



REPORT TO CREDITORS

FREEMAN FREIGHTERS PTY LTD (IN LIQUIDATION)

ACN: 006 512 518

30 September 2024

**JONATHON KEENAN & PETER KREJCI
JOINT & SEVERAL LIQUIDATORS**



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INTRODUCTION

We refer to our Initial Report to Creditors dated 18 August 2023 and Statutory Report to Creditors dated 14 November 2023, which set out our investigations into the Company's affairs and the conduct of its officers.

The purpose of this report is to provide creditors with information regarding the following:

- ▲ To provide an update to the creditors about the progress of the Liquidation; and
- ▲ To convene a meeting of creditors to be held on 16 October 2024 at 11.00AM (AEDT). If creditors wish to attend, the registration details for the meeting can be found at the following link:

<https://us06web.zoom.us/meeting/register/tZckf-ysqT8uGNS56Tlr0FrGZrmUHsa3kStX>

This report should be read in conjunction with previous reports. If you have any questions relating to the Liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

Creditors can find copies of all previous reports on this matter on our website.

- ▲ BRI Ferrier <https://briferrier.com.au/>

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Company	Freeman Freighters Pty Ltd (In Liquidation)
Department	Department of Employment and Workplace Relations
Director / Current Director	Kevin Yau
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier NSW
Former Director	Darren Freeman
Freeman Freightlines	Freeman Freightlines Pty Ltd
GST	Goods and Services Tax
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
Liquidators	Jonathon Keenan and Peter Krejci
POD	Proof of Debt
PPE	Plant and Equipment
PPSR	Personal Properties Securities Register
SGC	Superannuation Guarantee Charge
Toll	Toll Express
Westpac Banking Corporation	Westpac
Yau Holdings No. 2 Pty Ltd	Yau Holdings No. 2

EXECUTIVE SUMMARY

As you are aware, Peter Krejci and I were appointed Joint and Several Liquidators of the Company by a special resolution passed by the Company's members at a duly convened members meeting held on 14 August 2023 pursuant to section 491 of the Act.

We have convened a meeting of creditors to be held on Wednesday, 16 October 2024 at 11.00AM AEDT. Please find attached as **Annexure "A"** the Notice of Meeting of Creditors for your information. The meeting will be held in person and virtually for convenience of creditors. Further details can be found at section 9 of this Report.

We provide creditors herein with an update on the Liquidation.

Since issuing our Statutory Report, our focus has been on pursuing recovery of the Company's assets, assisting former employees to be paid their entitlements and progressing our investigations into the potential recovery actions. We now intend to hold Public Examinations of the Former and Current Directors and key persons involved in the Company, to gather evidence and determine recovery prospects, prior to commencing any proceedings. Further detail is provided herein.

Creditors may recall that the Company's primary asset was its debtors. We have had to conduct detailed enquiries into the financial records, as the debtor information and supporting documentation was lacking at the time of our appointment. We identified material errors in those records, which meant that around \$130K of the debtor claims were overstated. However, we have recovered the vast bulk of the debtor claims, with a sundry amount of circa \$23K remaining to be pursued on a commercial basis.

We have identified various potential claims against the Former and Current Directors which need to be tested through Public Examinations. These include:

- ▲ Disputes over certain assets which were transferred to the Former Director's entity at potential undervalue for circa \$508K;
- ▲ AMPOL fuel account mis-use claim against the Former Director's business interests totalling \$57K;
- ▲ The sale of business transactions resulting in a dividend being declared to the Former Director of \$2.3M and a \$1.8M loan owed by entities related to the Former Director, being assigned to the Current Director, and then later extinguished as an adjustment against equity (effectively a dividend);
- ▲ The sale of business, where we are advised there could be claims against the Former Director in respect of alleged breaches of fiduciary duties; and
- ▲ Potential insolvent trading claim against the Current Director valued at approximately \$935K, however there may be an argument that the Former Director's suspected conduct contributed to the loss suffered by the Company's creditors.

Further, the ATO has recently issued assessments against the Company in respect of outstanding superannuation guarantee charge debts totalling \$452K for the period January 2022 to appointment. The assessment is the result of an audit that the ATO had been conducting some time ago. We have made enquiries, sought advice and engaged the former bookkeeper to review the Company's superannuation records and calculations, to understand the basis of the ATO's assessment. It appears

that the ATO is claiming that the Company has significantly underpaid superannuation to its truck driver staff over an extended period; however, the matter is not yet settled by the ATO.

If valid, this would reduce the historical profitability of the business and may increase the claims in respect of the above-mentioned dividends declared. We are advised that the Company may have followed accounting advice in its payroll practices, and that may give rise to potential further claims against professional service providers. Overall, this matter needs to be tested via the Public Examination process, which can seek production of documents from various parties, including the ATO. Should any former employees have information relevant to the superannuation claim, we request that they contact our office promptly.

We have sought to engage with the Former Director via respective lawyers, to seek commercial resolution of the simpler claims, including the Disputed Assets and AMPOL fuel claims. However, those attempts have been unsuccessful thus far, and recovery action is likely required.

As mentioned above, we intend to hold Public Examinations of the Former Director, Current Director and certain key parties, in order to gather necessary evidence in respect of the potential claims and to assess the prospects of recovery. We are seeking creditor approval of the necessary retainers for the Public Examination and aim to file the application shortly. We note that there may be duplication in some components of the losses and potential claims, which are to be determined in due course. Further details on the Public Examinations and claims are provided herein.

We note that a creditor has also submitted a proposal to be assigned the actions for a modest amount of \$10K, plus 10% of the net recoveries. We are considering the proposal at this stage. However, our preliminary view, is that the consideration offered is minimal, in circumstances where the recovery prospects could be significant and need to be tested via Public Examination to realise any potential higher return for creditors.

The Liquidation holds sufficient funds to run the Public Examinations. However, there are significant priority creditor claims, largely represented by the Department (via the FEG scheme) and the ATO. We have briefed the Department on the intended next steps and they are supportive. We invite creditors to provide their views at the forthcoming creditors' meeting, should they wish.

Based on the available information to date, the return to creditors is largely dependent on what recoveries can be obtained in respect of the abovementioned potential actions, which could require litigation. However, litigation can be costly, protracted and carries risk. If unsuccessful, litigation could erode the available funds and projected returns to creditors. In summary, the potential range of returns to creditors may be as follows:

Summary of Return to Creditors	Liquidation		
	High Cents/\$		Low Cents/\$
Secured Creditor	N/A		N/A
Priority Creditors	100.00		50.08
Unsecured Creditors	100.00		Nil

These figures are estimates and the actual results may vary materially. The timing for any return is subject to several factors, including the outcome of the Public Examinations and the success of litigation and/or any commercial settlements reached. If the potential claims are not pursued, we estimate that the Liquidation could be finalised within the next nine (9) months. Otherwise, if we pursue the anticipated claims via litigation, then the Liquidation could continue for another two (2) years.

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1. DISCLAIMER

This Report and the statements made herein have been prepared, based on available books and records, information provided by the Company's director and officers, and from our own enquiries.

Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinion or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In undertaking our investigations in relation to the affairs of the Company, and the preparation of this Report to the creditors, we have made forecasts of asset realisations and are required, in the ordinary course of discharging our statutory duties, to estimate the quantum of creditor claims against the Company.

Neither we, as the Liquidators, nor any member or employee of this firm undertake or accept responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to this office, or necessary estimates and assessments made for the purposes of this Report.

Any creditor that has material information in relation to the Company's affairs, which they consider may affect our investigation, should forward details to this office as soon as possible.

2. PREVIOUS REPORTS

This report should be read in conjunction with our previous reports to the creditors, including:

- ▲ Initial Report to Creditors dated 18 August 2023; and
- ▲ Statutory Report to Creditors dated 14 November 2023 ("the Statutory Report").

