brighton VIC
- Hawthorn Road, Caulfield VIC
- Maroona Road, Carnegie VIC
- Dixon Street & Murray Street, Clayton VIC
- Neerim Road, Carnegie VIC
- Box Hill Crescent, Mont Albert North VIC
- Clyde Street, Thornbury VIC
- Queensberry Street, Carlton VIC
- Barkly Street, West Footscray VIC
- Small Street, Hampton VIC

The above list is not exhaustive, and I invite creditors to inform me of any claims with respect to any other buildings.

I note that customers of the Company may wish to consider lodging a claim with the Victorian Managed Insurance Authority in relation to defects. Customers wishing to lodge a claim may do so by following the below link:

<https://www.dbi.vmia.vic.gov.au/>

I understand that the Company is party to a number of legal proceedings on foot. Please note that pursuant to Section 500 of the Corporations Act 2001 ("the Act"), *"after the passing of the resolution for voluntary*

winding up, no action or other civil proceeding is to be proceeded with or commenced against the company except by leave of the Court and subject to such terms as the Court imposes.”

3 SUMMARY OF AFFAIRS (“SOA”)

Pursuant to Section 497(4) of the Act, the directors of the Company are required to submit to me a Report on Company Activities and Property (“ROCAP”) within five business days after the date of the liquidation or such longer period as I allow.

Further, in accordance with Section 497(1) of the Act, within ten business days after the date of the liquidation, I am required to provide a copy of the Form 509 - Summary of Affairs of the Company and a list of creditors, including their address and the estimated amount of their claims, as shown in the records of the company.

The Form 509 and a list of creditors are enclosed.

4 REPORT ON COMPANY ACTIVITIES AND PROPERTY (“ROCAP”)

The ROCAP contains information that is necessary for me to investigate the affairs of the Company, to determine the Company’s assets and whether they are recoverable for the benefit of creditors, and to enable me to do all things necessary for winding up the affairs of the Company and distributing its property.

I received the ROCAP on 31 March 2023 and details of the ROCAP will be provided in my next report to creditors which will be issued within three (3) months from the date of my appointment.

5 LIQUIDATOR’S ACTS AND DEALINGS SINCE THE APPOINTMENT

A search of the database maintained by the ASIC revealed that the Company was incorporated on 8 April 2008 in Victoria.

Immediately upon my appointment, I have also:

- Notified major banking institutions of my appointment and requested that they conduct a search of any accounts held in the Company’s name, and if so, to place a freeze on such accounts and notify me of same.
- Notified major communication and utility providers and requested to be notified of any services provided to the Company.
- Conducted a search of the VicRoads database to identify whether any motor vehicles are registered in the name of the Company.
- Notified the Sheriff’s Office in Victoria of my appointment and requested a search of any warrants issued against the Company.

I will provide creditors with an update concerning the outcome of the above searches, enquiries, and my further investigations in the next report to creditors.

6 SUMMARY OF RECEIPTS AND PAYMENTS

FOR THE PERIOD 31 MARCH 2023 TO 10 APRIL 2023

Receipts	Gross Amount (\$)
Total (inc GST)	Nil

Payments	
Total (inc GST)	Nil

Balance in Hand	Nil
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7 THE LIKELIHOOD OF A DIVIDEND BEING PAID IN THE LIQUIDATION

I am unable to provide an estimate of the likelihood of a dividend to any class of creditor at this time.

A detailed update in relation to this matter will be provided in my next report to creditors.

8 NEXT REPORT TO CREDITORS

As mentioned earlier in this report, a further report to creditors will be issued within three months of the commencement of the liquidation accordingly to the requirements of Section 70-40 of the IPR. The report will include:

- a further update on my investigations into the Company's examinable affairs;
- a further update on the recoverability and realisation of the Company's property; and
- my further advice concerning the likelihood and timing of a dividend being paid in the liquidation.

Should you have any questions in relation to this matter, please contact Joshua May of this office on (03) 9622 1800.

