



Administrators' Report to Creditors

Pursuant to Section 439A of the Corporations Act 2001 and 75-225 of the Insolvency Practice Rules

Administrators

Alan Walker & Glenn Livingstone

22 June 2023

Firstaction Group Pty Ltd

Plumbfirst Pty Ltd

Comfyfirst Pty Ltd

Elecfirst Pty Ltd

Bblautofirst Pty Ltd

Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd

(All Administrators Appointed)



Table of Contents

01	1
GLOSSARY OF TERMS.....	1
02	3
EXECUTIVE SUMMARY.....	3
03	6
THE ADMINISTRATION.....	6
3.1 STATUS OF THE ADMINISTRATION.....	6
3.2 OBJECTIVE OF ADMINISTRATION.....	6
3.3 WINDING UP PETITIONS	6
3.4 FIRST MEETING OF CREDITORS AND COMMITTEE OF INSPECTION.....	6
3.5 EXTENSION OF THE CONVENING PERIOD.....	7
3.6 SECOND MEETING OF CREDITORS	8
3.7 NON-DISCLOSURE OF CERTAIN INFORMATION	9
3.8 PURPOSE AND BASIS OF THIS REPORT.....	9
3.9 CONTEXT OF THIS REPORT	10
04	11
DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES	11
05	12
ADMINISTRATORS REMUNERATION	12
06	13
FINANCIAL POSITION.....	13
6.1 FINANCIAL POSITION - FIRSTACTION.....	13
6.2 FINANCIAL POSITION - PLUMBFIRST.....	17
6.3 FINANCIAL POSITION - COMFYFIRST.....	19
6.4 FINANCIAL POSITION - ELECFIRST	21
6.5 FINANCIAL POSITION - BBL AUTO.....	23
6.6 FINANCIAL POSITION - PLUMBFIRST NSW	25
07	26
INVESTIGATION INTO THE COMPANIES' AFFAIRS	26
7.1 HISTORY OF THE COMPANY AND REASONS FOR FAILURE	26
7.2 BOOKS AND RECORDS.....	26
7.3 ADMINISTRATORS INVESTIGATIONS.....	27

7.3	SOLVENCY.....	27
7.3.1	THE GROUP'S SOLVENCY.....	28
7.4	VOIDABLE TRANSACTIONS.....	30
7.5	BREACHES OF DIRECTORS DUTIES.....	31
7.6	INSOLVENT TRADING.....	32
7.6.1	DIRECTORS' LIABILITY.....	32
7.6.2	HOLDING COMPANY LIABILITY.....	32
7.6.3	DIRECTORS' DEFENSES TO INSOLVENT TRADING CLAIMS.....	33
7.7	OTHER MATTERS.....	35
7.7.1	FALSIFICATION OF BOOKS.....	35
7.7.2	FALSE OR MISLEADING STATEMENTS.....	35
7.7.3	FALSE INFORMATION.....	35
7.8	REPORTS TO ASIC.....	36
08	37
	STATUS OF THE GROUP'S BUSINESS AND ASSETS.....	37
8.1	TRADING RATIONALE.....	37
8.2	INCOME & EXPENDITURE STATEMENT FOR EACH OF THE COMPANIES.....	38
8.2.1	FIRSTACTION.....	38
8.2.2	PLUMBFIRST.....	40
8.2.3	COMFYFIRST.....	42
8.2.4	ELECFIRST.....	43
8.2.5	BBL AUTO.....	44
8.2.6	PLUMBFIRST NSW.....	44
8.3	SALE AND RESTRUCTURE OF THE GROUP'S BUSINESS AND ASSETS.....	45
09	47
	RETURN TO CREDITORS.....	47
9.2	ESTIMATED OUTCOME STATEMENT FOR FIRSTACTION.....	49
9.3	ESTIMATED OUTCOME STATEMENT FOR PLUMBFIRST.....	51
9.4	ESTIMATED OUTCOME STATEMENT FOR COMYFIRST.....	53
9.5	ESTIMATED OUTCOME STATEMENT FOR ELECFIRST.....	55
9.6	ESTIMATED OUTCOME STATEMENT FOR BBL AUTO.....	57
9.7	ESTIMATED OUTCOME STATEMENT FOR PLUMBFIRST NSW.....	59
10	60
	STATEMENT BY THE ADMINISTRATORS.....	60

10.1	ADMINISTRATORS OPINION	60
10.2	ADMINISTRATION TO END	60
10.3	EXECUTE A DOCA.....	60
10.4	WIND UP THE COMPANY	61
11	62
	FURTHER INFORMATION AND QUERIES.....	62

Appendices

A – Statutory Company Information

B – Historical Financial information

C – Administrators’ Investigations

D – Draft Deed of Company Arrangement Proposal

E – Administrators’ Remuneration Report

F – Proxy Form

G – Informal Proof of Debt

H- Notice of the Second Meeting of Creditors

01

GLOSSARY OF TERMS

TERM	DESCRIPTION
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Glenn Ian Livingstone and Alan Lee Walker
ANZ Bank	Australia and New Zealand Banking Group Limited ACN 005 357 522
All PAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
AHSG	Australian Home Services Group Pty Ltd
BBL Auto	Bblautofirst Pty Ltd ACN 647 331 262
c.	Circa
Claim	Means all debts payable by, and all claims against, a company (present or future, certain or contingent, ascertained or sounding only in damages), the circumstances giving rise to which occurred on or before the Relevant Date
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Comfyfirst	Comfyfirst Pty Ltd ACN 152 881 135
Companies, the Group	Firstaction, Plumbfirst, Comfyfirst, Electfirst, Bblauto and Plumbfirst NSW
Convening Period	The period in which the Second Meeting must be convened
Creditor	Means a person with a claim against the Companies, excluding a Secured Creditor
Creditors' Trust	A Trust that will be established for the benefit of all creditors of each of the Companies if the DOCA proposals are accepted by the creditors of Firstaction and BBL Auto
Directors	James Hetherington Michael Joyce

DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code
DOCA	Draft Deed of Company Arrangement proposed by AHSG
Electfirst	Electfirst Pty Ltd ACN 606 391 048
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
Firstaction	Firstaction Group Pty Ltd ACN 139 666 247
First Meeting	First meeting of creditors held on 16 September 2022
FY	Financial year
HVAC	Heating, ventilation and air-conditioning
Initial Notice	Our initial notice to creditors dated 14 April 2023
IPR	Insolvency Practice Rules (Corporations) 2016
JoyceFT Consultancy	Joyce FT Consultancy Services Pty Ltd ACN 125 611 485
NAB	National Australia Bank
Plumbfirst	Plumbfirst Pty Ltd ACN 606 165 173
Plumbfirst NSW	Plumbfirst Electfirst Comfyfirst NSW Pty Ltd ACN 639 243 360
PMSI	Purchase Money Security Interest
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
Redwoods Gemini	Redwoods Gemini Investments Pty Ltd ACN 625 752 801
ROCAP	Report on Company Activities and Property
Report	This report dated 22 June 2023 prepared pursuant to IPR 75-225 and Section 438A of the Act
ROT	Retention of Title
Second Meeting	Second meeting of creditors held pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of the Company. The Second Meeting will be held at 10:00 AM (AEST) on Thursday, 29 June 2023
Tradelink	Tradelink Pty Ltd
Westpac	Westpac Banking Corporation ACN 007 457 141

02

EXECUTIVE SUMMARY

QUESTION	ANSWER
What do the Companies do?	<p>The Companies operate a plumbing, electrical and HVAC contracting business across southeast Australia, operating in Victoria since 2011, in South Australia since 2016 and in New South Wales from 2020.</p> <p>The Administrators have continued to operate the Group's business since appointment after assessing it was in the creditors interest to continue.</p>
What has happened to the Companies business and assets	<p>We continued to trade the Group's business whilst we explored options for either a sale of the business and assets and/or a restructure of the Companies.</p> <p>Plumbfirst NSW ceased trading in January 2023 before our appointment.</p> <p>Following an expressions of interest campaign, we accepted an indicative offer to purchase and restructure the Group's business and assets as it represented the best outcome for all creditors across the Group. It is structured as follows:</p> <p>Firstaction – a DOCA proposal has been received</p> <p>BBL Auto – a DOCA proposal has been received</p> <p>Plumbfirst, Comfyfirst, Electfirst and Plumbfirst NSW – a sale and purchase agreement has been signed for the assets and businesses.</p>
What is the current status of the Companies?	<p>On 12 April 2023, Glenn Livingstone and Alan Walker were appointed as Administrators of the Companies by the Directors as per Section 436A of the Act.</p>
Who is in control of the Companies?	<p>On appointment, the Administrators assumed control of the Companies business and affairs.</p> <p>The Directors' powers in relation to the Companies property and affairs are suspended during the administration period.</p>
Why does the Director believe the Company became insolvent?	<p>The Directors have informed us that the Companies' failure is due to the following reasons:</p> <ul style="list-style-type: none"> - a significant increase in the cost base of the business, in particular the costs of materials and other inputs, which adversely impacted the Group's financial performance - the lockdowns caused as a result of the COVID-19 pandemic starting in March 2020 which reduced revenue and put a significant strain on cash flow

	<ul style="list-style-type: none"> - Losses incurred from the failed opening of the Plumbfirst NSW business put further strain on the Group's cash flow 														
<p>What do the Administrators consider were the underlying causes of the Companies' failure?</p>	<p>The Administrators do not disagree with the Directors' reasons for the failure of the Companies but also consider that the Companies inability to implement new technology resulted in inefficient practices and excess cash burn from high overheads contributed to the failure.</p>														
<p>When do the Administrators consider the Companies became insolvent?</p>	<p>Based on preliminary investigations, the Administrators consider that each of the Companies were insolvent from the following dates:</p> <table border="1" data-bbox="735 645 1348 1171"> <thead> <tr> <th style="background-color: #1a2b4d; color: white;">Company</th> <th style="background-color: #1a2b4d; color: white;">Date of insolvency</th> </tr> </thead> <tbody> <tr> <td>Firstaction</td> <td>September 2022</td> </tr> <tr> <td>Plumbfirst</td> <td>September 2022</td> </tr> <tr> <td>Comfyfirst</td> <td>October 2022</td> </tr> <tr> <td>Elecfirst</td> <td>June 2022</td> </tr> <tr> <td>Plumbfirst NSW</td> <td>September 2022</td> </tr> <tr> <td>BBL Auto</td> <td>February 2023</td> </tr> </tbody> </table> <p>Further details on our investigations are set out in Section 7 and Appendix C.</p>	Company	Date of insolvency	Firstaction	September 2022	Plumbfirst	September 2022	Comfyfirst	October 2022	Elecfirst	June 2022	Plumbfirst NSW	September 2022	BBL Auto	February 2023
Company	Date of insolvency														
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Elecfirst	June 2022														
Plumbfirst NSW	September 2022														
BBL Auto	February 2023														
<p>Has a DOCA proposal been put forward for creditors to consider?</p>	<p>The Administrators have received a DOCA Proposal for Firstaction and BBL Auto which incorporates a Creditors Trust, the details of which are set out in Appendix D and in the estimated outcome for creditors set out in Section 9.</p> <p>No proposal has been received for Plumbfirst, Elecfirst, Comfyfirst, or Plumbfirst NSW, however, the DOCA Proposal (for First Action and BBL Auto) provides for a sale of business in each of these entities should the proposal be accepted by creditors. Accordingly, the DOCA Proposal and proposed sale of businesses are interdependent on each other. Further details are provided in Section 8 of this report.</p>														
<p>What is the purpose of the Second Meeting?</p>	<p>At the Second Meeting, creditors will consider this report and decide the future of each of the Companies.</p> <p>The options available for each company include whether:</p> <ul style="list-style-type: none"> - The company execute a DOCA; - The administration should end; or 														

