

19 July 2023

BRI Ferrier

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

**THE BOOK THAT BUILT THE FUTURE PTY LTD (IN LIQUIDATION)
ACN 638 607 360 ("THE COMPANY")**

I refer to the appointment of Andre Strazdins and I as Joint and Several Liquidators by the Supreme Court of Victoria to the Company on 26 April 2023.

Please find enclosed the following documents for your information and completion:

Item	Description	Further Action Required by you
Report to Creditors under Insolvency Practice Rule 70-40 of the Corporations Act 2001	The purpose of this report is to detail my recoveries and investigations to date and advise whether a dividend is likely. For information with respect to the findings of my preliminary investigations, please refer to section 3 of the Report. For information with respect to the expected return to creditors, please refer to section 4 of the Report.	No
Remuneration Request Approval Report	This document details my retrospective and prospective time costs with respect to the administration of the Liquidation. This document is marked Annexure "A".	No
Formal Proof of Debt ("POD") Form	You must also provide information about what the company owes you and evidence to support your claim. If you have not done so already, please complete and return POD form via email info@brifvic.com.au with your supporting documents. This document is marked Annexure "B".	Yes Include supporting documentation
Proposals without a meeting form – Retrospective Remuneration Approval	This document must be returned to me by 4pm Wednesday, 16 August 2023 via email info@brifvic.com.au for your vote to count. This document is marked as Annexure "C".	Yes
Proposals without a meeting form – Prospective Remuneration Approval	This document must be returned to me by 4pm Wednesday, 16 August 2023 via email info@brifvic.com.au for your vote to count. The document is marked as Annexure "D".	Yes
Proposals without a meeting form – Disbursements with a potential profit element	This document must be returned to me by 4pm Wednesday, 16 August 2023 via email info@brifvic.com.au for your vote to count. This document is marked as Annexure "E".	Yes
Proposals without a meeting form – Early Destruction of books and records	This document must be returned to me by 4pm Wednesday, 16 August 2023 via email info@brifvic.com.au for your vote to count. This document is marked as Annexure "F".	Yes
Information sheet – Proposals without a meeting	This is an information sheet to assist you in understanding what a 'Proposal without a meeting' is. This document is marked as Annexure "G".	No

BRI Ferrier Victoria Pty Ltd ABN 18 638 454 029

Trading as BRI Ferrier

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Should you have any further queries in this matter, please contact this office on 03 9622 1800.

Yours faithfully

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

DAVID COYNE

Joint and Several Liquidator

Report to Creditors

under Insolvency Practice Rule 70-40

The Book That Built The Future Pty Ltd (In Liquidation)

ACN 638 607 360
("The Company")

19 July 2023

David Coyne and Andre Strazdins
Joint and Several Liquidators

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1 INTRODUCTION

On 26 April 2023, we, David Coyne and Andre Strazdins of BRI Ferrier, were appointed Joint and Several Liquidators of the Company pursuant to an Order of the Supreme Court of Victoria at the petition of Fundit Ltd. We refer to our Initial Information Notice for Creditors sent on 19 May 2023, advising that you may be a creditor of the Company and of your rights as a creditor in the Liquidation.

The purpose of this Report to Creditors is to advise you of the following:

- The estimated amounts of Assets and Liabilities of the Company;
- The progress of the Liquidation, including:
 - i. inquiries that have been undertaken to date;
 - ii. possible further inquiries and/or recovery actions (if any);
- Our opinion as to what happened to the business of the Company;
- The likelihood of a dividend being paid in the liquidation once that affairs have been fully wound up; and
- Our proposed remuneration with respect to administering the Liquidation.

2 ESTIMATED AMOUNTS OF ASSETS AND LIABILITIES

We are yet to receive a Report on Company Activities and Property (“ROCAP”) from the Company’s director, Ms Andrea Cooper (“the Director”).

We note that the Director has not yet delivered the Company’s books and records to us and we have referred the Director’s non-compliance with respect to this matter to the Australian Securities & Investments Commission (“ASIC”).

The estimated realisable value of the Company’s assets and liabilities have therefore been based on information provided by creditors and our preliminary investigations to date. Please see section 4 of this Report for a detailed analysis of the position of each class of creditor and the surplus which may be available to the Liquidation from the realisation of its assets.

Annotated ROCAP	Estimated Realisable Value (\$)	Notes
ASSETS		
Cash at Bank / Cash on Hand	-	2.1.1
Real Property	2,750,000	2.1.2
Total Assets	2,750,000	
LIABILITIES		
<u>Secured Creditors</u>	2,971,833	2.2.1
<u>Priority Creditors</u>	-	2.2.2
<u>Unsecured Creditors</u>		
Statutory Creditors	89,180	2.2.3
Other Unsecured Creditors	502,049	2.2.4
Related Party Creditors	Uncertain	2.2.5
	591,229	
Total Liabilities	3,563,062	
SURPLUS/DEFICIENCY	(813,062)	

2.1 ASSETS

2.1.1 Cash at Bank

Following our appointment, we wrote to the major banks and requested that they undertake a search of their records to locate any accounts held in the name of the Company, and to impose a freeze on the accounts to prevent any outward payments.

Based on our enquiries and the responses received to date, we have identified the following bank accounts in the name of the Company held with the Commonwealth Bank of Australia ("CBA"):

Account Name	Balance	As at
CBA Business Transaction Account	-\$49.79	1 May 2023

For the purpose of this Report, the Company's cash at bank appears to be nil.