3. CONDUCT OF THE LIQUIDATION

Below is a high-level summary of the key matters attended to by staff during the Liquidation to date:

- ▲ Resolving dispute with the Former Director regarding possession of the Company's records;
- ▲ Dealing with regulatory matters involving the freight transport business;
- ▲ Pursuing recovery of outstanding pre-appointment debtors, including manual reconciliation of paper records, liaising with former employees and debtors regarding disputes;
- ▲ Conducting further investigations regarding potential value of Disputed Assets and liaising with our lawyers regarding recovery against the Former Director, including exchanging correspondence with the Former Director's lawyers and seeking commercial resolution;
- ▲ Investigating and pursuing recovery regarding the AMPOL claim against the Former Director;
- ▲ Conducting further investigations and liaising with our lawyers in relation to potential claims relating to sale of business dividend transactions, insolvent trading claim and conduct of the Former Director;
- ▲ Notification of potential claims to insurers, including seeking advice;
- ▲ Liaising with insurance broker regarding insurance claim in relation to the fatality accident involving a former employee prior to appointment, potential recoveries for the claimant's beneficiaries and other general insurance matters;

- ▲ Dealing with numerous deposits paid in error to the Company's pre-appointment Westpac account, largely relating to the Former Director's competing business;
- ▲ Liaising with FEG regarding discrepancies in verifying outstanding employee entitlements;
- ▲ Engaging the Company's external bookkeeper to review the historical superannuation records, making enquiries with the Current and Former Directors and seeking advice; and
- ▲ Briefing with our lawyers regarding the Public Examination process and potential claims.

4. UPDATE ON THE PROGRESS OF THE LIQUIDATION

We provide creditors with an update of the Liquidation as follows.

4.1 DEBTOR RECOVERIES

The Company's trade debtors were the major asset, totalling \$1.2M at the date of our appointment. As an update, below is a summary of the recoveries to date:

Trade Debtors	Number of Debtors	Amount \$
Reported value on Balance Sheet		1,234,436.79
Unexplained variance		7,302.64
Receivables Balance	62	1,241,739.43
Recovered to Date		
Fully recovered from debtors	46	289,557.08
Partly recovered from debtors	7	799,500.44
Total Recovered to Date		1,089,057.52
Balance outstanding		152,681.91

In respect of the outstanding balances, we have continued to engage with the respective debtors. We have identified errors in the financial records, and that there are minimal recoveries remaining. Below is a summary:

Report Reference	Trade Debtors	Number of Debtors	Amount \$	Estimated Future Recovery (High) \$	Estimated Future Recovery (Low) \$
3.1.1	Account Adjustments	6	107,651.21	-	-
3.1.2	Disputed by Debtors	1	12,894.75	12,894.75	-
3.1.3	To be Recovered	9	22,675.95	22,675.95	-
3.1.4	Not Recoverable	1	9,460.00	-	-

	Total	17	152,681.91	35,570.70	-
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4.1.1 Account Adjustments

The majority of the outstanding balance relates to debts said to be owed by Toll, for \$92K. We conducted a comprehensive reconciliation process of the Toll account, including seeking further information from the Company's former staff and review of the Company's records. We have identified that the Company's records were not accurately maintained in the months leading to our appointment, where there were discrepancies in the documentation and duplication of certain invoices. Accordingly, we have determined that there is no further recovery available from this debtor.

There are a small number of other debtors, totalling around \$15K, where the debts were disputed. On review of the documentation, it appears that there were some invoices raised in error by the Company, which are not recoverable.

4.1.2 Disputed by Debtors

We have received a dispute from a minor debtor in respect of alleged damages caused in transit. The documentation provided is questionable, as is the exposure of the Company to the counter-claim. We are considering options to pursue recovery on a commercial basis.

4.1.3 To Be Recovered

With respect to the balance of \$23K owed by nine (9) Trade Debtors, we are not aware of any disputes of outstanding amounts owed according to the Company's management accounts. The collection of these debts is ongoing, and we are pursuing recovery on a commercial basis.

4.1.4 Not Recoverable

One debtor for \$9K claimed that goods were not delivered and refused to make payment accordingly. The Company's records are lacking in respect of this debtor, in terms of proof of delivery documentation. As such, it is unlikely that there will be any recovery from this debtor.

4.2 PUBLIC EXAMINATIONS

We have sought legal advice in respect of the various potential claims that were previously identified, plus further claims that have come to light in respect of the ATO debts. Having considered the advice and having regard to the disputes between the Former and Current Directors, we have determined that Public Examinations should be held to gather necessary evidence, determine the validity of potential claims and assess the prospects of recovery.

Public Examinations are a useful legal tool available to Liquidators. The process involves an application to the Court to compel parties to deliver up documents and summon individuals to Court to be asked to answer questions under oath. Creditors should also note that there may be duplication of certain claims, in respect of the loss suffered, such that whilst the claims could be pursued in parallel, they may only be recovered once.

We note that the Former Director strenuously disputes all potential claims. We suspect that the Former Director may seek to raise a potential good faith defence in respect of losses allegedly suffered by the Company, and could assert (including possibly by way of cross-claim) that he relied on advice

from external advisers, which itself may lead to other parties being joined should negligence be determined to be a factor. The potential defences of defendants may be explored via the Public Examinations and considered in subsequent advice.

Our initial enquiries with lawyers indicate that, as an estimate, the legal costs (including Counsel) involved in conducting Public Examinations may be \$65K to \$75K (plus GST) and our professional costs may be \$45K to \$55K (plus GST).

The costs of litigation are difficult to estimate, as the nature of the claims and merits are unknown at this stage and depend in part upon the actions and conduct of the defendants.

Below is an update and summary of the claims that require further investigation.

4.2.1 Disposal of Assets

We have conducted further investigation work in relation to the disposal of the Company's assets, where the Former Director asserted that certain assets (referred to as "Disputed Assets") were owned by Freeman Freightlines, an entity controlled by the Former Director. The Disputed Assets include several forklifts, fuel tanks, plant racks and a number of motor vehicles.

Subsequently, our investigations identified additional assets from a vehicle search in QLD, which do not appear to have been disclosed to the Current Director or reported in the financial records. The Former Director has asserted that a trailer and a jet ski were transferred in 2013 for IT services rendered by a related party of the Former Director.

The Former Director has advised that the Disputed Assets were sold to an entity he controls, Freeman Freightlines, for a total sum of \$18K. The transaction was purported to have occurred on or around the sale of business transaction.

Our lawyers, Bartier Perry, have exchanged correspondence with the Former Director's lawyers regarding the Disputed Assets, seeking to resolve the matter over the course of several months. However, there has been no agreement reached. In our view, and despite repeated requests, the Former Director has failed to provide sufficient documentation to establish transfer of the Disputed Assets at fair value. Our position remains unchanged regarding the Disputed Assets, whereby the Disputed Assets were reported in the Company's books and records and the transfer of the Disputed Assets (if valid) appears to have been undervalue.

Based on the available information, the undervalue component of the alleged disposal of the Disputed Assets appears to be circa \$508K. That loss represents a potential claim against the Former Director on the basis that it caused the Company to enter into an undervalue transaction for that amount. We have issued a demand to the Former Director in respect of this transaction, and the Former Director continues to reject the claim.

We expect this will be tested further in the proposed Public Examinations, and subject to the evidence gathered may result in litigation, if not settled commercially.

4.2.2 AMPOL Fuel Claim

In the course of our investigations, we identified that the Company's AMPOL fuel account had been used without authorisation. It appears the AMPOL account had been charged circa \$57K by a former employee of the Company who was (at the time) in the employ of Freeman Freightlines, controlled by the Former Director. We note that a police investigation was undertaken in respect of the potential

claim. We made enquiries and issued a demand to the Former Director via our lawyers seeking compensation for the Company.

We were advised by the Former Director's lawyers that rather than paying the Company (which incurred the debt), the Former Director paid AMPOL directly. This is the incorrect approach, preferring the interests of AMPOL over all other creditors, and based on our investigations there is potential for personal interests to be involved by way of guarantees. Accordingly, we are of the view that there remains a claim against the Former Director for the debt of \$57K.

We expect this will form part of our enquiries in a Public Examination.

4.2.3 Sale of Business Accounting Transactions

As previously reported, in late 2022, there was a transaction involving the sale of the shares in the Company from interests associated with the Former Director, to interests associated with the Current Director. The result of the transaction was a dividend being declared to the Former Director of \$2.3M and a \$1.8M loan owed by a related entity of the Former Director being assigned to Yau Holdings No. 2, an entity controlled by the Current Director, which was then later extinguished as an adjustment against equity (effectively a dividend). At the time of these transactions, the Company's balance sheets indicated that there were sufficient equity reserves, however, these are significant transactions that left the Company with minimal reserves, possibly contributing to the Company's insolvency position.