DATED this 11th day of April 2023



DAVID COYNE
LIQUIDATOR

**SHANGRI-LA CONSTRUCTION PTY LTD (IN LIQUIDATION)
ACN 107 395 684 ("THE COMPANY")**

**Corporations Act 2001 Section 600G
Insolvency Practice Rules (Corporations) – 75-10**

**CREDITOR'S APPROVAL TO THE USE OF EMAIL BY THE EXTERNAL ADMINISTRATOR WHEN GIVING OR
SENDING CERTAIN NOTICES UNDER SECTION 600G
OF THE CORPORATIONS ACT 2001**

Should you wish to receive notices and documents relating to the external administration of the Company by email, please complete this form and return it to Joshua May at the address set out below.

I/We authorise the External Administrator on behalf of the Company and his or her employees and agents to send and give notices and documents where such notices and documents may be sent by email to us using the email address provided below.

Signature:	
Creditor name:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	

Return to: BRI FERRIER
Via Email: info@brifvic.com.au
Via Post: PO Box 521 Collins Street West, Melbourne VIC 8007

Declaration of Independence, Relevant Relationships and Indemnities

Shangri-La Construction Pty Ltd

(In Liquidation)

ACN 130 534 244

31 March 2023

David Coyne
Liquidator

BRI Ferrier Victoria Pty Ltd ABN 18 638 454 029
Level 10, 45 William Street, Melbourne VIC 3000
PO Box 521, Collins Street West VIC 8007
Phone (03) 9622 1800

Email: info@brifvic.com.au

Website: www.briferrier.com.au

BRI Ferrier

Business Reconstruction & Insolvency

The purpose of this document is to assist creditors with understanding any relevant relationships that I have with parties who are closely connected to Shangri-La Construction Pty Ltd and any indemnities or upfront payments that have been provided to me. None of the relationships disclosed in this document are such that my independence is affected.

This information is provided so you have trust and confidence in my independence and, if not, you can ask for further explanation or information and can act to remove and replace me if you wish.

This declaration is made in respect of myself, BRI Ferrier Victoria Pty Ltd, BRI Ferrier (NSW), BRI Ferrier (WA), BRI Ferrier (Queensland) and BRI Ferrier (South Australia).

I am a Professional Member of the Australian Restructuring Insolvency and Turnaround Association (“ARITA”). I acknowledge that I am bound by the ARITA Code of Professional Practice.

A. INDEPENDENCE

I, David Coyne of BRI Ferrier, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of Shangri-La Construction Pty Ltd in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. CIRCUMSTANCES OF APPOINTMENT

I. HOW I WAS REFERRED THIS APPOINTMENT

This appointment was referred to me by Lowe Lippmann, an advisor to Shangri-La Construction Pty Ltd. Lowe Lippmann has not referred any matters to BRI Ferrier during the last 24 months.

There is no expectation, agreement or understanding between me and Lowe Lippmann regarding the conduct of the Liquidation and I am free to act independently and in accordance with the law and applicable professional standards.

II. MEETINGS PRIOR TO APPOINTMENT

I have undertaken the following meetings with the director or his advisors regarding Shangri-La Construction Pty Ltd prior to the acceptance of this appointment.

Attendees	Purpose of Meeting	Reasons why no conflict of interest or duty
David Coyne BRI Ferrier Gideon Rathner Lowe Lippmann	On 14 March 2023, I received a telephone call from Mr Rathner regarding the financial position of Shangri-La Construction Pty Ltd and the potential appointment of a Liquidator.	The discussions/advice provided at this meeting were not subject to review during the administration and will not impact on compliance with my statutory and fiduciary duties and for this reason, do not, in my opinion, give rise to a conflict of interest or duty. I received no remuneration in relation to these meetings.

I have provided no other information or advice to Shangri-La Construction Pty Ltd, its directors and its advisors prior to my appointment beyond that outlined in this DIRRI.

C. DECLARATION OF RELATIONSHIPS

I. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

Within the previous two years, have I, or my firm, had a relationship with:	
Shangri-La Construction Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of Shangri-La Construction Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A former insolvency practitioner appointed to Shangri-La Construction Pty Ltd?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
A secured creditor entitled to enforce a security over the whole or substantially the whole of Shangri-La Construction Pty Ltd's property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

II. PRIOR PROFESSIONAL SERVICES TO THE INSOLVENT

Neither I, nor my Firm, have provided any professional services to Shangri-La Construction Pty Ltd in the previous 24 months, other than those outlined herein.

III. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Shangri-La Construction Pty Ltd, an associate of Shangri-La Construction Pty Ltd, a former insolvency practitioner appointed to Shangri-La Construction Pty Ltd or any person or entity that has a charge on the whole or substantially whole of Shangri-La Construction Pty Ltd's property that should be disclosed.

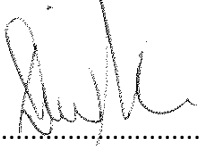
I also note that Principals of BRI Ferrier routinely accept nominations and appointments as insolvency practitioners by the major trading banks and creditors such as the Australian Taxation Office. The nature of these relationships varies over time depending on the nature of the engagements. Such relationships do not impede my independence or give rise to a conflict of duties because I accept such engagements only on the basis that my independence will be maintained and the relationships are

maintained on professional and commercial terms. I have not had any dealings with any secured creditors or the Australian Taxation Office in relation to Shangri-La Construction Pty Ltd.

D. INDEMNITIES AND UP-FRONT PAYMENTS

I have not been indemnified in relation to this Liquidation, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my remuneration or disbursements.

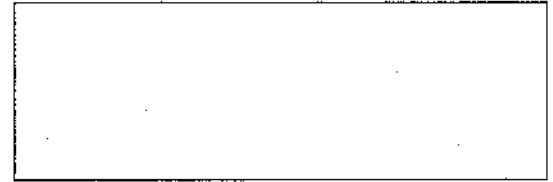
Dated: 31 March 2023



.....
DAVID COYNE

Notes:

1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.
2. If circumstances change, or new information is identified, I am required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.



Presentation of summary of affairs of a company

Form 509
Corporations Act 2001
497(1)(a)(i)

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Related forms:

5604 Information about the company's affairs sent to creditors

Company details

Company name

Shangri-La Construction Pty Ltd

ACN / ABN

ACN 130 534 244

Lodgement details

Who should ASIC contact if there is a query about this form?

An image of this form will be available as
part of the public register

ASIC registered agent number (if applicable)

Firm/Organisation

Contact name/position description

Telephone Number

Email address (optional)

Postal Address or DX Address

Suburb/City

State / Territory

Post Code

Summary of assets and liabilities

Date to which summary is made up

Date

31 / 03 / 2023

Continued ... Summary of assets and liabilities

	Valuation (for each entry show whether cost or net book amount) \$	Estimated Realisable Values \$
1 Assets not specifically subject to security interest	-	-
(a) interest in land	-	-
(b) sundry debtors	-	-
(c) cash on hand	-	-
(d) cash at bank	10,451	10,451
(e) stock	-	-
(f) work in progress	-	-
(g) plant and equipment	-	-
(h) other assets - Investments Building Co-op	1,147	Nil
- BAS refund	8,330	8,330
Sub total	19,928	18,781
2. Assets subject to specific security interests		
Less amounts owing		
Total assets	(\$ -)	
Total Estimated Realisable Values		(\$ -)
3. Less payable in advance of secured creditor(s) including employee entitlements		-
4. Less amounts owing and secured by debenture or circular security interest over assets		-
5. Less preferential claims ranking behind secured creditors		-
6. Less balances owing to partly secured creditors		-
Total Claims	(\$ Nil)	
Security Held	(\$ Nil)	
7. Less creditors (unsecured) Amount claimed		374,567
8. Add contingent assets Estimated to produce		Unknown
9. Less Contingent liabilities Estimated to rank		Unknown
Estimated Surplus (Deficiency)		\$354,639

Subject to costs of the liquidation

Share capital \$ 1,724,102.00

Issued \$1,724,102.00

Paid Up \$1,724,102.00

Signature

This form must be signed by a director, secretary or liquidator.

Name of person signing

Obaid Nagebullah

Capacity

Director

Signature



Date

31 / 03 / 2023

Lodgement

If lodging with ASIC, send completed and signed forms to:
Australian Securities and Investments Commission
PO Box 4000, Gippsland Mail Centre VIC 3841.