2.1.2 Real Property

Following our appointment, we undertook Land Title searches for properties registered to the Company. We identified four (4) townhouses in Coolalinga, Northern Territory and one (1) real property in Larrakeyah, Northern Territory.

A summary of the properties and the respective encumbrances is provided below:

Property	Identifier	Mortgagee	Caveator
Unit 1, 9 Constant Street, Coolalinga NT 0839	Unit 07811 Hundred of Bagot	Commonwealth Bank of Australia	Fundit Limited
Unit 2, 9 Constant Street, Coolalinga NT 0839	Unit 07812 Hundred of Bagot	Commonwealth Bank of Australia	Fundit Limited
Unit 3, 9 Constant Street, Coolalinga NT 0839	Unit 07813 Hundred of Bagot	Liberty Financial	Fundit Limited
Unit 4, 9 Constant Street, Coolalinga NT 0839	Unit 07814 Hundred of Bagot	Liberty Financial	Fundit Limited
13 Cullen Bay Crescent, Larrakeyah NT 0820	Lot 05887 Town of Darwin	Commonwealth Bank of Australia	Fundit Limited

9 Constant Street, Coolalinga ("Coolalinga Properties")

Subsequent to our appointment, we engaged Chin Property Group Pty Ltd ("Chin") to assess, market and realise the Coolalinga Properties. The Chin valuation suggested that the townhouses had an estimated value of \$330,000 per townhouse. We note that Unit 3 of the Coolalinga Properties had significant fire damage and the repair costs were expected to be approximately \$177,000.

We have received one (1) offer for the Coolalinga Properties and we advise that this matter is ongoing.

We note that the CBA has advised that is owed \$659,009 in relation to mortgages over Units 1 and 2 of the Coolalinga Properties and Secure Funding Pty Ltd trading as Liberty Financial ("Liberty") has advised it is owed \$638,087 with respect to its mortgages over Units 3 and 4 of the Coolalinga Properties.

Prior to undertaking the sales campaign, we contacted Liberty and CBA regarding their intentions of appointing an Agent for the Mortgagee in Possession. Liberty and CBA advised that they had no objections to the Coolalinga Properties being realised by the Liquidators.

13 Cullen Bay Crescent, Larrakeyah ("Larrakeyah Property")

Subsequent to our appointment, we engaged Chin Property Group Pty Ltd ("Chin") to assess, market and realise the Larrakeyah Property. The Chin valuation suggested that the property had an estimated value between \$1.8 million and \$2.2 million.

We have received three (3) offers in relation to the Larrakeyah Property and we advise that this matter is ongoing.

We note that CBA has advised that it is owed \$1,674,737 in relation to a mortgage the Larrakeyah Property.

Prior to undertaking the sales campaign, we contacted CBA regarding their intentions of appointing an Agent for the Mortgagee in Possession. CBA advised that it had no objections to the Larrakeyah Property being realised by the Liquidators.

During the Liquidation, we contacted the Company's pre-appointment real estate agents and the Company's pre-appointment conveyancers with respect to an asserted sale of the Larrakeyah Property. Our review of the contract suggested that the sales contract had been executed on the day of our appointment as Liquidators. We also note that the sales contract had significant conditions that appeared unlikely to be completed.

We refer to the suspension of the powers of a director upon the appointment of a Liquidator pursuant to Section 198G(1) of the Act and we determined that the sales contract was void as the Director did not have the authority to execute any agreements on behalf of the Company on or subsequent to the date of our appointment.

Caveators

We note that Fundit Limited ("Fundit") has registered caveats against each of the Company's real property and issued Notices of commencement of proceedings by the Caveator on 7 March 2023.

Fundit has advised that it is owed \$502,049 by the Company but has not yet advised the basis and quantum of its claim that relates to the caveats.

We note that the mortgages must be paid in full prior to any surplus proceeds being available to caveators or the Liquidation.

Rental Income

We advise that the Larrakeyah Property as well as Units 1, 2 and 4 of the Coolalinga Properties were tenanted as at the date of our appointment as Liquidators.

We arranged for the management of the residential tenancies to be transferred from the Company's pre-appointment real estate agent to Chin.

To date, we have received \$18,800 of residential rental income. We note that these funds have been used to bring the body corporate fees and utility services up to date.

2.2 LIABILITIES

2.2.1 Secured Creditors

The Australian Financial Services Authority ("AFSA") is the current responsible authority for the operation of the PPSR, a comprehensive nationwide register designed to facilitate the registration of security interests in personal property, pursuant to the Personal Property Securities Act 2009.

The most fundamental premise of the legislation is the requirement that secured creditors register their security interests in order to enforce same in the event of insolvency.

We note that a search of the PPSR register did not identify any security interests registered against the property of the Company.

We refer to section 2.1.2 of this Report and note that the CBA is owed approximately \$2.3 million with respect to three (3) mortgages against the Company's real property. These mortgages do not appear to be collateralised between each other or against any other assets of the Company.

We also note that Liberty is owed approximately \$638,087 with respect to a mortgage related to the Company's real property.

We note that should the realisable value of each of the Company's real property be less than the mortgagee's debt, any shortfalls suffered by the mortgagees will rank as an unsecured claim against the Company.

2.2.2 Priority Creditors

Creditors are advised that pursuant to Section 556 of the Corporations Act 2001 ("the Act"), employees are afforded a priority over ordinary unsecured creditors of the Company for unpaid wages, superannuation contributions, annual leave, long service leave, pay in lieu of notice, and redundancy entitlements.