	<p>– The company be wound up.</p>														
What is the estimated return to creditors?	There are range of potential outcomes for each of the Companies. Further details are set out in Section 9														
What do the Administrators recommend creditors should do?	<p>We recommend that Creditors resolve the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #1a2b4d; color: white;">Company</th> <th style="background-color: #1a2b4d; color: white;">Recommendation</th> </tr> </thead> <tbody> <tr> <td>Firstaction</td> <td>Accept the terms of the DOCA proposal including the creation of a Creditors Trust</td> </tr> <tr> <td>Plumbfirst</td> <td>Wind up the company</td> </tr> <tr> <td>Comfyfirst</td> <td>Wind up the company</td> </tr> <tr> <td>Elecfirst</td> <td>Wind up the company</td> </tr> <tr> <td>Plumbfirst NSW</td> <td>Wind up the company</td> </tr> <tr> <td>BBL Auto</td> <td>Accept the terms of the DOCA proposal including the creation of a Creditors Trust</td> </tr> </tbody> </table> <p>Creditors can vote on the above at the Second Meeting</p>	Company	Recommendation	Firstaction	Accept the terms of the DOCA proposal including the creation of a Creditors Trust	Plumbfirst	Wind up the company	Comfyfirst	Wind up the company	Elecfirst	Wind up the company	Plumbfirst NSW	Wind up the company	BBL Auto	Accept the terms of the DOCA proposal including the creation of a Creditors Trust
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BBL Auto	Accept the terms of the DOCA proposal including the creation of a Creditors Trust														
What claims will a liquidator investigate?	<p>Our investigations into potential claims that may be pursued by a liquidator are at an early stage.</p> <p>The preliminary investigations have identified that there may be potential:</p> <ul style="list-style-type: none"> – unfair preference claims – insolvent trading claims, and – breach of director duty (civil) claims. <p>For further detail, please see Sections 7.</p>														
Where can I get more information?	<p>If you require any further information, please contact Billy Batbileg</p> <p>Phone: 1300 760 830</p> <p>Email: bbatbileg@wopr.com.au</p>														

03

THE ADMINISTRATION

3.1 STATUS OF THE ADMINISTRATION

Glenn Livingstone and Alan Walker were appointed Administrators to the Companies on 12 April 2023 by the directors pursuant to Section 436A of the Act.

3.2 OBJECTIVE OF ADMINISTRATION

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers, to manage the companies' affairs and deal with its assets in the interests of its creditors.

The intention of administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During a voluntary administration there is a moratorium over most pre-administration creditor claims.

The proposed sales and DOCA proposals, if accepted by creditors, will satisfy both the primary objective of administration by allowing the business to continue in existence and it satisfies the alternate objective by achieving better returns to creditors than would be achieved by immediate liquidation to the Companies.

In addition, the Administrators are also required to:

- Investigate the Companies' affairs; and
- Report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interests, including information the creditors prior to their voting at the Second Meeting.

3.3 WINDING UP PETITIONS

At the date of the appointment of the Administrators, there were no outstanding winding up applications against the Companies.

3.4 FIRST MEETING OF CREDITORS AND COMMITTEE OF INSPECTION

Section 436E of the Act requires us to convene the first meeting of creditors within eight business days of our appointment.

The First Meeting was held on 24 April 2023, at which our appointment as Administrators was confirmed and a COI for each of Plumbfirst, Comfyfirst and Elecfirst was formed.

No COI was formed for Firstaction, BBL Auto or Plumbfirst NSW.

The first meeting of the COI's was held on 5 May 2023 at 10am at which the members approved a resolution agreeing with the Administrators' application to extend the Convening period for up to three months. Each COI voted unanimously in favour of the Administrators' proposal to extend the Convening Period.

The second meeting of the COI's was held on 2 June 2023 at which the Administrators discussed the status of the administrations and the proposed sale and restructure proposal for the Groups' business and assets. No resolutions were tabled at the meeting, however, the Administrators sought the views of the COI on the proposed structure of the sale and recapitalisation.

3.5 EXTENSION OF THE CONVENING PERIOD

Following the first meeting of the COI, the Administrators' instructed their lawyers to make an application in the Federal Court of Australia under Section 439A(6) of the Act to extend the period by which the Second Meeting of creditors must be held by up to three months. Prior to the application being made in Court, the Administrators advised all of the Companies' creditors of their intention to do so either by a circular to the COI, or directly to creditors of the Companies that did not have a COI.