We also identified irregularities in the accounting of the sale of the business, where the external accountant produced financial accounts which reported a loan account of \$233K owed by the Former Director to the Company, as compared to \$906K in the management accounts. This is disputed by the Former Director, and we consider that these transactions require further exploration, in circumstances where adjustments would likely impact the reserves and dividends declared.

In addition, there are recent ATO claims in respect of unpaid superannuation of \$452K, which if valid, would significantly reduce the profit reserves accrued prior to the sale transaction. Those superannuation claims may be a systemic issue, if the payroll practices and superannuation paid was inaccurate. This issue is unresolved and investigations are ongoing at this time.

In accordance with section 254T of the Act, the Company is required to have sufficient reserves to pay a dividend. The extent of the reserves and ability to declare a dividend is questionable in the circumstances, and ought to be tested.

If these dividend transactions are unwound, there may be a claim against the Former Director in declaring a dividend and a claim against the Former and/or Current Director in extinguishing the loan. It is possible that those claims could be pursued as unreasonable director-related transactions, uncommercial transactions or breach of director duties claim.

We expect these matters will form part of our enquiries in the Public Examination.

4.2.4 Superannuation Guarantee Charge Claims

We have been made aware that prior to our appointment, the ATO had been conducting a review of the historical superannuation paid by the Company. It appears that the Company had a practice of not paying superannuation on certain wage components for primarily interstate truck driver staff, and the ATO did not agree with the Company's treatment. In December 2023, the ATO issued assessments

against the Company in respect of unpaid superannuation totalling \$452K in respect of the period January 2022 to the quarter ending September 2023.

We have made enquiries with the Current Director, Former Director and sought legal advice. We also engaged the Company's external bookkeeper to review the payroll records regarding the superannuation calculated and paid by the Company. It appears that the ATO's treatment of wage components and superannuation is a live issue in the trucking sector. We note that the ATO have not yet submitted an updated POD in respect of this outstanding SGC liability, however we understand that it is forthcoming. We note that the ATO's assessments only included periods back to January 2022 and, if the ATO is correct, this could lead to adjustments for substantial historical liabilities in previous years.

If any employees have any further information or documentation regarding underpayment of superannuation entitlements, we request this to be provided to our office promptly.

Further investigations are required, and we expect this will form part of our enquiries in a Public Examination.

4.2.5 Insolvent Trading Claim

Our preliminary investigations indicate that the Company became insolvent on a cashflow basis from around March 2023 and that there may be an insolvent trading claim against the Current Director valued at approximately \$935K. However, we note the Current Director sought advice and took steps to wind down the business. Accordingly, the Current Director may seek to defray the insolvent trading exposure by asserting that he has defences to his conduct (acting in good faith) and/or that the Former Director's conduct contributed to the loss suffered by the Company's creditors. We do not express any views in that regard, as they are matters to be raised by the potential defendant(s) and would be subject to testing through the litigation process in the ordinary course should litigation be commenced in respect of this potential recovery action.

Further, the impact of the historical superannuation debts will likely impact our analysis of the Company's financial position and solvency. If there are significant historical superannuation liabilities which were not reported, this may lead to additional claims against the Former Director. Finally, we note that there is the potential for duplication in respect of the losses suffered in an insolvent trading claim, subject to what (if anything) can be pursued reinstating the Company's reserves by unwinding the dividends.

We expect this will form part of our enquiries in a Public Examination.

5. NEXT STEPS

It is our intention to work with our lawyers to prepare the relevant documentation in an application to the Court to commence the Public Examination process. We believe the Public Examination process will assist in assessing the validity of the various abovementioned potential claims, the prospects of recovery and whether to commence litigation.

There are sufficient funds available in the Liquidation to run the Public Examinations. Regardless, having regard to the significant priority claims owed to the Department (via FEG Scheme) and asserted superannuation claims from the ATO, the priority creditors are a major stakeholder in the Liquidation. As such, we have briefed the Department on the intended course of action and intention to utilise

funds to conduct a Public Examination process. The Department has indicated their support. We invite other creditors to provide their views at the forthcoming meeting.

We note that we have recently received an offer from a creditor seeking to be assigned the actions available to the Liquidators, for a modest amount of \$10K plus 10% of the net recoveries. Prima facie the value offered is insufficient, however the validity and prospects of the potential claims needs to be tested via a Public Examination. As such, the creditor has agreed not to press its claim until the Public Examinations are completed and in the meantime we intend to continue with the Public Examination process and once this is complete, we can meaningfully engage on the proposal from this or any other creditor, including potential funding opportunities.

6. RECEIPTS AND PAYMENTS

Enclosed in **Annexure “D”** is a summary of receipts and payments report from the date of our appointment to the date of this Report.

7. ESTIMATED RETURNS TO CREDITORS

Attached as **Annexure “E”** is an updated analysis of the estimated return to creditors that may be available in the Liquidation.

Based on the available information to date, the return to creditors is largely dependent on what recoveries can be obtained in respect of the abovementioned potential actions, which could require litigation. However, litigation can be costly, protracted and carries risk. If unsuccessful, litigation could erode the available funds and projected returns to creditors.

In summary, the potential range of returns to creditors may be as follows:

Summary of Return to Creditors	Liquidation		
	High Cents/\$		Low Cents/\$
Secured Creditor	N/A		N/A
Priority Creditors	100.00		50.08
Unsecured Creditors	100.00		Nil

These figures are estimates and the actual results may vary materially.

The low scenario assumes that recovery actions are not pursued and the available funds, after the costs of conducting Public Examinations, are distributed. The high scenario is based on successful recovery of the potential claims, which could discharge creditor claims in full and surplus potentially being available for shareholders. An outcome between the high and low scenarios is also possible, with settlement or a sale/assignment of the claims. The timing for any return is subject to several factors, including the outcome of the Public Examination and the success of litigation and/or a commercial settlement.

We encourage any creditors who have not already done so, to lodge a POD together with relevant supporting documentation. A POD is attached as **Annexure “B”**.

8. LIQUIDATORS' REMUNERATION

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure "F"** which details the major tasks that have been and will be conducted in this Liquidation. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure "G"**.

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

For Creditors' information, ASIC information sheets (**Annexure "H"**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- https://arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx

Please note that if our professional fees are not approved by creditors, then we may approach the Court for those approvals. We note that this will likely incur additional costs, which will be borne from the available assets.

9. MEETING OF CREDITORS

A Meeting of Creditors has been convened to be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on Wednesday, 16 October 2024 at 11:00AM (AEDT). The formal Notice of Meeting is attached as **Annexure "A"** for your reference.

Virtual meeting facilities will also be made available. If creditors wish to attend virtually, the registration details for the meeting can be found at the following link:

<https://us06web.zoom.us/meeting/register/tZckf-ysqT8uGNS56Tlr0FrGZrmUHsa3kStX>

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

- Provide us with a POD detailing your claim to be a Creditor and/or employee Creditor. A POD is enclosed as **Annexure "B"**. If you have previously provided a POD and wish to supplement it, you may do so. **Otherwise, Creditors whose PODs were accepted for voting at the previous meeting are not required to be re-lodged for the Meeting of Creditors.**
- Creditors may attend "virtually" and vote in person, by proxy or by attorney. The appointment of a proxy, attached as **Annexure "C"**, must be in accordance with Form 532. A "special" proxy can be lodged showing approval or rejection of each proposal. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity. **Proxies used for previous meetings cannot be used for the upcoming meeting and it is necessary for all Creditors to submit new proxies for this Meeting of Creditors.**

- ▲ All forms are to be scanned and emailed by 4:00 PM one (1) business day prior to the meeting.