Furthermore, Section 556 of the Act states that related parties (including directors, shadow directors and their relatives) are only entitled to claim, as a priority, a maximum amount of \$2,000 in respect of unpaid wages and superannuation, and \$1,500 in respect of leave entitlements. In addition, redundancy entitlements of related parties are not entitled to rank as priority claims. Any amounts owed to related parties in excess of these statutory limits will rank equally with all other ordinary unsecured claims, and have been isolated as non-priority components.

The Company's statutory lodgements prepared and lodged subsequent to the date of my appointment suggest that the Company was not an employing entity. The limited Company records do not reveal any outstanding employee entitlements or employee details.

Any persons who were employed by the Company or are aware of outstanding entitlements should contact this office immediately.

2.2.3 Statutory Creditors

The Australian Taxation Office ("ATO") has submitted a proof of debt in the amount of \$24,462 in relation to GST liabilities lodged with the ATO from September 2022.

The Commissioner of Territory Revenue ("CTR") has submitted a proof of debt in the amount of \$64,718 with respect to payroll tax incurred by New Chapters New Beginnings Pty Ltd (In Liquidation) ("NCNB") for which the Company is jointly and severally liable.

For the purposes of this report, the Company's statutory creditors total \$89,180.

2.2.4 Other Unsecured Creditors

To date, we have not received any proof of debts from unsecured creditors.

We note that the petitioning creditor, Fundit Ltd, has provided the particulars of its debt and is owed \$502,049. We note that \$314,591 of this debt relates the Company acting as guarantor for a loan to a related entity, New Chapters New Beginnings Pty Ltd.

For the purposes of this report unsecured creditors amount is at least \$502,049.

2.2.5 Related Party Creditors

To date, we have received the following claims from related party creditors:

Related Party	Amount
New Chapters New Beginnings Pty Ltd (In Liquidation)	\$1,126,523

New Chapters New Beginnings Pty Ltd (In Liquidation) ("NCNB")

We note that the Director of the Company is also the director of NCNB. We understand that NCNB provided accommodation services as a National Disability Insurance Scheme ("NDIS") provider and may have utilised the Company's real property.

NCNB was placed into Voluntary Administration on 25 November 2022, and Ms Melanie Samantha Grohovaz of EMJ Consulting Pty Ltd was appointed Voluntary Administrator. On 16 January 2023, NCNB executed a Deed of Company Arrangement ("DOCA"). We note that under the terms of the DOCA, the business of NCNB was acquired by Rise Q Investments Pty Ltd.

On 22 February 2023, the DOCA was terminated and NCNB was placed into Liquidation. It appears that the NCNB business no longer utilises the Company's real property and that these properties were subsequently let out to other tenants.

The liquidator of NCNB has advised that NCNB has a claim for approximately \$1.12 million against the Company and has provided a balance sheet extracted from the NCNB records as supporting documentation.

We note that the Company's limited records do not reveal NCNB to be a creditor of the Company.

For the purposes of this report, the Company's related party creditors are uncertain.

3 PROGRESS OF THE LIQUIDATION TO DATE

3.1 LIQUIDATION PROGRESS

Our investigations pursuant to Section 533 of the Act have been limited due to the lack of Company books and records in our possession.

Upon our appointment as Liquidators, we requested the Director to complete a ROCAP and deliver all records in her possession to our office. We note that we did not receive a response from the Director and followed up this matter on 15 May 2023 and 19 May 2023. On 25 May 2023, we lodged an application with ASIC seeking assistance with respect to the Director's non-compliance in delivering the Company records and a completed ROCAP. We advise that this matter is ongoing.

The Company's business appears to have been the asset owning entity in a group that provided accommodation services in the Northern Territory through the NDIS. Our preliminary investigations have not identified any transfer of the Company's business prior to our appointment.

Our review of the Company's bank account statements for the period from 3 May 2022 to 1 May 2023 have identified twenty-three (23) payments totalling \$131,826 from the Company that appeared to be

unreasonable director related transactions. We note that the twelve (12) of these payments totalling \$117,541 appear to have been derived from an insurance payout received in relation to the fire damage suffered to Unit 3 of the Coolalinga Properties.

Our investigations included undertaking traces of the potential unreasonable director related transactions to assist with our investigations.

We note that the Director failed to provide any explanation with respect to the payments and we have referred this matter to our solicitors to pursue further.

Our review of the Company's bank statements in our possession have also identified rental payments that appear to have been remitted to a CBA bank account that was not in the name of the Company. We have written to the CBA requesting details of the beneficiary of this bank account and we note that this matter is ongoing.

Our investigations with respect to insolvent trading have been limited by a lack of records, however, it appears that the Company suffered financial difficulties from at least September 2022.

In the absence of any Company records being delivered to us, we have requested Company bank account statements for the last three (3) years and note that we may need to undertake a reconstruction of the Company's financial accounts in order to progress our investigations.

Any breaches of director duties, such as failing to assist the Liquidator and duty to not improperly use their position, will be reported to ASIC in accordance with Section 533 of the Act.