As was raised in the communications with creditors, the Administrators sought an extension of the convening period to allow more time to:

- investigate the affairs of the Companies
- run and conclude an expression of interest campaign to secure competitive proposals for the sale of the assets and/or business of the Companies or a deed of company arrangement for one or more of the Companies
- provide interested parties with sufficient time to undertake their due diligence in relation to the above process, and submit an offer to acquire the Group's business and assets (noting that 22 parties expressed interest in acquiring the Group's business and assets)
- negotiate a sale and/or a restructuring proposal with the interested parties under a DOCA; and
- report to creditors with their recommendation as to the future of the Companies.

The COI's supported the application for the extension of the convening period. The Administrators did not receive any correspondence from creditors of the Companies that do not have a COI objecting to the application to extend the convening period for the Second Meeting.

The communication with creditors indicated that the Administrators would seek an extension of the convening period for up to six months. However, when the application was made before the Court, the Administrators only sought a period of three months extension and informed the Court that they would convene the Second Meeting as soon as possible.

On 8 May 2023, the Federal Court made an order that the period within which the Administrators must convene the Second Meeting of the Companies be extended until 10 August 2023.

3.6 SECOND MEETING OF CREDITORS

Pursuant to Section 439A of the Act, the Second Meeting is convened for **10:00 AM (AEST) on Thursday, 29 June 2023** at the offices of WLP Restructuring 21.02, Level 21, 264 George St, Sydney NSW 2000 as well as via teleconference, details of which will be provided on request.

At the Second Meeting, creditors will decide each of the Companies' future by voting on one of the following options:

- That the administration should end (in this case control of the Companies will revert to the directors); or
- That the Companies should be wound up; or
- That the Companies execute a DOCA.

The Administrators are required to provide creditors with their opinion as to which outcome of the voluntary administration process is in the creditors' best interests. Our opinion and recommendation for each of the companies is set out in Section 10.

A DOCA proposal has been received for Firstaction and BBL Auto, the details of which are set out in this report at **Appendix D**.

No DOCA has been proposed for Plumbfirst, Comfyfirst, Elecfirst or Plumbfirst NSW.

The Notice of Meeting of Creditors is attached (**Appendix H**) along with an appointment of proxy form (**Appendix F**) and a proof of debt or claim form (**Appendix G**).

Creditors and the person presiding at the meeting have the opportunity to adjourn the Second Meeting for up to a period of 45 business days to enable further investigations to be undertaken.

All creditors with claims against each company are entitled to attend the Second Meeting and vote on the resolutions for that company.

Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by 4pm on 28 June 2023. Forms can be scanned and emailed to bbatbileg@wlp.com.au. The conference call details will be provided once the relevant forms listed below have been submitted.

Form	Comments	Action required
Appointment of proxy (Form 532)	<ul style="list-style-type: none"> - Corporate creditors must appoint an individual to act on their behalf. - Individuals voting in person are not required to complete this form unless they are appointing a representative to vote on their behalf. - Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted. 	Proxy forms must be completed and returned to our office before 4pm on 28 June 2023.

<p>Proof of debt (Form 535)</p>	<ul style="list-style-type: none"> - Creditors must submit documentation to support the amount they have claimed. - Creditors who have already submitted a proof of debt are not required to re-submit a proof of debt form unless their claim has changed. 	<p>A proof of debt form must be completed and returned with the proxy form to ensure the creditors eligibility to vote before 4pm on 28 June 2023</p>
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3.7 NON-DISCLOSURE OF CERTAIN INFORMATION

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- Valuations of specific assets; and
- Commercially sensitive prospective financial information (for example, projections / forecasts).

We recognise the need, so far as is possible, to provide creditors with complete disclosure of all necessary information relating to the Companies. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage as it may prejudice the completion of the sale agreements.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

3.8 PURPOSE AND BASIS OF THIS REPORT

IPR 75-225 requires Administrators to provide a report to all creditors ahead of the Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration
- The Administrators' opinion and recommendation on each of the options available to creditors, and
- If a DOCA is proposed, the details of the DOCA.

This Report also informs creditors about the preliminary investigations undertaken by us to date. Accordingly, the views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the forthcoming Second Meeting.

This Report has been prepared primarily from information obtained from the Companies' books and records and discussions with the Directors. Although we have conducted certain investigations of the affairs of the Companies, there may be matters which we are unaware of because an audit of the Companies has not been undertaken.

To complete our Report, we have utilised information from the following sources:

- Registers maintained by ASIC
- The PPSR
- The Companies' book and records
- Discussions with the Directors
- Discussions with employees of the Companies
- Discussions with creditors of the Companies; and
- Other public databases.

3.9 CONTEXT OF THIS REPORT

- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).
- In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment of the information to hand. These forecasts and estimates may change as asset realisations progress, and we receive creditor claims. Consequently, the outcome for creditors might differ from the information provided in this Report.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

04

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with our Initial Notice (and tabled at the First Meeting of Creditors).

The DIRRI disclosed information regarding our independence, prior personal or professional relationships with the Companies or related parties, and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to our independence.

There has been no change in the declaration since that time.

ASIC has produced information sheets for creditors to assist their understanding of common company insolvency procedures. These information sheets can be downloaded from <https://asic.gov.au> under the insolvency tab.

05

ADMINISTRATORS REMUNERATION

No remuneration of the Administrators has been approved or paid to date.

Our remuneration can only be fixed by resolution of a COI, the Companies' creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our Initial Notice and tabled at the First Meeting of Creditors.