9.1 APPROVAL OF BARTIER PERRY ENGAGEMENT

Pursuant to Section 477(2B) of the Act, we are required to seek approval from creditors, COI or the Court to enter agreements which have a duration of more than three (3) months. As mentioned previously, we have necessarily retained Bartier Perry to assist with providing legal advice on various aspects of the Liquidation, including the potential claims. The costs of the engagement are charged on a time cost basis, and include disbursements, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

“That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Report to Creditors dated 30 September 2024 pursuant to Section 477(2B) of the Corporations Act.”

We estimate costs may be between \$110K to \$125K (plus GST) for the legal work involved in the Public Examination and general liquidation matters. Further work and costs may be incurred, subject to issues encountered. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Bartier Perry.

10. MATTERS OUTSTANDING

The outstanding matters to complete in this Liquidation are:

- ▲ Finalise collection of pre-appointment debtors, on a commercial basis;
- ▲ Investigate the unpaid superannuation entitlements issue with ATO, including methodology of the assessment and comparison to the Company’s historical records, if possible;
- ▲ Working with our lawyers to conduct the Public Examinations discussed herein;
- ▲ Pursue recoveries from parties, if sufficient evidence and funding are available;
- ▲ Pay dividends to creditors;
- ▲ Attend to statutory lodgements and general administrative matters; and
- ▲ Finalise the matter.

If the potential claims are not pursued, we estimate that the Liquidation could be finalised within the next nine (9) months. Otherwise, if we pursue the claims via litigation, then the Liquidation could continue for another two (2) years.

11. QUERIES

If creditors have any information which may assist us in our investigations, please contact our office as a matter of urgency.

Please note that Liquidators are not required to publish notices in the print media. ASIC maintains an online notices page for external administrators to publish notices in respect of companies. Creditors are encouraged to visit <http://insolvencynotices.asic.gov.au> throughout the liquidation to view any notices which may be published in respect of the Company.

ARITA provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA’s website at <http://arita.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 <http://asic.gov.au> (search for "insolvency information sheets").

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

- ▲ BRI Contacts: Nicole Feng
- ▲ Phone: (02) 8263 2333
- ▲ Email: nfeng@brifnsw.com.au
- ▲ Mailing: GPO Box 7079, Sydney NSW 2001

Yours faithfully,

FREEMAN FREIGHTERS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN

Joint and Several Liquidator

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

BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

**Annexure "A"
Notice of Meeting of Creditors**

FORM 529

CORPORATIONS ACT 2001

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

NOTICE OF MEETING OF CREDITORS
FREEMAN FREIGHTERS PTY LTD (IN LIQUIDATION)
ABN 87 006 512 518 ("the Company")

NOTICE is given that a meeting of the creditors of the Company will be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on 16 October 2024 at 11:00AM (AEDT).

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

<https://us06web.zoom.us/meeting/register/tZckf-ysqT8uGNS56Tlr0FrGZrmUHsa3kStX>

A G E N D A

1. To receive the Report of the Liquidators.
2. To consider and, if thought fit, approve the Liquidators entering into an agreement with Bartier Perry pursuant to Section 477(2B) of the Corporations Act.
3. To consider and, if thought fit, approve the remuneration of the Liquidators.
4. To consider and, if thought fit, approve the future remuneration of the Liquidators.
5. Any other business that may be lawfully brought forward.

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

Special Instructions for Meeting

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

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

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

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

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

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

DATED this 30th day of September 2024.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

Note 1: Entitlement to vote and completing proofs

IPR (Corp) 75-85 Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor’s proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person’s liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

IPR (Corp) 75-110 Voting on resolutions

- (7) For the purposes of determining whether a resolution is passed at a meeting of creditors of a company, the value of a creditor of the company who:
 - (a) is a related creditor (within the meaning of subsection 75-41(4) of the Insolvency Practice Schedule (Corporations)), for the purposes of the vote, in relation to the company; and
 - (b) has been assigned a debt; and

(c) is present at the meeting personally, by telephone, by proxy or attorney; and
(d) is voting on the resolution;
is to be worked out by taking the value of the assigned debt to be equal to the value of the consideration that the related creditor gave for the assignment of the debt.

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BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

**Annexure "B"
Form 535 Formal Proof of Debt or
Claim**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidators of Freeman Freighters Pty Ltd (In Liquidation) ACN 006 512 518

1. This is to state that the company was, on 14 August 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 (please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):

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

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

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

Date	Drawer	Acceptor	Amount \$ c	Due Date

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

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

3A. ^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B. ^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents in accordance with Section 600G and 105A of Corporations Act 2001. Please provide your email address below:

Contact Name:

Email Address:

DATED this.....day of.....2024

NAME IN BLOCK LETTERS

Occupation.....

Address.....

Signature of Signatory

OFFICE USE ONLY

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

Proof of Debt Form Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

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

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BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

**Annexure "C"
Proxy Form**

APPOINTMENT OF PROXY
CREDITORS MEETING

FREEMAN FREIGHTERS PTY LTD (IN LIQUIDATION)
ABN 87 006 512 518 ("the Company")

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 16 October 2024 at 11:00AM (AEDT), or at any adjournment of that meeting.	

Please mark any boxes with an ☒

Proxy Type: ☐ General ☐ Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution 1: <i>"That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Report to Creditors dated 30 September 2024 pursuant to Section 477(2B) of the Corporations Act."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: <i>"That the additional remuneration of the Liquidators, their partners and staff for the period 25 August 2023 to 27 September 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 30 September 2024, be fixed and approved at \$289,031.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark boxes with an "X"	For	Against	Abstain
Resolution 3: "That the remuneration of the Liquidators, their partners and staff for the period 28 September 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 30 September 2024 and approved to an interim cap of \$90,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2024

Signature

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEST one (1) business day prior to the meeting by email: nfeng@brifnsw.com.au

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

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

DATED thisday of 2024

Signature of Witness:

Description:

Place of Residence:

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BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

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

Summarised Receipts & Payments

Freeman Freighters Pty Ltd

(In Liquidation)

Transactions From 14 August 2023 To 30 September 2024

A/C	Account	Net	GST	Gross
72	Sundry Debtors (B)	1,089,057.52	0.00	1,089,057.52
74	Cash at Bank	224,143.39	0.00	224,143.39
89	Liquidator Indemnity	40,000.00	0.00	40,000.00
227	Unearned Revenue	77,623.58	0.00	77,623.58
240	Suspense Account	549.12	0.00	549.12
Total Receipts (inc GST)		\$1,431,373.61	\$0.00	\$1,431,373.61
132	Bank Charges	130.00	0.00	130.00
135	Destruction Fees	1,416.87	141.69	1,558.56
138	Insurance	2,000.00	200.00	2,200.00
139	Legal Fees (1)	48,383.50	4,838.35	53,221.85
140	Legal Disbursements	40.91	4.09	45.00
152	Liquidators Remuneration	153,164.00	15,316.40	168,480.40
153	Liquidators Expenses	4,068.74	406.87	4,475.61
155	Storage Costs	1,177.58	117.77	1,295.35
157	Superannuation	2,319.49	0.00	2,319.49
160	Truck Rental	204.87	20.49	225.36
161	Wages & Salaries	21,923.16	0.00	21,923.16
167	Accounting Fee	14,000.00	1,400.00	15,400.00
168	Contractor	27,692.41	2,769.28	30,461.69
169	Return of Indemnity	40,000.00	0.00	40,000.00
227	Unearned Revenue	28,271.61	0.00	28,271.61
228	Superannuation Liability	(865.45)	0.00	(865.45)
233	GST Clearing Account	1,274.00	0.00	1,274.00
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(5,557.00)	0.00	(5,557.00)
Total Payments (inc GST)		\$339,644.69	\$25,214.94	\$364,859.63
Balance in Hand - By Bank Account				
212	Cheque Account			1,065,716.48
213	Westpac - Pre-appt Acct			797.50
				\$1,066,513.98



Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518

Annexure "E"
Remuneration Approval Report

Remuneration Approval Report

Freeman Freighters Pty Ltd
(In Liquidation)
("the Company")

ACN 006 512 518

30 September 2024

Jonathon Keenan & Peter Krejci

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au



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1 EXECUTIVE SUMMARY

We are asking creditors to approve our remuneration of \$379,031.00 (excl. GST).

Creditors will be asked to pass resolutions in relation to remuneration at the upcoming meeting of creditors on 16 October 2024.