3.2 SUMMARY OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 26 APRIL 2023 TO 18 JULY 2023

	Gross Amount
Receipts	
Rent Received - Residential	18,800.00
Total (inc GST)	\$18,800.00
Payments	
Water & Sewerage	1,696.21
Agents Fees	1,654.40
Legal Fees	643.50
Other Property Expenses	3,008.55
Total (inc GST)	\$7,002.66
Balance in Hand	\$11,797.34

3.3 ACTS AND DEALINGS TO BE CARRIED OUT

The following matters remain to be undertaken before completion of the winding up of the Company:

- Complete and lodge investigations with ASIC pursuant to Section 533 of the Act;
- Continue recovery procedures with respect to unreasonable director related transactions;

- Realise the Company's real property;
- Continue to assist ASIC with respect to director's non-compliance; and
- Prepare and lodge statutory returns with ASIC and the ATO.

The above list is not exhaustive.

4 THE LIKELIHOOD OF A DIVIDEND BEING PAID IN THE LIQUIDATION

The prospect of a dividend to unsecured creditors is uncertain. The quantum and timing of any dividend will be dependent on the realisation of the Company's real property and recovery of voidable transactions.

Please note that the estimated return is subject to the claims being admitted as set out below. The final return may change as a result of receiving additional claims or as existing claims are substantiated in part or in full.

	Low Amount (\$)	High Amount (\$)	Notes
<u>Real Property - 13 Cullen Bay</u>	2,000,000	2,200,000	1
Less: Realisation Costs	14,487	14,487	
Less: Commission	60,000	66,000	
	1,925,513	2,119,513	
Mortgagees and Caveators			
- CBA	1,674,737	1,674,737	1
- Fundit Limited	Uncertain	Uncertain	1
Balance available to Liquidation in relation to 13 Cullen Bay	250,776	444,776	
<u>Real Property - Units 1 and 2 Constant Street</u>	500,000	750,000	1
Less: Realisation Costs	8,994	8,994	
Less: Commission	15,000	22,500	
	476,006	718,506	
Mortgagees and Caveators			
- CBA	659,009	659,009	1
- Fundit Limited	Uncertain	Uncertain	1
Balance available to Liquidation in relation to Units 1 & 2	-	59,497	
<u>Real Property - Units 3 and 4 Constant Street</u>	250,000	400,000	1
Less: Realisation Costs	7,784	7,784	
Less: Commission	7,500	12,000	
	234,716	380,216	
Mortgagees and Caveators			
- Liberty	638,087	638,087	1
- Fundit Limited	Uncertain	Uncertain	1
Balance available to Liquidation in relation to Units 3 & 4	-	-	

Net Proceeds of Sale of Real Property Available to Liquidation	250,776	504,273	
Other Realisations:			
Liquidator's Balance in Hand	11,797	11,797	2
Unreasonable Director Related Transactions	-	65,913	3
Total Realisations	262,573	581,983	
Less:			
- Liquidator's Fees up to 17 July 2023	41,333	41,333	4
- Estimated Future Liquidator Fees	75,000	75,000	4
- Estimated Liquidators expenses	500	500	4
- Estimated Legal Fees	25,000	75,000	
	141,833	191,833	
Estimated Available to Unsecured Creditors	120,740	390,150	
Statutory Creditors	89,180	89,180	5
Other Unsecured Creditors	502,049	502,049	6
Related Party Creditors	Uncertain	Uncertain	7
Estimated shortfall to Mortgagees	586,374	257,871	2
Total Unsecured Creditors	1,177,603	849,100	
Estimated return to unsecured creditors (cents per dollar)	10.25	45.95	

Note		
1	Proceeds of Sale of Property	Please refer to section 2.1.2 of the Report to Creditors for details
2	Balance in hand	Please refer to section 3.2 of the Report to Creditors for details
3	Liquidator Recoveries	Please refer to section 3.1 of the Report of Creditors for details
4	Estimated Costs	Please refer to Annexure "A" of the Report to Creditors for details
5	Statutory Creditors	Please refer to section 2.2.3 of the Report to Creditors for details
6	Other Unsecured Creditors	Please refer to section 2.2.4 of the Report to Creditors for details
7	Related Party Creditors	Please refer to section 2.2.5 of the Report to Creditors for details
8	Shortfall to Mortgagees	Please refer to section 2.2.1 of the Report to Creditors for details

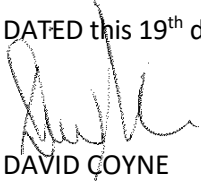
5 REMUNERATION REQUEST APPROVAL REPORT

A Remuneration Request Approval Report is attached for your consideration. We are unable to pay our remuneration without the approval of creditors (either by a proposal without a meeting, or by a meeting) or alternatively, by an application to the Court.

In the interests of keeping costs to a minimum, we are seeking approval of our remuneration by a proposal without a meeting. Information about passing resolutions without a meeting and a voting form is included with this Report.

Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800 or via email to jmay@brifvic.com.au.

DATED this 19th day of July 2023.

A handwritten signature in black ink, appearing to read 'David Coyne', written over the printed name.

DAVID COYNE
JOINT AND SEVERAL LIQUIDATOR

Remuneration Request Approval Report

The Book That Built The Future Pty Ltd
(In Liquidation)
ACN 638 607 360

19 July 2023

David Coyne and Andre Strazdins
Joint and Several Liquidators

BRI Ferrier ABN 18 638 454 029
Level 10, 45 William Street, Melbourne VIC 3000
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1 DECLARATION

We, David Coyne and Andre Strazdins, of BRI Ferrier have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Liquidators of The Book That Built The Future Pty Ltd in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, in the conduct of the Liquidation.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration and disbursements claimed are necessary and proper.