Details of our proposed remuneration, and other resolutions to be voted upon at the Second Meeting, are included in our Remuneration Approval Reports at **Appendix E**. This includes resolutions for our past and future remuneration as voluntary administrators and for our future remuneration as either deed administrators or liquidators (as applicable). Creditors should complete the proxy forms enclosed with this report and return them to bbatbileg@wlpr.com.au before 4pm on 28 June 2023.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website (www.arita.com.au).

A summary of the time costs incurred to date and the resolutions proposed as set out in our remuneration report are illustrated below:

Company	Initial estimate for the voluntary administration (\$)	Proposed resolution 12 April 2023 to 18 June 2023 (\$)	Proposed resolution 19 June 2023 to 29 June 2023 (\$)
Firstaction	150,000 to 200,000	262,188.60	25,000
Plumbfirst	200,000 to 250,000	322,061.50	25,000
Comfyfirst	100,000 to 150,000	191,355.	15,000
Elecfirst	100,000 to 150,000	161,281.50	15,000
BBL Auto	50,000 to 75,000	65,998.50	10,000
Plumbfirst NSW	50,000 to 75,000	29,090	10,000

Comments on the time costs incurred to date and the difference from the Initial Notice:

- The initial remuneration estimate provided was for the statutory period of administration of approximately five weeks.
- The Administration was extended beyond the statutory timeframe of five weeks to 10 weeks, therefore, the hours spent to continue trading the business were higher making the costs higher than estimated
- The sale process was more complex and has taken longer than anticipated but it has resulted in securing a buyer for the Group and securing value for the Group's Goodwill for the benefit of creditors and securing employment for the Group's employees

06

FINANCIAL POSITION

6.1 FINANCIAL POSITION - FIRSTACTION

The Officeholders of the Companies are required to provide us with a ROCAP setting out the assets and liabilities as at the date of the administration.

Creditors should read the following information together with the historical financial information set out at **Appendix B** and the estimated outcome for creditors set out in Section 9.

The directors provided a ROCAP for each of the Companies, the details of which are illustrated below together with the Administrators' ERV:

Firstaction	Notes	ROCAP (\$000)	Administrators' ERV (\$000)
Assets			
Cash At Bank	6.1.1	Nil	Nil
Motor Vehicles & Equipment	6.1.2	3,662	2,515
Other Assets	6.1.3	Nil	Nil
Total Assets		3,662	2,515
Liabilities			
Priority (Employee) Creditors	6.1.4	(197)	(382)
Super guarantee charge	6.1.4		(60)
Secured Creditors	6.1.5	(1,524)	(1,560)
ATO	6.1.6		(1,281)
Office of State Revenue	6.1.6	(1,498)	(1,554)
Unsecured Creditors	6.1.6	(543)	(638)
Related Party Claims	6.1.6	(69)	(69)
Total Liabilities		(3,915)	(5,544)
Estimated (Deficiency)/Surplus		(253)	(3,029)

6.1.1 CASH AT BANK

The Group operated its bank accounts through ANZ Bank. ANZ has advised that Firststaction operated an overdraft account which had a negative balance of \$120,000 as at 12 April 2023.

6.1.2 MOTOR VEHICLES AND EQUIPMENT

Firststaction had 151 motor vehicles and over 200 assets associated with the plumbing, electrical and HVAC businesses.

We engaged Pickles Asset Advisory to value the assets following our appointment and the valuations are illustrated below:

Asset class	Fair market value (\$000)	Forced liquidation value (\$000)
Motor Vehicles	2,744	2,235
Office Equipment at 1/10 Hammer Court, Hoppers Crossing	57	10
Office equipment at 5/2-10 Hallam South Road, Hallam	2	1
Other equipment	543	269
Total	3,346	2,515

Creditors should note that these are indicative values and do not take in account any costs of realising the assets.

Some of the equipment noted above was recorded in the Firststaction accounts but were purchased by Plumbfirst through its trade accounts. Therefore, in Section 9, the Estimated Outcome for Creditors, creditors should note that some of these assets have been allocated to Plumbfirst.

We have engaged Pickles to sell 30 vehicles, which were surplus to requirements and were the older model vehicles in the fleet. We expect these sales to be completed within the next two weeks following which, the proceeds (after selling costs) will be recovered by the Administrators.

6.1.3 OTHER ASSETS

The ROCAP did not disclose any real property or other assets owned by Firststaction. However, Firststaction's financial statements indicate it is owed the following loans from the other companies in the Group:

Company	Loan balance (\$000)
Plumbfirst	4,738
Comfyfirst	2,100
Elecfirst	1,097

As per the terms of the sale agreements and DOCA proposal, all related company claims are eliminated as at 30 June 2023 and cannot prove for dividend purposes in any of the Liquidations or the Creditors Trust.

Creditors should refer to Section 9 for further details.

6.1.4 PREFERRED CREDITORS (EMPLOYEES)

The ROCAP disclosed that the employees had unpaid entitlements owing by Firststaction totalling c\$197k as at 12 April 2023.

Following our appointment, we calculated the outstanding entitlements, the details of which are illustrated in the table below:

Unpaid entitlements	Claim (\$000)
Wages / RDO's	Nil
Superannuation	60
Annual Leave	198
Long Service Leave	184
Total	442

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

6.1.5 SECURED CREDITORS

A search of the PPSR recorded 126 registrations, securing the Group's financing obligations for motor vehicles and other assets. We wrote to all purported secured creditors requesting details of the pay-out figures for the finance agreements, the responses of which are illustrated in the table below:

Secured Creditor	Claim as at 12 April 2023 (\$000)	Payout as at 30 June 2023 (\$000)
BOQ Equipment Finance	105	97
Metro Finance	356	361
Capital Finance	402	396
Commonwealth Bank	161	160
Macquarie Leasing	118	81
Mercedes Benz	22	22
Pepper Asset Finance	243	243
Volkswagen Financial Services	59	41
Westpac Bank	28	28
Total	1,560	1,429

Following our appointment, we have reviewed the respective finance agreements and security registrations associated with the above secured creditor claims. Our subsequent review identified 4 defective security registrations held by Capital Finance. As a result, the assets pursuant to those finance agreements (being 4 motor vehicles) now vest with Firstaction.