Creditors have previously approved our remuneration of \$155,658.00 (excl. GST) and disbursements of \$2,000.00 (excl. GST).

We estimate the total cost of this Liquidation up to conducting the Public Examinations may be approximately \$535K (excl. GST). This has increased from our initial estimate, which at that time, was for the work required to conduct our preliminary investigations and attend to statutory duties. From our investigations, we have identified several issues and undertaken further investigation work and recovery action, as follows:

- Considerable work required in investigating the Disputed Assets, including liaising with our lawyers and exchanging correspondence with the Former Director's lawyers;
- Additional manual work required in the reconciliation of debtor accounts, in particular in respect of Toll Express (the largest debtor), which required reconciliation of trip records, seeking further information from former employees and liaising with Toll Express regarding discrepancies;
- Conducted further investigations and liaised with our lawyers in relation to potential claims relating to sale of business dividend transactions, insolvent trading claim and conduct of the Former Director;
- Investigated and pursued recovery regarding the AMPOL claim against the Former Director;
- Investigated the substantial superannuation claim lodged by the ATO, including review of the historical payroll records and enquiries with various parties and seeking advice;
- Briefing with our lawyers regarding the Public Examination process and potential claims;
- Additional work required in relation to the pre-appointment Westpac bank account and processing refunds for several deposits paid in error;
- Additional time incurred in arranging the collection of the Company's records, including resolving disputes with the Former Director regarding same; and
- Drafting this report and convening this meeting of creditors.

At this stage, we are seeking approval of our costs incurred to date and estimated remuneration to conduct the Public Examination process. We may seek approval of additional remuneration if the incurred time costs exceed our approvals. These estimates do not include any work to commence recovery action via litigation, as this is subject to the outcome of the Public Examination process. In the event that litigation is pursued, we will likely seek approval of further remuneration as we will have a better understanding of the work required. We note that litigation work may be separately funded.

2 DECLARATION

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

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed. In order to maximise the return to creditors, we have applied a discount to the remuneration incurred.

3 REMUNERATION SOUGHT

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

For	Period	Amount \$ (excl. GST)	Rates	When it will be drawn
Work already done	25 August 2023 to 27 September 2024	\$289,031.00	Provided in Advice to Creditors about Remuneration dated 30 September 2024	Immediately, subject to creditor approval
Future Work	28 September 2024 to conclusion	\$90,000.00	Provided in Advice to Creditors About Remuneration dated 30 September 2024	It will be drawn when incurred, when funds are available, subject to creditor approval
TOTAL		\$379,031.00 (excl. GST)		

Details of the work already completed for the period 25 August 2023 to 27 September 2024 and future work that we intend to complete are included at Schedule A. We note that we have incurred remuneration of approximately \$495K (excl. GST) during this period, however in order to maximise the return to creditors, we have applied a discount of approximately \$125K (excl. GST) to improve the outcomes for creditors.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

Actual resolutions to be put to creditors by way of a proposal are included at Schedule C and D for your information. These resolutions also appear in the proposal without a meeting form provided to you.

4 PREVIOUS REMUNERATION APPROVALS

The following remuneration approvals have previously been approved by creditors.

Period	For	Amount Approved (\$, excl. GST)	Amount Paid (\$, excl. GST)
Creditors Voluntary Liquidation			
14 August 2023 to 24 August 2023	Work completed	75,658.00	75,658.00
25 August 2023 to Liquidation	Future work	80,000.00	77,506.00
TOTAL remuneration previously approved		155,658.00	153,164.00

We are now seeking approval of a further \$379,031.00 (excl. GST) in remuneration which will bring the total remuneration claimed in the Liquidation to \$534,689.00 (excl. GST).

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company and it provides for the remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the 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,
- Our 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 approximately 50 cents in the dollar may be paid to priority creditors and a dividend for unsecured creditors is subject to recovery action. However, this is subject to a range of variables, particularly the outcome of the Public Examinations, future realisations and creditor claims.

6 QUERIES & INFORMATION SHEET

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

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

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

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

7 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Explanation where Remuneration Previously Approved

Schedule E – Schedule of Hourly Rates

SCHEDULE A – DETAILS OF WORK

Company	Freeman Freighters Pty Ltd (In Liquidation)	Period From	14 August 2023	To	Conclusion
Practitioner	Jonathon Keenan & Peter Krejci	Firm	BRI Ferrier		
Administration Type	Creditors Voluntary Liquidation				

	Tasks	
	Work already completed (excl. GST)	Future work (excl. GST)
Period	25 August 2023 to 27 September 2024	28 September 2024 to Conclusion
Amount (excl. GST)	\$493,970.00 <i>But reduced to \$369,031.00</i>	\$90,000.00

Task Area Assets	General Description	339.2 hours \$147,538.00	\$8,000.00
	Bank Accounts	<p>Issue Circular to Banks to determine accounts held</p> <p>Liaising with pre-appointment banker regarding accounts held</p> <p>Liaising with Westpac and providing instructions regarding transfer of funds</p> <p>Liaising with the Director to obtain details of bank accounts held by the Company</p> <p>Requesting transfer of funds from Company accounts held with Westpac</p> <p>Issue correspondence to Westpac requesting internet banking access to the Company's account</p> <p>Issue periodic correspondence to Westpac requesting transfer of funds from Company's account</p> <p>Dealing with deposits in Westpac pre-appointment account</p> <p>Processing refunds for deposits made in error to Westpac pre-appointment account</p>	<p>Issue periodic correspondence to Westpac requesting transfer of funds from Company's account</p> <p>Processing refunds for deposits made in error to Westpac pre-appointment account</p> <p>Requesting closure of bank account</p>
	Plant and Equipment	<p>Review motor vehicle search</p> <p>Review Company's records and conduct investigations in relation to ownership issues of the Disputed PPE</p> <p>Teleconference with solicitors in relation to ownership issues of the Disputed PPE</p> <p>Discussions with the Director in relation to ownership issues of the Disputed PPE</p> <p>Internal meetings in relation to the Disputed PPE</p> <p>Prepare detailed schedule of Disputed PPE</p> <p>Liaising with solicitors regarding issuance of</p>	<p>Continue liaising with solicitors in relation to instructions on the Disputed PPE</p> <p>Continue liaising with the Director in relation to the ownership issues of the Disputed PPE</p>

		<p>correspondence to the Former Direction ascertain the Liquidators' position with respect to the Disputed PPE</p> <p>Correspondence with the Former Director via telephone and emails in relation to the Disputed PPE</p> <p>Liaising with insurance broker to arrange appropriate insurance covers for the Company's PPE</p> <p>Reviewing QLD vehicle search</p> <p>Correspondence with the Current and Former Directors regarding additional assets identified from QLD vehicle search</p> <p>Liaising with solicitors and seeking advice regarding Disputed PPE</p>	
	Assets subject to specific charges	<p>Issue appointment notification to parties registered security interests against the Company ("PPSR Creditors")</p> <p>Review PPSR charge documents</p> <p>Consider validity of registered security interests</p> <p>Maintain PPSR Creditors register</p> <p>Review correspondence from PPSR Creditors</p> <p>Discuss with the Director in relation to claims from the PPSR Creditors</p> <p>Consider validity of registered security interests</p> <p>Issue disclaimers in respect of various contracts</p>	N/A
	Debtors	<p>Review debtor schedule</p> <p>Extract debtors reports, customer statements and outstanding invoices from the Company's management accounts</p>	<p>Maintain Debtors Register to record progress of collection of debtors</p> <p>Review response from debtors regarding the Debtors Demands</p>