2 EXECUTIVE SUMMARY

To date, no remuneration has been approved or paid in this administration. This remuneration report details approval sought for the following fees:

This remuneration report details approval sought for the following fees:

Period	Amount (\$, ex GST)
Past remuneration and disbursements approved:	
<i>Total past remuneration and disbursements approved and drawn</i>	Nil

Current Remuneration Approval Sought	Rates to Apply	To Be Drawn	Amount (\$, ex GST)
Resolution #1: 26 April 2023 to 17 July 2023	As provided in Remuneration Request Approval Report dated 19 July 2023	On a monthly basis or as required.	\$41,333.00
Resolution #2: 18 July 2023 to Completion	As provided in Remuneration Request Approval Report dated 19 July 2023	On a monthly basis or as required.	\$75,000.00

Resolution #3: Disbursements for the period commencement to completion	As provided in Remuneration Request Approval Report dated 19 July 2023	On a monthly basis or as required.	\$1,000.00
Liquidation Total			\$117,333

We estimate that the total cost of this Liquidation will be \$117,333. This is consistent with the estimate of costs provided in the Initial Advice to Creditors dated 19 May 2023, which estimated a cost to completion of the administration of \$75,000 to \$150,000.

We expect that this will be our final remuneration approval request for this Liquidation. However, there may be further remuneration approval requests depending on the sale of properties and recovery of potential claims as set out in our Statutory Report to Creditors dated 19 July 2023.

3 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED

Resolution #1

Company	The Book That Built The Future Pty Ltd	Period From	26/4/23	To	17/7/23
Practitioners	David Coyne Andre Strazdins	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

3.1 REMUNERATION FOR THE PERIOD 26 APRIL 2023 TO 17 JULY 2023

Task Area	General Description	Includes
Assets 27.3 hrs \$ 15,738	Sale of Real Property	Liaised with valuers and real estate agents regarding sale process and marketing of real properties Liaised with solicitors regarding sale process Liaised with mortgagees Liaised with pre-appointment agents and pre-appointment conveyancers Reviewed documentation relating to pre-appointment sale Reviewed and executed agreements with respect to realising real property

Task Area	General Description	Includes
Creditors 14.9 hrs \$ 5,522	Other Assets	Reviewed documents regarding rental income Confirmed bank details regarding rental income
	Creditor Enquiries	Reviewed and prepared correspondence to creditors and their representatives by email and post
	Secured creditor reporting	Reviewed and prepared correspondence to mortgagees Liaised with mortgagees regarding sale process
	Creditor reports	Prepared Initial Information to Creditors and annexures Prepared Statutory Report to Creditors and annexures
	Dealing with proofs of debt	Receipted and filed Proofs when not related to a dividend
Trade On 0.6 hrs \$ 390	Trade On Management	Reviewed and executed management contracts with respect to ongoing residential tenants
Investigation 24 hrs \$ 12,960	Conducting investigation	Corresponded with ASIC to receive assistance in obtaining books and records and Report on Company Activities and Property Conducted and summarising statutory searches Review of specific transactions and liaising with directors regarding certain transactions Liaised with directors regarding certain transactions Liaised with pre-appointment accountants regarding request for information and records Liaised with pre-appointment agents and conveyancers regarding requests for information and records Liaised with Liquidator of related party regarding requests for information and records Reviewed records provided by conveyancer and agent
	Litigation / Recoveries	Collated information regarding unreasonable director related transactions for solicitors
	ASIC reporting	Liaised with ASIC regarding Director non compliance Prepared affidavits seeking non lodgements assistance

Task Area	General Description	Includes
Administration 20.1 hrs \$ 6,723	Correspondence	Prepared correspondence to financial institutions, utility providers and statutory agencies regarding appointment of Liquidators Prepared correspondence to director regarding appointment of Liquidators
	Document maintenance/file review/checklist	Filed documents Updated checklists
	Insurance	Identified potential issues requiring attention of insurance specialists Corresponded with insurer regarding initial and ongoing insurance requirements
	Bank account administration	Prepared correspondence opening accounts Requested bank statements Prepared bank account reconciliations
	ASIC Forms	Prepared and lodged ASIC forms including 505, etc
	ATO and other statutory reporting	Notified ATO of appointment Prepared BASs
	Total 86.9 hrs	Total Cost \$41,333 (plus GST)

4 CALCULATION OF REMUNERATION

The remuneration request is summarised by employee by area of activity on the following page.

The Book That Built The Future Pty Ltd (In Liquidation)
For the period 26 April 2023 to 17 July 2023

Name	Position	Charge Out Rate	Assets		Creditors		Investigations		Trade On		Administration		Grand Total	
			Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)
David Coyne	Principal	650.00	15.60	10,140.00	2.00	1,300.00	11.60	7,540.00	0.60	390.00	2.00	1,300.00	31.80	20,670.00
JM	Manager	500.00	10.80	5,400.00	2.80	1,400.00	9.30	4,650.00	-	-	4.80	2,400.00	27.70	13,850.00
BS	Senior Accountant	300.00	-	-	7.50	2,250.00	1.10	330.00	-	-	1.10	330.00	9.70	2,910.00
BS	Intermediate Accountant	220.00	0.90	198.00	2.60	572.00	0.60	132.00	-	-	5.90	1,298.00	10.00	2,200.00
ST	Intermediate Accountant	250.00	-	-	-	-	-	-	-	-	0.30	75.00	0.30	75.00
ST	Intermediate Accountant	220.00	-	-	-	-	1.40	308.00	-	-	6.00	1,320.00	7.40	1,628.00
Grand Total			27.30	15,738.00	14.90	5,522.00	24.00	12,960.00	0.60	390.00	20.10	6,723.00	86.90	41,333.00
Average Hourly Rate				576.48		370.60		540.00		650.00		334.48		475.64