Accordingly, Capital Finance will be able to claim as an unsecured creditor in respect of any amounts owed arising from those registrations.

6.1.6 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Ordinary unsecured creditors	36	638
ATO	1	1,281
Office of State Revenue (Payroll tax for VIC and NSW)	2	1,554
Related party creditor	1	69
Total	40	3,543

Any creditors that have not yet submitted details of their claims against Firstaction should do so using the claim forms included in this report. The reported claims are known as at the date of this report and may change when creditors provide further details of the amounts owed.

6.2 FINANCIAL POSITION - PLUMBFIRST

Details of the ROCAP provided for Plumbfirst are illustrated below together with the administrators' ERV:

Plumbfirst	Notes	ROCAP (\$000)	Administrators' ERV (\$000)
Assets			
Cash At Bank	6.2.1	Nil	537
Accounts Receivable/Debtors	6.2.2	2,108	21
Total Assets		2,108	558
Liabilities			
Priority (Employee) Creditors	6.2.3	(561)	(637)
Super guarantee charge	6.2.3		(214)
Portable Long Service Leave	6.2.3		(99)
Secured Creditors	6.2.4	(741)	Nil
Unsecured Creditors	6.2.5	(1,777)	(1,991)
Statutory Creditors	6.2.5	(5,149)	(6,906)
Related Party creditors	6.2.5		(4,738)
Total Liabilities		(8,228)	(14,585)
Estimated (Deficiency)/Surplus		(6,120)	(14,027)

6.2.1 CASH AT BANK

ANZ has advised that Plumbfirst had a balance of \$536,844 as at 12 April 2023, which has been transferred to the administration bank account.

6.2.2 DEBTORS

The ROCAP provided by the Directors indicates Plumbfirst is owed \$2.1m from debtors as at 12 April 2023. However, this appears to be a sales book and has not been reconciled at the date of our appointment.

Our investigations into the debtors revealed that Plumbfirst has been recording its work in progress as accounts receivable in MYOB, its accounting software. As a result, the majority of the \$2.1m are not debtors and therefore not collectible. We estimate that only a small portion of this amount is a genuine debt that may be collectable.

6.2.3 PREFERRED CREDITORS (EMPLOYEES)

The ROCAP disclosed that the employees had unpaid entitlements owing by Plumbfirst totalling c\$561k as at 12 April 2023. Following our appointment, we calculated the outstanding entitlements, the details of which are illustrated in the table below:

Unpaid entitlements	Claim (\$000)
Wages / RDO's	161
Superannuation	214
Annual Leave	476
Portable Long Service Leave	99
Total	950

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

6.2.4 SECURED CREDITORS

A search of the PPSR recorded six registrations against Plumbfirst in respect of goods previously delivered to the Company. Other than a \$1,200 water heater which was returned to Tradelink, there was no other goods/inventory that was available for secured creditors. As a result, the claims of the secured creditors will be admitted as unsecured claims.

6.2.5 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Ordinary unsecured creditors	96	1,991
ATO	1	5,706
Office of State Revenue	1	1,200
Firstaction	1	4,738
Total	63	13,635

6.3 FINANCIAL POSITION - COMFYFIRST

The details of the ROCAP for Comfyfirst are illustrated below together with the administrators' ERV:

Comfyfirst	Notes	ROCAP (\$000)	Administrators' ERV (\$000)
Assets			
Cash At Bank	6.3.1	Nil	216
Accounts Receivable/Debtors	6.3.2	368	465
Total Assets		368	681
Liabilities			
Priority (Employee) Creditors	6.3.3	(176)	(145)
Super guarantee charge	6.3.3		(67)
Unsecured Creditors	6.3.4	(251)	(326)
ATO	6.3.4	(530)	(1,326)
Office of State Revenue	6.3.4		(1,200)
Related party creditors	6.3.4		(3,986)
Total Liabilities		(957)	(7,050)
Estimated (Deficiency)/Surplus		(589)	(6,369)

6.3.1 CASH AT BANK

ANZ has advised that Comfyfirst had a balance of \$215,892 as at 12 April 2023, which has been transferred to the administration bank account.

6.3.2 DEBTORS

The ROCAP provided by the directors' record amounts owing by debtors of \$367,525.

There is a debt due to Comfyfirst from Housing First in respect of a contract to install c700 air-conditioning and heating units that was on going at the date of our appointment. As at 12 April 2023, the records indicated that there was \$120,093 due but further investigations into the recoverability of this debt revealed that there is a portion that is not collectable due to insufficient paperwork and incorrect invoicing. To date, we have recovered \$465,000 and do not anticipate recovering any further funds from this project for the work completed prior to 12 April 2023.

6.3.3 PREFERRED CREDITORS (EMPLOYEES)

The ROCAP disclosed that the employees had unpaid entitlements owing by Comfyfirst totalling c\$176k as at 12 April 2023.