For help or more information

Web www.asic.gov.au

Need help? www.asic.gov.au/question

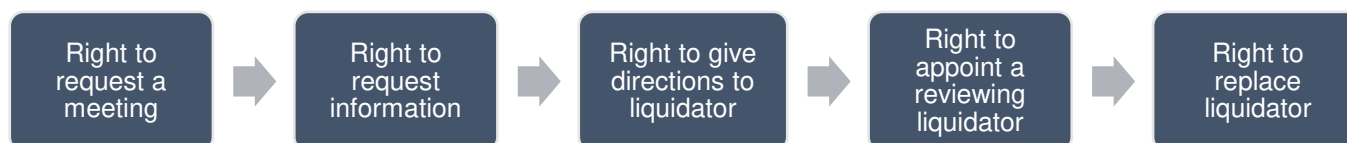
Telephone 1300 300 630

BRI FERRIER
Shangri-La Construction Pty Ltd (In Liquidation)
Company Creditors

Name	Related Creditor	ROCAP Amount
SMM No. 9 Pty. Ltd.	Yes	374,567.41
Australian Taxation Office		Uncertain
Arch Underwriting at Lloyd's (Australia) Pty Ltd		Uncertain
CodeHQ Pty Ltd		Uncertain
Cassandra Gleeson		Uncertain
Cassandra Wu		Uncertain
Mark & Nicole McCann		Uncertain
Owners Corporation 1 Plan No. PS 707553k		Uncertain
Owners Corporation 1 Plan No. PS629007E		Uncertain
Owners Corporation 1 Plan No. PS632730L		Uncertain
Owners Corporation 1 Plan No. PS 640567Y		Uncertain
Owners Corporation PS632748Q		Uncertain
Ryan Haley		Uncertain
Simone Doris Guin		Uncertain
Samuel Lewis Marek		Uncertain
Tony Zimmer		Uncertain
Timothy Grech		Uncertain
Qbaid Naqebullah	Yes	Uncertain
18 Entries Totalling		374,567.41

Creditor Rights in Liquidations

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



Right to request a meeting

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

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

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

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

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

Right to request information

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

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

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

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

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

Meeting requests only:

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

Information requests only:

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

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

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

Specific queries about the liquidation should be directed to the liquidator's office.

Right to give directions to liquidator

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

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

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

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

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

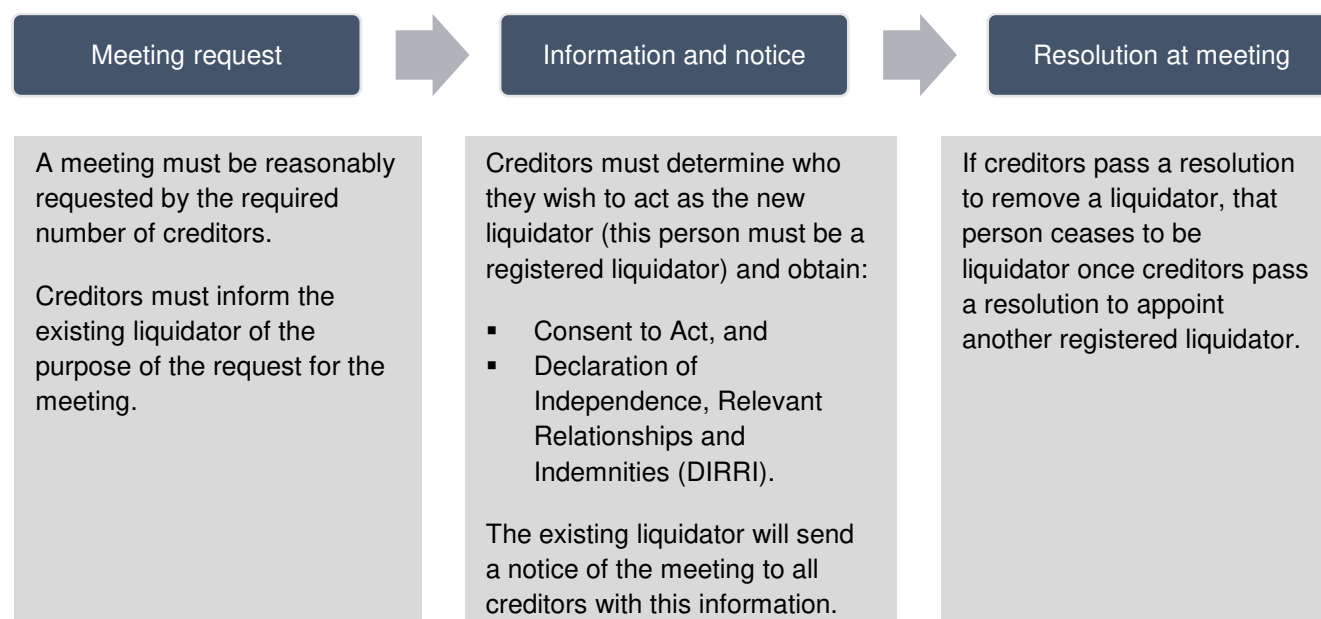
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