Resolution #2

Company	The Book That Built The Future Pty Ltd	Period From	18/7/23	To	Completion
Practitioner	David Coyne Andre Strazdins	Firm	BRI Ferrier		
Administration Type	Court Liquidation				

4.1 REMUNERATION FOR THE PERIOD 18 JULY 2023 TO COMPLETION

Task Area	General Description	Includes
Assets 39 hours \$ 19,800	Sale of Real Property	Liaising with agents regarding sales process and offers received Reviewing and executing sales documentation Attending to settlement conditions of real property
Creditors 24.5 hours \$ 9,900	Creditor Enquiries	Receiving and following up creditor enquiries by telephone Maintaining creditor enquiry register Reviewing and preparing correspondence to creditors and their representatives by email and post
	Creditor reports	Preparing Statutory Report to Creditors and annexures, including Remuneration Approval Request Report
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend
Investigation 59.5 hrs \$ 25,300	Conducting investigation	Collecting company books and records Corresponding with ASIC to receive assistance in obtaining books and records and Report of Company Activities and Property Reviewing company's books and records Preparing comparative financial statements Preparing deficiency statement Preparing investigation file Lodging investigation with the ASIC Preparing and lodging supplementary report if required
	Examinations	If required: Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attending examination

Task Area	General Description	Includes
		Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	Continuing recovery procedures with respect to unreasonable director related transactions Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC
Dividend 38 hours \$15,100	Processing proofs of debt	Preparing correspondence to potential creditors inviting lodgement of Proofs Receipt of Proofs Maintaining Proofs of Debt register Adjudicating Proofs of Debt Requesting further information from claimants regarding Proofs Preparing correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparing correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtaining clearance from ATO to allow distribution of company's assets Preparing dividend calculation Preparing correspondence to creditors announcing declaration of dividend Advertising announcement of dividend Preparing distribution Preparing dividend file Preparing payment vouchers to pay dividend Preparing correspondence to creditors enclosing payment of dividend
Administration 12.5 hrs \$ 4,900	Correspondence	Preparing general correspondence to stakeholders
	Document maintenance/file review/checklist	Filing of documents Undertaking file reviews Updating checklists
	Insurance	Corresponding with insurer regarding ongoing insurance requirements Reviewing insurance policies
	Bank account administration	Preparing correspondence closing accounts

Task Area	General Description	Includes
Total 172.5 hrs		Preparing bank account reconciliations Corresponding with bank regarding specific transfers
	ASIC Forms	Preparing and lodging ASIC forms including 505, etc Corresponding with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BASs
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussing status of administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
	Total Estimated Cost	\$75,000 (plus GST)

5 STATEMENT OF REMUNERATION CLAIM

We are seeking approval for the following resolutions from creditors:

Liquidators' Remuneration Resolution #1

"That the remuneration of the Joint and Several Liquidators from 26 April 2023 to 17 July 2023 is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be fixed at the amount of \$41,333, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

Liquidators' Remuneration Resolution #2

"That the remuneration of the Joint and Several Liquidators from 18 July 2023 to completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be capped at the amount of \$75,000, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

The total amount of remuneration sought with respect to this request is \$116,333.

If our time costs are less than the amount approved by creditors, then we will only draw the lesser amount.

6 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. We also intend to charge the ASIC Industry Funding levy, detailed below, as an internal disbursement.

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 for each appointee;
- Ongoing appointment for financial year ending 30 June 2024 for each appointee;
- Notice of outcome of a proposal to pass resolution without meeting lodged with ASIC;
- Notice calling for formal proof of debt or claim; and
- Notice of intention to declare dividend on the PNW.

We will not be provided with an invoice for the exact amount of the fee for the year to 30 June 2024 until 2025.

Our current best estimate based on indications from ASIC is the fee will be calculated on a basis of \$125 per event and we are 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.

We have undertaken a proper assessment of disbursements claimed for the Liquidation of The Book That Built The Future Pty Ltd, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We are not obliged to seek creditor approval for disbursements, 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 Report.

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 my firm will be charged to the administration on the following basis, subject to creditors' approval:

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

We are seeking the following resolution with respect to these disbursements:

Liquidators Disbursements Resolution #1

"That the disbursements potentially deriving a profit element of the Liquidation from commencement to completion of the Liquidation are to be calculated at the rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be capped at the amount of \$1,000, exclusive of GST, and that the Joint and Several Liquidators may draw disbursements on a monthly basis or as required."

If our internal disbursements are less than the amount approved by creditors, then we will only draw the lesser amount.

We note that the drawing of disbursements will result in a reduction of funds available in the Liquidation.

7 LIKELY IMPACT ON DIVIDENDS

The Corporations Act 2001 sets the order for payment of claims against the company and it provides for remuneration of the Joint and Several Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Joint and Several Liquidators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date,
- estimated future realisations,

- my estimated remuneration to complete the Liquidation and
- the estimated total of creditor claims based on the company's records and claims lodged now,

We estimate that a dividend of between 10 and 45 cents in the dollar will be paid in the Liquidation. However, this is subject to a range of variables, particularly the future realisations of real property and creditor claims.

Please see section 4 of our report to creditors dated 19 July 2023 for further details.

8 SUMMARY OF RECEIPTS AND PAYMENTS

A summary of our receipts and payments have been provided in my Report to Creditors dated 19 July 2023.