Following our appointment, we calculated the outstanding entitlements, the details of which are illustrated in the table below:

Unpaid entitlements	Claim (\$000)
Wages / RDO's	44
Superannuation	67
Annual Leave	81
Portable Long Service Leave	21
Total	212

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

6.3.4 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Ordinary unsecured creditors	19	326
ATO	1	1,326
Office of State Revenue	1	1,200
Related party creditors	3	3,986
Total	24	6,838

A number of suppliers registered security on the PPSR. As there was no other goods/inventory that was available for secured creditors, the claims of the secured creditors will be admitted as unsecured claims and have been included in the table above.

Any creditors that have not yet submitted details of their claims against Comfyfirst should do so using the claim forms included in this report. The reported claims are known as at the date of this report and may change when creditors provide further details of the amounts owed. The Office of State revenue can claim

against all VIC related companies jointly and severally. We have provided an estimate of the balance of its claim after receiving a dividend from Firstaction.

6.4 FINANCIAL POSITION - ELECFIRST

The details of the ROCAP for Comfyfirst are illustrated below together with the administrators' ERV:

Elecfirst	Notes	ROCAP (\$)	Administrators' ERV (\$)
Assets			
Cash At Bank	6.4.1	Nil	131
Sundry Debtors	6.4.2	31	Nil
Total Assets		31	131
Liabilities			
Priority (Employee) Creditors	6.4.3	(255)	(201)
Super guarantee charge	6.4.3		(56)
Unsecured Creditors	6.4.4	(362)	(607)
ATO	6.4.4	(587)	(1,275)
Office of State Revenue	6.4.4		(1,200)
Related Party creditors	6.4.4		(1,292)
Total Liabilities		(1,204)	(4,631)
Estimated (Deficiency)/Surplus		(1,173)	(4,500)

6.4.1 CASH AT BANK

ANZ has advised that Elecfirst had a balance of \$130,692 as at 12 April 2023, which has been transferred to the administration bank account.

6.4.2 DEBTORS

The ROCAP provided by the directors' record amounts owing by debtors of \$31,097.

Our investigations into the debtors revealed that Elecfirst has been recording its work in progress as accounts receivable in MYOB, its accounting software. As a result, the majority of the debtors recorded in the directors ROCAP are not collectible because the work has been completed and final balance paid.

6.4.3 PREFERRED CREDITORS (EMPLOYEES)

The ROCAP disclosed that the employees had unpaid entitlements owing by Elecfirst totalling c.\$255k as at 12 April 2023.

Following our appointment, we calculated the outstanding entitlements, the details of which are illustrated in the table below:

Unpaid entitlements	Claim (\$000)
Wages / RDO's	48
Superannuation	56
Annual Leave	134
Portable Long Service Leave	19
Total	257

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

6.4.4 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Ordinary unsecured creditors	17	607
ATO	1	1,275
Office of State Revenue	1	1,200
Related party creditors	2	1,292
Total	21	4,374

A number of suppliers registered security on the PPSR. As there was no other goods/inventory that was available for secured creditors, the claims of the secured creditors will be admitted as unsecured claims and have been included in the table above.

Any creditors that have not yet submitted details of their claims against Comfyfirst should do so using the claim forms included in this report. The reported claims are known as at the date of this report and may

change when creditors provide further details of the amounts owed. The Office of State revenue can claim against all VIC related companies jointly and severally. We have provided an estimate of the balance of its claim after receiving a dividend from Firstaction.

6.5 FINANCIAL POSITION - BBL AUTO

Details of the ROCAP for BBL Auto are illustrated below together with the administrators' ERV:

Bblauto	Notes	ROCAP (\$000)	Administrators' ERV (\$000)
Assets			
Cash At Bank	6.5.1	Nil	10
Sundry Debtors	6.5.2	151	Nil
Total Assets		151	10
Liabilities			
Priority (Employee) Creditors	6.5.3	(17)	(23)
Unsecured Creditors	6.5.4	(166)	(95)
ATO	6.5.4		(3)
Office of State Revenue	6.5.4		(1,200)
Total Liabilities		(188)	(1,321)
Estimated (Deficiency)/Surplus		(37)	(1,311)

6.5.1 CASH AT BANK

ANZ has advised that BBL Auto had a balance of \$10,580 as at 12 April 2023, which has been transferred to the administration bank account.

6.5.2 DEBTORS

The ROCAP provided by the directors' record amounts owing by debtors of \$151,456 of which \$145,905 is due from Firstaction, which is also in administration and has a contra claim of \$69,640. We do not consider that there will be any realisations from the debtors recorded in the management accounts.

6.5.3 PREFERRED CREDITORS (EMPLOYEES)

The ROCAP disclosed that the employees had unpaid entitlements owing by BBL Auto totalling c\$17k as at 12 April 2023.

Following our appointment, we calculated the outstanding entitlements, the details of which are illustrated in the table below.

Unpaid entitlements	Claim (\$000)
Wages / RDO's	-
Superannuation	13
Annual Leave	10
Long Service Leave	N/A
Total	23

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

6.5.4 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Ordinary unsecured creditors	27	95
ATO	1	3
Office of State Revenue	1	1,200
Total	29	1,321

A number of suppliers registered security on the PPSR. As there was no other goods/inventory that was available for secured creditors, the claims of the secured creditors will be admitted as unsecured claims and have been included in the table above.

Any creditors that have not yet submitted details of their claims against Comfyfirst should do so using the claim forms included in this report. The reported claims are known as at the date of this report and may change when creditors provide further details of the amounts owed. The Office of State revenue can claim against all VIC related companies jointly and severally. We have provided an estimate of the balance of its claim after receiving a dividend from Firststaction.