Right to replace liquidator

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

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



**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of Shangri-La Construction Pty Ltd (In Liquidation)

1. This is to state that the company was, on 31 March 2023 ⁽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:

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

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

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

If the form is being used for the purpose of voting at a meeting:

Is the debt you are claiming assigned to you?

No Yes

If yes, attach written evidence of the debt, the assignment and consideration given.

Attached

If yes, what value of consideration did you give for the assignment (eg, what amount did you pay \$ for the debt?) _____

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.

DATED this day of 2023

Signature of Signatory.....

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) – Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per ROCAP	\$	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.

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50

Insolvency Practice Rules (Corporations) 70-35

SHANGRI-LA CONSTRUCTION PTY LTD (IN LIQUIDATION) ACN 130 534 244 (“THE COMPANY”)

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the Liquidation will be set.

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

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

- ▲ It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- ▲ The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement

- ▶ The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- ▶ The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 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 their approval.

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.

HOURLY RATES		
Title	Description	Rate (excl GST)
Principal / Appointee	A Registered Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$650
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.	\$570
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.	\$530
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills, and studying or has completed specialised study in Insolvency and Reconstruction. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$500
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$400
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	\$350
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.	\$300
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$250
Intermediate 2	An accountant with less than 1 years' experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$220

Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$200
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 ESTIMATED REMUNERATION

I estimate that this administration will cost approximately \$30,000 to \$50,000 (plus GST) to complete, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine until I have commenced the administration:

- Complexity of investigations into the affairs of the Company;
- Realisation of Company assets and potential Liquidator recoveries; and
- Complexity of responding to enquiries from regulators and stakeholders.

I advise that I did not provide an estimate of cost to the director prior to my appointment.

E 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.

The ASIC Industry Funding Model levy commenced on 1 July 2017. The levy is calculated per metric events including certain lodgements with ASIC and certain advertisements on the ASIC Public Notice Website ("PNW"). These include the following:

- Notice of meetings advertised on the PNW;
- Notice of intention to declare dividend on the PNW; and
- Notice of the outcome of a proposal to pass resolution without meeting lodged with ASIC.

In this Liquidation, we consider that we will incur the ASIC levy for the following metric events:

- New appointment for financial year ending 30 June 2023;
- Ongoing appointment for financial year ending 30 June 2024; and
- Notice of the outcome of a proposal to pass resolution without meeting lodged with ASIC.

I will not be provided with an invoice for the exact amount of the fee for the year to 30 June 2023 until 2024.

My current best estimate based on indications from ASIC is the fee will be calculated on a basis of \$125 per event and I am seeking creditor approval to recover these costs as internal disbursements with a potential profit element in accordance with the recommendations from our professional body, the Australia Restructuring Insolvency and Turnaround Association.

I am not required to seek creditor approval for all disbursements paid to third parties, however, I am required to account to creditors for such expenses and we must be satisfied that those disbursements are appropriate, justified and reasonable.

In respect of Internal disbursements, to the extent that these may be recovered at more than their cost, they may be considered as deriving a profit or advantage and must therefore be approved by creditors, a committee of inspection (if one is appointed), or by the Court prior to them being drawn.

Future disbursements with a potential profit element derived by our firm will be charged to the administration on the following basis, subject to creditor approval:

Disbursements with a potential profit element	Rate (excl GST) (\$)
ASIC Industry Funding Levy	\$125 per event
Printing and Photocopying	\$0.25 per page