9 QUERIES

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

Creditors should contact Mr Joshua May of the Liquidator's office on 03 9622 1800 or by email at jmay@brifvic.com.au to seek further information concerning the remuneration claims if they need so.

10 INFORMATION SHEET

The ARITA has produced a document entitled "Creditor Information Sheet: Approving remuneration in external administrations" that can be downloaded from the ARITA website www.arita.com.au or alternatively a copy can be obtained from this office.

11 ADVICE TO CREDITORS

11.1 REMUNERATION METHODS

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

- ▲ Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

- ▲ Fixed Fee

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

- ▲ Percentage

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

▲ Contingency

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

11.2 METHOD CHOSEN

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

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

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

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

We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 2024. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date.

11.3 EXPLANATION OF HOURLY RATES

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

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

11.3.1 Notes

- ▲ The abovementioned hourly rates are exclusive of GST.
- ▲ The above staff descriptions are intended a general guide only to the experience and qualifications of staff engaged in the external administration.
- ▲ Time is recorded and charged to the administration in six-minute increments.

**FORM 535
CORPORATIONS ACT 2001**

*Section 600G
Subregulation 5.6.49(2)*

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of The Book That Built The Future Pty Ltd (In Liquidation) ACN 638 607 360

1. This is to state that the company was, on 26 April 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

Email:

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.

NOTICE OF PROPOSAL TO CREDITORS

Dated: 19 July 2023

Voting Poll Closes: 16 August 2023

THE BOOK THAT BUILT THE FUTURE PTY LTD
(IN LIQUIDATION)
ACN 638 607 360 ("THE COMPANY")

Proposal No. 1 for creditor approval

"That the remuneration of the Joint and Several Liquidators from 26 April 2023 to 17 July 2023 is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be fixed at the amount of \$41,333, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

Vote on the Proposal No. 1

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Joint and Several Liquidators. Please select the option that applies to you:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have **enclosed** a proof of debt form and supporting documents with this proposal form
- ☐ I am **not** a related creditor of the Company
- ☐ I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- The drawing of remuneration will reduce the funds available in the Liquidation.

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

**Name of creditor /
authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than **4.00PM AEST on Wednesday, 16 August 2023**, by email to Joshua May at info@brifvic.com.au. Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER
PO Box 521
Collins Street West VIC 8007

NOTICE OF PROPOSAL TO CREDITORS

Dated: 19 July 2023

Voting Poll Closes: 16 August 2023

THE BOOK THAT BUILT THE FUTURE PTY LTD
(IN LIQUIDATION)
ACN 638 607 360 ("THE COMPANY")

Proposal No. 2 for creditor approval

"That the remuneration of the Joint and Several Liquidators from 18 July 2023 to completion of the Liquidation is determined at a sum equal to the cost of time spent by the Joint and Several Liquidators and their partners and staff, calculated at the hourly rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be capped at the amount of \$75,000, exclusive of GST, and that the Joint and Several Liquidators may draw the remuneration on a monthly basis or as required. Any amount in excess of this maximum would require the Joint and Several Liquidators to call a further meeting of creditors/Committee of Inspection to seek approval of same or approach the Court for approval."

Vote on the Proposal No. 2

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Joint and Several Liquidators. Please select the option that applies to you:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have **enclosed** a proof of debt form and supporting documents with this proposal form
- ☐ I am **not** a related creditor of the Company
- ☐ I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my remuneration will allow me to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- The drawing of remuneration will reduce the funds available in the Liquidation.

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

**Name of creditor /
authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than **4.00PM AEST on Wednesday, 16 August 2023**, by email to Joshua May at info@brifvic.com.au. Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER
PO Box 521
Collins Street West VIC 8007

NOTICE OF PROPOSAL TO CREDITORS

Dated: 19 July 2023

Voting Poll Closes: 16 August 2023

**THE BOOK THAT BUILT THE FUTURE PTY LTD
(IN LIQUIDATION)
ACN 638 607 360 ("THE COMPANY")**

Disbursements

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. I also intend to charge the ASIC Industry Funding levy, detailed below, as an internal disbursement.

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 for each appointee;
- Ongoing appointment for financial year ending 30 June 2024 for each appointee;
- Notice of outcome of a proposal to pass resolution without meeting lodged with ASIC;
- Notice calling for formal proof of debt or claim; and
- Notice of intention to declare dividend on the PNW.

We will not be provided with an invoice for the exact amount of the fee for the year to 30 June 2024 until 2025.

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

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.

Continued: **No. 3**

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

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

Proposal No. 3 for creditor approval

“That the disbursements potentially deriving a profit element of the Liquidation from commencement to completion of the Liquidation are to be calculated at the rates as detailed in the Remuneration Request Approval Report dated 19 July 2023 such sum to be capped at the amount of \$1,000, exclusive of GST, and that the Joint and Several Liquidators may draw disbursements on a monthly basis or as required.”

Vote on the Proposal No. 3

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Joint and Several Liquidators. Please select the option that applies to you:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have **enclosed** a proof of debt form and supporting documents with this proposal form
- ☐ I am **not** a related creditor of the Company
- ☐ I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- A Liquidator is entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as a liquidator.
- I am unable to pay my disbursements without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court.
- Approval by Creditors is efficient and timely, and is less costly than an application to the Court.
- Approval of my disbursements will allow us to progress further investigations in a timely manner to ensure the prospect of any dividends can be maximised.
- The drawing of disbursements will result in a reduction of funds available in the Liquidation.