		<p>Liaising with the Director in relation to collection of debtors</p> <p>Liaising with the Company's external accountant in relation to reconciliation of receipts debtors</p> <p>Liaising with the Company's employee and contractor in relation to collating supporting documents with respect to collection of debtors</p> <p>Internal meetings in relation to progress of collection of debtors</p> <p>Prepare and issue demands to debtors ("the Debtors Demands") recorded in the Company's books</p> <p>Maintain Debtors Register to record progress of collection of debtors</p> <p>Review response from debtors regarding the Debtors Demands</p> <p>Liaising with the Company's employees regarding disputes raised by debtors</p> <p>Liaise with debtors regarding payments</p> <p>Manual reconciliation of Toll Express debtor account and trip records</p> <p>Correspondence with Toll Express regarding discrepancies identified</p> <p>Correspondence with the Company's employees regarding discrepancies identified with Toll Express debtor account</p>	<p>Liaise with debtors regarding payments</p> <p>Review documents and information provided by debtors regarding debts in dispute</p> <p>Internal meetings to discuss progress of collection of debtors</p> <p>Liaise with solicitors in relation to recovery of debtors, if required</p>
	Insurance	<p>Notifying insurance broker of the Liquidators appointment</p> <p>Maintaining sufficient insurance coverage</p> <p>Liaising with the Director regarding pre-appointment</p>	N/A

		insurance policies held by the Company Liaise with Insurance broker to place appropriate covers	
Creditors		185.4 hours \$85,017.00	\$15,000.00
	Creditor Reports	Prepare and issue Initial Report to Creditors Preparation of necessary annexures for Initial Report to Creditors Prepare and issue Statutory Report to Creditors Preparation of necessary Annexures for Statutory Report to Creditors Prepare Report to Creditors	Prepare and issue Report to Creditors Preparation of necessary annexures for Report to Creditors Prepare further reports to creditors, if necessary
	Dealing with proofs of debt	Receipting and filing POD when not related to a dividend	Receipting and filing POD when not related to a dividend
	Secured creditor reporting	Notifying PPSR Creditors of appointment of Liquidators Liaising with the Current Director regarding discharge of NAB security Seeking advice from lawyers regarding discharge of NAB security	N/A
	Retention of title claims	Review of the PPSR register Reviewing supporting documentation for retention of title claim Liaising with certain PPSR creditors regarding claims Seeking advice from lawyers regarding certain PPSR registrations Issue disclaimers in respect of retention of title claim Maintain schedule of PPSR creditors	N/A

	Proposal to Creditors	Prepare and issue proposal notices and voting forms Reviewing votes and determining outcome of proposal Preparation and lodgement of proposal outcome with ASIC	N/A
	Meeting of Creditors	N/A	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Preparation and lodgement of minutes of meetings with ASIC Respond to stakeholder queries and questions immediately following meeting
	Creditor Enquiries	Prepare and issue correspondence to suppliers notifying appointment Receive and respond to suppliers enquiries Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by facsimile, email and post	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by facsimile, email and post Compiling information requested by creditors
Employees		157.1 hours \$74,232.00	\$15,000.00
	Employees enquiries	Preparation and issuance of correspondence to employees regarding termination of employment	Receive and follow up employee enquiries by telephone or email

		<p>Liaising with the Current Director in relation to status of employment of respective employees</p> <p>Receive and follow up employee enquiries by telephone and email</p> <p>Liaise with insurance broker in relation to an employee currently paid under Workers Compensation</p>	
	Calculation of entitlements	<p>Liaising with the Company's external accountant in relation to outstanding employee entitlements</p> <p>Preliminary calculations of employee entitlements</p> <p>Liaising with the Company's employee and contractor in relation to collating employee contracts and payroll information</p> <p>Internal discussions in relation to assessment of outstanding employee entitlements</p> <p>Updating calculations of employee entitlements</p> <p>Reviewing employee contracts</p> <p>Reviewing awards</p> <p>Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements</p> <p>Internal discussions in relation to assessment of outstanding employee entitlements</p> <p>Engaging bookkeeper to review historical superannuation records</p> <p>Reviewing ATO assessments of historical SGC</p> <p>Requesting and reviewing further information received from the ATO regarding historical SGC calculations</p> <p>Correspondence with the Current and Former</p>	<p>Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements</p> <p>Internal discussions in relation to assessment of outstanding employee entitlements</p> <p>Liaising with ATO regarding historical SGC calculations</p> <p>Requesting and reviewing further information received from the ATO regarding historical SGC calculations</p> <p>Seeking advice and liaising with lawyers regarding superannuation calculations</p>

Investigation		Directors regarding historical superannuation calculations Seeking advice and liaising with lawyers regarding superannuation calculations	
	FEG	Correspondence with FEG Preparing initial FEG questionnaire Preparing FEG quotations Preparing FEG verification spreadsheet Reviewing Company records regarding discrepancies identified by FEG Preparing calculations to support discrepancies identified by FEG Liaising with FEG regarding discrepancies	Reviewing Company records regarding discrepancies identified by FEG Preparing calculations to support discrepancies identified by FEG Liaising with FEG regarding any discrepancies
	Employee dividend, if required	Correspondence with ATO regarding SGC proof of debt	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
	Other employee issues	Organise payment of payroll and contractor fees Prepare and authorise payment vouchers	N/A
		208.9 hours \$99,799.00	\$45,000.00
	Conducting Investigation	Conducting initial investigations in relation to the Company's business and affairs Review preliminary ROCAP provided by the Current Director Liaising with the Current Director to obtain further information in relation to the completion of ROCAP	Further investigations in relation to Disputed Assets and sale of business accounting transactions Further investigations into insolvent trading claim Consider and negotiate offer from creditor for assignment of claims, if necessary

	<p>Correspondence with the Director in relation to Company's books and records</p> <p>Liaising with the Company's employee and contractor to arrange storage of the Company's records</p> <p>Correspondence with the Former Director requesting delivery of the Company's records</p> <p>Liaising with solicitors regarding issuance of correspondence to the Former Director requesting delivery of the Company's records</p> <p>Liaising with Director regarding finalising ROCAP</p> <p>Review of the Company's books and records to conduct investigations</p> <p>Review and preparation of narrative of business nature and history</p> <p>Conducting and summarising statutory searches</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Conducting investigations to identify potential voidable transactions and consider potential recovery actions to be taken</p> <p>Conducting investigations with respect to solvency position of the Company and considering any potential insolvent trading claim</p> <p>Liaising with Director regarding certain transactions</p> <p>Preparation of investigation file</p> <p>Lodgement of investigation with the ASIC</p>	<p>Consider and assess merits of pursuing claims via litigation</p>
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		Liaising with insurance broker regarding management liability policy Seeking advice on management liability policy Preparing and issuing notification to insurer	
	ASIC reporting	Preparing statutory investigation reports Liaising with ASIC	Liaising with ASIC if required
	Litigation / Recoveries	Preparing brief to solicitors Briefing with lawyers regarding potential claims identified against the Current and Former Directors Reviewing and considering advice from lawyers regarding potential claims against the Current and Former Directors Meetings with lawyers to discuss the potential claims Reviewing offer from creditor for assignment of potential claims	Reviewing offer from creditor for assignment of potential claims Attending to negotiations Attending to settlement matters
	Examinations	Briefing with lawyers regarding Public Examinations Reviewing costs estimates from lawyers regarding Public Examinations and litigation	Liaising with lawyers regarding Public Examinations Reviewing and settling draft submissions, affidavits, orders for production and other Court documents for Public Examinations Reviewing documents produced from orders of production issued Strategy meetings with lawyers and Counsel regarding Public Examinations Review of examination bundle for Public Examinations Prepare for and attend Public Examinations Review transcripts of Public Examinations

			Briefing with lawyers and Counsel regarding outcome of Public Examinations
Dividend		0.8 hours \$264.00	N/A
	Processing proofs of debt	Dealing with creditor request for adjudication of claim	N/A
Trade On		1.6 hours \$671.00	N/A
	Processing receipts and payments	Reviewing superannuation during Liquidation period	N/A
Administration		231.3 hours \$86,449.00	\$7,000.00
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 5011, 505 and 205 Preparing and lodging ASIC advert regarding notice of appointment	Preparing and lodging ASIC forms including 5602 and 5603 Correspondence with ASIC regarding statutory forms
	Books and records/ storage	Liaising with the Company's employee and contractor to arrange storage of the Company's records Correspondence with storage company to arrange storage of the Company's records Liaising with the Company's employee and contractor in relation to prepare books and records listing Backing up electronic books and records Considering available storage options for the Company's records Dealing with books and records Sending books and records to storage	Arrange the storage of the Company's records
	Correspondence	Preparing and issuing notifications of appointment to banks, utilities and statutory bodies Preparing and issuing letter to Director regarding their obligations	General correspondence with stakeholders

	Document maintenance/file review/checklist	Filing of documents File review Updating checklists Periodic administration review	Filing of documents File review Updating checklists Periodic administration review
	Bank account administration	Preparing correspondence opening accounts Prepare receipts and payment vouchers Bank account reconciliations	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts
	Insurance	Initial correspondence with insurer regarding insurance requirements Correspondence with Insurance broker regarding ongoing insurance requirements	N/A
	ATO and other statutory reporting	Notification of appointment Preparing BAS and STP lodgements Requesting taxation documents	Preparing BAS lodgements
	Planning / Review	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Teleconference with the Director and the Company's external accountant in relation to the progress of the Liquidation	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Liaising with the Current Director in relation to the progress of the Liquidation
	Finalisation	N/A	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

We note that we have incurred remuneration of approximately \$495K (excl. GST) during this period, however in order to maximise the return to creditors, we have applied a discount of approximately \$125K (excl. GST).