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

**Name of creditor /
authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than **4.00PM AEST on Wednesday, 16 August 2023**, by email to Joshua May at info@brifvic.com.au. Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER
PO Box 521
Collins Street West VIC 8007

NOTICE OF PROPOSAL TO CREDITORS

Dated: 19 July 2023

Voting Poll Closes: 16 August 2023

THE BOOK THAT BUILT THE FUTURE PTY LTD
(IN LIQUIDATION)
ACN 638 607 360 ("THE COMPANY")

Proposal No. 4 for creditor approval

"That subject to obtaining the approval of the Australian Securities and Investments Commission under Insolvency Practice Schedule (Corporations) 70-35(3), the books and records of the company and of the liquidation be disposed of by the liquidator 6 months after the dissolution of the company or earlier at the discretion of the Australian Securities and Investments Commission."

Vote on the Proposal No. 4

Please select the appropriate Yes, No or Object box referred to below with a ☒ to indicate your preferred position.

- Yes ☐ I approve the proposal
- No ☐ I do not approve the proposal
- Object ☐ I object to the proposal being resolved without a meeting of creditors

For your vote to count, your claim against the Company must have been admitted for the purposes of voting by the Joint and Several Liquidators. Please select the option that applies to you:

- ☐ I have previously submitted a proof of debt form and supporting documents
- ☐ I have **enclosed** a proof of debt form and supporting documents with this proposal form
- ☐ I am **not** a related creditor of the Company
- ☐ I am a related creditor of the Company*

relationship: _____

*eg Director, relative of Director, related company, beneficiary of a related trust.

Reasons for the proposal and the likely impact it will have on creditors if it is passed

- Without creditor approval for early destruction, the Company and Liquidator's books and records must be kept for five (5) years from the end of the external administration.
- This requirement results in additional costs being borne by the Liquidation
- The passing of this resolution will not have an impact on creditors.

Creditor details

Name of creditor

Address

ABN (if applicable)

Contact number

Email address

**Name of creditor /
authorised person:** _____

Signature: _____

Date: _____

For your vote to count, you **must complete** this document and return it together with any **supporting documents** by no later than **4.00PM AEST** on **Wednesday, 16 August 2023**, by email to Joshua May at info@brifvic.com.au. Should you have any queries in relation to this matter, please contact Joshua May on (03) 9622 1800.

BRI FERRIER
PO Box 521
Collins Street West VIC 8007

Information sheet: Proposals without meetings

You may be a creditor in a liquidation, voluntary administration or deed of company arrangement (collectively referred to as an external administration).

You have been asked by the liquidator, voluntary administrator or deed administrator (collectively referred to as an external administrator) to consider passing a proposal without a meeting.

This information sheet is to assist you with understanding what a proposal without a meeting is and what your rights as a creditor are.

What is a proposal without a meeting?

Meetings of creditors were previously the only way that external administrators could obtain the views of the body of creditors. However, meetings can be very expensive to hold.

A proposal without a meeting is a cost effective way for the external administrator to obtain the consent of creditors to a particular course of action.

What types of proposals can be put to creditors?

The external administrator is able to put a range of proposals to creditors by giving notice in writing to the creditors. There is a restriction under the law that each notice can only contain a single proposal. However, the external administrator can send more than one notice at any single time.

What information must the notice contain?

The notice must:

- include a statement of the reasons for the proposal and the likely impact it will have on creditors if it is passed
- invite the creditor to either:
 - vote yes or no to the proposal, or
 - object to the proposal being resolved without a meeting, and
- specify a period of at least 15 business days for replies to be received by the external administrator.

If you wish to vote or object, you will also need to lodge a Proof of Debt (POD) to substantiate your claim in the external administration. The external administrator will provide you with a POD to complete. You should ensure that you also provide documentation to support your claim.

If you have already lodged a POD in this external administration, you do not need to lodge another one.

The external administrator must also provide you with enough information for you to be able to make an informed decision on how to cast your vote on the proposal. With some types of proposals, the law or ARITA's Code of Professional Practice sets requirements for the information that you must be provided.

For example, if the external administrator is asking you to approve remuneration, you will be provided with a Remuneration Approval Report, which will provide you with detailed information about how the external administrator's remuneration for undertaking the external administration has been calculated.

What are your options if you are asked to vote on a proposal without a meeting?

You can choose to vote yes, no or object to the proposal being resolved without a meeting.

How is a resolution passed?

A resolution will be passed if more than 50% in number and 50% in value (of those creditors who did vote) voted in favour of the proposal, but only so long as not more than 25% in value objected to the proposal being resolved without a meeting.

What happens if the proposal doesn't pass?

If the proposal doesn't pass and an objection is not received, the external administrator can choose to amend the proposal and ask creditors to consider it again or the external administrator can choose to hold a meeting of creditors to consider the proposal.

The external administrator may also be able to go to Court to seek approval.

What happens if I object to the proposal being resolved without a meeting?

If more than 25% in value of creditors responding to the proposal object to the proposal being resolved without a meeting, the proposal will not pass even if the required majority vote yes. The external administrator will also be unable to put the proposal to creditors again without a meeting.

You should be aware that if you choose to object, there will be additional costs associated with convening a meeting of creditors or the external administrator seeking the approval of the Court. This cost will normally be paid from the available assets in the external administration.

This is an important power and you should ensure that it is used appropriately.

Where can I get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency.

This information is available from ARITA's website at artia.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

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