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

Freeman Freighters Pty Ltd (In Liquidation)
ACN 006 512 518
For the period from 25 August 2023 to 27 September 2024

Staff Classification	Name	Hourly Rate	Administration Hrs \$	Assets Hrs \$	Creditors Hrs \$	Dividend Hrs \$	Employees Hrs \$	Investigation Hrs \$	Trade On Hrs \$	Total Hrs \$
Appointee	John Keenan	750.00	0.7 525.00	0.6 450.00	4.5 3,375.00		1.8 1,350.00	5.7 4,275.00		13.3 9,975.00
Appointee	John Keenan	730.00	13.1 9,563.00	47.2 34,456.00	15.3 11,169.00		6.5 4,745.00	32.7 23,871.00		114.8 83,804.00
Appointee	Peter Krejci	730.00	2.8 2,044.00	5.1 3,723.00	1.8 1,314.00			9.4 6,862.00		19.1 13,943.00
Senior Manager	Katherine La	620.00	2.6 1,612.00	1.7 1,054.00	15.0 9,300.00		3.3 2,046.00	3.0 1,860.00		25.6 15,872.00
Senior Manager	Katherine La	590.00	18.2 10,738.00	22.3 13,157.00	18.3 10,797.00		31.0 18,290.00	25.3 14,927.00	0.3 177.00	115.4 68,086.00
Supervisor	Kristine Hu	480.00	39.8 19,104.00	89.4 42,912.00	44.4 21,312.00		45.4 21,792.00	33.1 15,888.00		252.1 121,008.00
Senior 1	Nicole Feng	450.00	0.1 45.00	5.0 2,250.00	4.6 2,070.00		1.9 855.00	3.0 1,350.00		14.6 6,570.00
Senior 2	Nicole Feng	400.00	0.2 80.00		0.2 80.00		3.2 1,280.00			3.6 1,440.00
Senior 2	Nicole Feng	380.00	17.7 6,726.00	27.0 10,260.00	28.0 10,640.00	0.4 152.00	59.5 22,610.00	36.9 14,022.00	1.3 494.00	170.8 64,904.00
Senior Administration	Andrea Moulikova	300.00	0.2 60.00							0.2 60.00
Senior Administration	Ashleigh Hartigan	300.00	1.4 420.00							1.4 420.00
Intermediate 2	Frane Babic	300.00	1.0 300.00	5.2 1,560.00	3.4 1,020.00		0.3 90.00			9.9 2,970.00
Senior Administration	Sarita Gurung	300.00	7.5 2,250.00							7.5 2,250.00
Senior Administration	Sonia Stelmach	300.00	0.8 240.00							0.8 240.00
Intermediate 2	Vijay Rajmohan	300.00	5.9 1,770.00		1.0 300.00		0.1 30.00			7.0 2,100.00
Intermediate 2	Frane Babic	280.00	58.5 16,380.00	128.7 36,036.00	47.6 13,328.00	0.4 112.00	4.0 1,120.00	59.8 16,744.00		299.0 83,720.00
Senior Administration	Andrea Moulikova	240.00	22.2 5,328.00	7.0 1,680.00						29.2 7,008.00
Senior Administration	Sarita Gurung	240.00	24.5 5,880.00		1.0 240.00		0.1 24.00			25.6 6,144.00
Senior Administration	Sonia Stelmach	240.00	14.1 3,384.00		0.3 72.00					14.4 3,456.00
Grand Total			231.3 86,449.00	339.2 147,538.00	185.4 85,017.00	0.8 264.00	157.1 74,232.00	208.9 99,799.00	1.6 671.00	1,124.3 493,970.00
But reduced to			35,000.00	100,000.00	60,000.00	-	74,232.00	99,799.00	-	369,031.00
									Less: Previously approved amount	(80,000.00)
									Additional fee approval sought	289,031.00
Average rate per hour			151.32	294.81	323.62	-	472.51	477.74	-	328.23

SCHEDULE C – RESOLUTIONS

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

Resolution 1: Liquidators' Remuneration for the period 25 August 2023 to 27 September 2024

"That the additional remuneration of the Liquidators, their partners and staff for the period 25 August 2023 to 27 September 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 30 September 2024, be fixed and approved at \$289,031.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."

Resolution 2: Liquidators' Remuneration for the period 28 September 2024 to Conclusion

"That the remuneration of the Liquidators, their partners and staff for the period 28 September 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 30 September 2024 and approved to an interim cap of \$90,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."

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SCHEDULE D – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED

Via proposals dated 28 August 2023, creditors approved our remuneration up to an amount of \$155,658.00 (excl. GST). To date, we have drawn \$153,164.00 (excl. GST) and applied it in payment of our remuneration. Our remuneration has exceeded this interim cap and as previously foreshadowed, in this report, we are now seeking approval of a further capped amount of \$379,031.00 (excl. GST) to pay for part of the work completed to date and to enable us to complete the Public Examination process.

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

Task	Fees already approved	Approval sought for work already done	Approval sought for future work	Total per task
	(\$, excl GST)	(\$, excl GST)	(\$, excl GST)	(\$, excl GST)
Asset	20,000.00	80,000.00	8,000.00	108,000.00
Creditors	15,000.00	45,000.00	15,000.00	75,000.00
Employees	15,000.00	59,232.00	15,000.00	89,232.00
Investigation	20,000.00	79,799.00	45,000.00	144,799.00
Administration	10,000.00	25,000.00	7,000.00	42,000.00
	80,000.00	289,031.00	90,000.00	459,031.00
Total remuneration previously approved				80,000.00
Difference (see table below for further explanation)				379,031.00
<i>Payment reconciliation:</i>				
TOTAL (incl. amount claimed now)				459,031.00
Amount paid to date				77,506.00
Amount outstanding (incl amount claimed now)				381,525.00

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

Task	Fees already approved as at 28 September 2023	Total per task (from previous table)	Difference	Reasons for differences
	(\$, excl GST)	(\$, excl GST)	(\$, excl GST)	
Assets	20,000.00	108,000.00	88,000.00	Substantial additional time incurred in relation to the following: - Further investigation into ownership and potential value of Disputed Assets - Additional assets identified from QLD vehicle search - Liaising with solicitors regarding the Disputed Assets and exchanging correspondence with

				<p>the Former Director's lawyers</p> <ul style="list-style-type: none"> - Reconciliation of debtor accounts, including manual reconciliation of Toll Express trip records - Correspondence with Toll Express and former employees regarding discrepancies identified - Reviewing documents and Company records regarding debts in dispute - Dealing with deposits in Westpac pre-appointment account, including processing refunds for deposits made in error <p>Additional future time anticipated to be incurred in relation to the following:</p> <ul style="list-style-type: none"> - Continuing to pursue debtor recoveries on a commercial basis, including liaising with solicitors if required - Review documents and Company records regarding debts in dispute - Maintaining debtors register - Continuing to liaise with solicitors in relation to Disputed Assets
Creditors	15,000.00	75,000.00	60,000.00	<p>Substantial additional time incurred in relation to the following:</p> <ul style="list-style-type: none"> - Liaising with the Current Director regarding discharge of NAB security and seeking advice on same - Consider validity of registered security interests and seeking advice on disputed registrations - Preparing reports to creditors and relevant annexures for reports - Responding to creditors and suppliers enquiries <p>Additional time anticipated to be incurred in relation to the following:</p> <ul style="list-style-type: none"> - Holding meeting of creditors - Preparing further reports to creditors, if necessary
Employees	15,000.00	89,232.00	74,232.00	<p>Substantial additional time incurred in relation to the following:</p> <ul style="list-style-type: none"> - Liaising with the Company's accountant, reviewing the books and records and assessing the outstanding employee entitlements - Engaging bookkeeper to review historical superannuation records - Requesting and reviewing further information from the ATO regarding historical SGC calculations - Seeking advice and liaising with lawyers regarding superannuation calculations - Liaising with FEG regarding employee

				entitlements verification - Preparing calculations to support discrepancies identified by FEG - Correspondence with ATO re SGC proof of debt form Additional time anticipated to be incurred in relation to the following: - Resolving ATO historical SGC calculations - Liaising with FEG regarding discrepancies identified - Preparing calculations to support discrepancies identified by FEG - Declaring dividend to priority creditors
Investigation	20,000.00	144,799.00	124,799.00	Substantial additional time incurred in relation to the following: - Resolving dispute with the Former Director regarding delivering up the Company's records - Briefing with lawyers regarding potential claims identified against the Current and Former Directors - Reviewing and considering advice from lawyers regarding potential claims - Meetings to discuss the potential claims - Seeking advice on management liability policy and issuing notification to insurer - Briefing with lawyers regarding Public Examinations Additional time anticipated to be incurred in relation to the following: - Further investigations in relation to potential claims - Review and settle draft Court documents for Public Examinations - Strategy meetings with lawyers and Counsel regarding Public Examinations - Prepare for and attend Public Examinations - Briefing with lawyers and Counsel regarding outcome of Public Examinations - Consider further recovery actions available - Consider offer from creditor for assignment of potential claims
Administration	10,000.00	42,000.00	32,000.00	Additional time incurred in relation to the following: - Processing refunds in relation to deposits made in error in Westpac pre-appointment account - Correspondence with Westpac requesting bank statements - Dealing with a significant volume of books and records and considering storage options Additional time anticipated to be incurred in relation to the following:

				<ul style="list-style-type: none"> - Statutory lodgements with ASIC and ATO - File reviews and planning/review internally - General administration maintenance
TOTAL	80,000.00	459,031.00	379,031.00	

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

- Considerable work required in investigating the Disputed Assets, including liaising with our lawyers and exchanging correspondence with the Former Director's lawyers;
- Additional manual work required in the reconciliation of debtor accounts, in particular in respect of Toll Express (the largest debtor), which required reconciliation of trip records, seeking further information from former employees and liaising with Toll Express regarding discrepancies;
- Conducted further investigations and liaised with our lawyers in relation to potential claims relating to sale of business dividend transactions, insolvent trading claim and conduct of the Former Director;
- Investigated and pursued recovery regarding the AMPOL claim against the Former Director;
- Engaged the Company's external bookkeeper to review the historical superannuation records, made enquiries with the Current and Former Directors and sought advice;
- Briefing with our lawyers regarding the Public Examination process and potential claims;
- Additional work required in relation to the pre-appointment Westpac bank account and processing refunds for several deposits paid in error;
- Additional time incurred in arranging the collection of the Company's records, including resolving disputes with the Former Director regarding same; and
- Drafting this report and convening this meeting of creditors.

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

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey background, with a green and yellow diagonal graphic element to the right.

BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

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

ADVICE TO CREDITORS ABOUT REMUNERATION

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

FREEMAN FREIGHTERS PTY LTD (IN LIQUIDATION) ("THE COMPANY")

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 proposes 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; and

- 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 have been increased from FY2024 to FY2025. The hourly rates quoted below remain current to 30 June 2025. BRI Ferrier may increase the hourly rates charged for work performed and if hourly rates are increased, we will seek creditors' approval.

C. EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below with a general guide to the qualifications and experience of staff engaged in Administration and the role they undertake in the Administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rates (ex GST) 1 July 23	Hourly Rates (ex GST) 1 July 24
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	\$730	\$750
Director	An accountant with more than 10 years' experience. May be a 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.	\$640	\$670
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.	\$590	\$620
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$550	\$580
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.	\$480	\$510
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.	\$420	\$450
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.	\$380	\$400

Title		Description	Hourly Rates (ex GST) 1 July 23	Hourly Rates (ex GST) 1 July 24
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.	\$330	\$350
Intermediate 2		An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$280	\$300
Senior Administration		Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$240	\$300
Junior Administration		Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$220	\$00

D. DISBURSEMENTS

Disbursements are divided into three types:

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

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

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

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

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

Dated: 30 September 2024.

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

BRI Ferrier

**Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518**

**Annexure "G"
Estimated Outcome Statement**

Freeman Freighters Pty Ltd (In Liquidation) Estimated Outcome Statement				
	Book Value	ROCAP (\$)	Liquidation	
			High (\$)	Low (\$)
Assets				
Cash and Cash Equivalents	224,143	-	224,143	224,143
Trade Debtors	1,234,437	1,365,739	1,124,628	1,089,058
Sundry Debtors	7,227	-	-	-
Plant & Equipment	22,784	100,915	Unknown	-
Leasehold Improvements	71,383	-	-	-
Loan - Darren Freeman	906,021	-	Unknown	-
Total Realisations	2,465,995	1,466,654	1,348,772	1,313,201
Realisation Costs				
Wages & Superannuation			24,243	24,243
Contractor Payments			27,692	27,692
Workers Compensation			-	-
Total Realisation Costs	-	-	51,935	51,935
Recovery in Liquidation				
Voidable Transactions			-	-
Other Claims				
Ampol Fuel Card Transactions Claims			56,762	-
Undervalue Transaction			507,975	
Dividend declared by the Former Director			2,331,835	-
Extinguishment of Loans owed by Yau Holdings No.2			1,832,709	-
Insolvent Trading Claims			934,856	-
Total Recovery	-	-	5,664,137	-
Less: Administration Costs				
Liquidators' Remuneration (Accrued)			445,000	445,000
Liquidators' Remuneration (Future Estimate)			350,000	90,000
Liquidators' Disbursements (Estimate)			15,000	10,000
Accounting Fees & Reporting Costs			30,000	20,000
Insurance Broker's Fees			2,000	2,000
Legal Costs (Accrued)			50,000	50,000
Legal Costs (Future Estimate)			360,000	75,000
Total Administration Costs	-	-	1,252,000	692,000
Estimated Surplus Available for Secured Creditors	2,465,995	1,466,654	5,708,973	569,266
Secured Creditor Claims (Estimated)				
Secured Creditor Claims	-	-	-	-
Total Secured Creditor Claims	-	-	-	-
Estimated Surplus Available to Priority Creditors	2,465,995	1,466,654	5,708,973	569,266
Priority Creditor Claims (Estimated)				
Wages and Superannuation	30,182	6,152	501,592	501,592
Annual Leave & Long Service Leave	214,713	133,772	203,675	203,675
PILN and Redundancy	570,711	-	411,459	431,459
Total Priority Creditor Claims	815,606	139,924	1,116,726	1,136,726
Estimated Surplus Available to Unsecured Creditors	1,650,390	1,326,730	4,592,248	-
Unsecured Creditors				
Statutory Creditors	346,769	255,510	286,995	286,995
Related Party Creditors	2,176,062	2,176,062	1,798,895	1,798,895
Other Unsecured Creditors	1,377,204	1,422,154	1,722,711	1,722,711
Total Unsecured Creditors	3,900,035	3,853,726	3,808,600	3,808,600
Net Surplus / Deficiency for Creditors	(2,249,645)	(2,526,995)	783,647	(3,808,600)

Summary of Return to Creditors			Liquidation	
			High Cents/\$	Low Cents/\$
Secured Creditor			N/A	N/A
Priority Creditors			100.00	50.08
Unsecured Creditors			100.00	-

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

Freeman Freighters Pty Ltd
(In Liquidation)
ABN 87 006 512 518

Annexure "H"
ASIC Information Sheet – Insolvency
Information for Directors,
Employees, Creditors and
Shareholders



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57