6.6 FINANCIAL POSITION - PLUMBFIRST NSW

Details of the ROCAP for Plumbfirst NSW are illustrated below together with the administrators' ERV:

Plumbfirst NSW	Notes	ROCAP ERV (\$)	Administrators' ERV (\$)
Total Assets		Nil	Nil
Liabilities			
Priority Creditors		Nil	Nil
Priority (Employee) Creditors		Nil	Nil
Secured Creditors		Nil	Nil
Unsecured Creditors	6.6.1	(79)	(89)
Related Party Creditors			(738)
Total Liabilities		(79)	(827)
Estimated (Deficiency)/Surplus		(79)	(827)

6.6.1 UNSECURED CREDITORS

We are presently aware of the following unsecured creditor claims:

Description	Number of creditors	Claim (\$000)
Workers Compensation Insurer - iCare	1	10
ATO	1	79
Related Party Creditors	1	738
Total	3	827

Any creditors that have not yet submitted details of their claims against Comfyfirst should do so using the claim forms included in this report. The reported claims are known as at the date of this report and may change when creditors provide further details of the amounts owed.

07

INVESTIGATION INTO THE COMPANIES' AFFAIRS

Our investigations into the Companies' affairs are continuing but we set out below our findings to date. Given the statutory time constraints set out in the Act, some of our investigations are preliminary in nature but provide creditors with sufficient information on which to make an informed decision as to the future of the Companies.

The historical financial information for each of the Companies is set out in **Appendix B**.

7.1 HISTORY OF THE COMPANY AND REASONS FOR FAILURE

The directors have attributed the following issues as the reasons for the Companies failure:

- COVID
- Raw material prices increases
- Other cost increases; and
- Opening Plumbfirst NSW.

The Group did not qualify for any Government support during the COVID-19 pandemic. Furthermore, the isolation rules for employees required a 14 day stay at home period that adversely affected the Group's ability to service customers. The Group recorded 75,000 sick leave hours during 2020 and 2021, the cost of which was absorbed by the Group.

The Group suffered as a result of significant increase in raw material prices for hot water units, copper and ducted heaters amongst other materials, which the Group was not able to pass on to its customers. This was particularly evident in Comfyfirst. Across the Group, wages and taxes have increased significantly affecting margins.

The Group launched Plumbfirst NSW just as the first wave of the COVID-19 pandemic started. The new business required a significant cash outlay to purchase vehicles, secure new leasehold premises and hire staff. Management was unable to attend to train staff and supervise the business effectively resulting in a failed attempt to launch a new business.

Based on our investigations to date, we believe the following factors also contributed to the Companies failure:

- Inability to adapt to changing technologies to manage the business efficiently
- Poor strategic management of the business; and
- Cash burn as a result of carrying too many overheads compared to the Group's turnover.

7.2 BOOKS AND RECORDS

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

A failure to maintain books and records in accordance with Section 286 of the Act provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

To date, we have recovered the following records to assist with our investigations:

- Company bank statements for the ANZ accounts
- Copies of financial statements and tax returns for FY19, FY20, FY21 & FY22
- Access to the Company's computerised accounting records and managements accounts in MYOB

We consider that accurate books and records were maintained in accordance with Section 286 of the Act.

7.3 ADMINISTRATORS INVESTIGATIONS

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs and financial circumstances.

We reiterate that our investigations are at a preliminary stage and have been limited due to time constraints set out in the Act.

Our investigations have focused on transactions entered into by the Companies that a liquidator might seek to have declared void (together with orders for repayment or compensation) if the Companies are wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up the Company. We investigated matters to the extent possible in the time available.

A liquidator may recover funds from certain voidable transactions or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

Creditors should note that any voidable transaction claims are not available if creditors of Firstaction and BBL Auto vote to accept the terms of the DOCA.

The Administrators' knowledge of the Companies' affairs comes principally from the following sources:

- Discussions with the Directors
- Management accounts, books and records and financial statements
- Correspondence and discussions with the Group's creditors and employees
- Searches obtained from relevant statutory authorities
- Records maintained by the ATO; and
- Publicly available information.

7.3 SOLVENCY

For certain actions to be available to a liquidator, including seeking compensation from directors for insolvent trading, the Company's insolvency must be established.

There are two types of tests used in determining a company's solvency, at a particular date, being:

- The balance sheet test; and
- The cash flow or commercial test.

The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators. These indicators include:

- Working capital deficiency
- Net asset deficiency
- Ageing of creditors
- Inability to extend finance facilities
- Inability to meet other financial commitments
- Trading losses
- Overdue statutory taxes, and
- Commencement of proceedings by creditors.

When undertaking our analysis of each of the Companies and possible insolvency, it is important to have regard to all information that is available. Creditors should note however that this is our preliminary view following the limited investigations in the time afforded under the Act. Further commentary on each of the Companies is set out below.

At **Appendix C**, we have analysed each of the Companies solvency position as a standalone company. However, historically the Group traded as a consolidated Group and as such we consider it more appropriate to analyse each of the Companies solvency position on a Group basis.

7.3.1 THE GROUP'S SOLVENCY

The current ratio provides an indication as to a company's short term liquidity position as it looks at what short term assets are available to meet its short-term liabilities. It is one of the indicators of solvency, i.e., can a company meet its short-term liabilities as and when they fall due. As the Group traded on a consolidated basis, we have analysed the Group's solvency on a consolidated basis as it provides a fairer reflection as to the Group's financial position. We have also analysed each of the Companies individual financial positions and analysed each of the Companies' solvency positions.

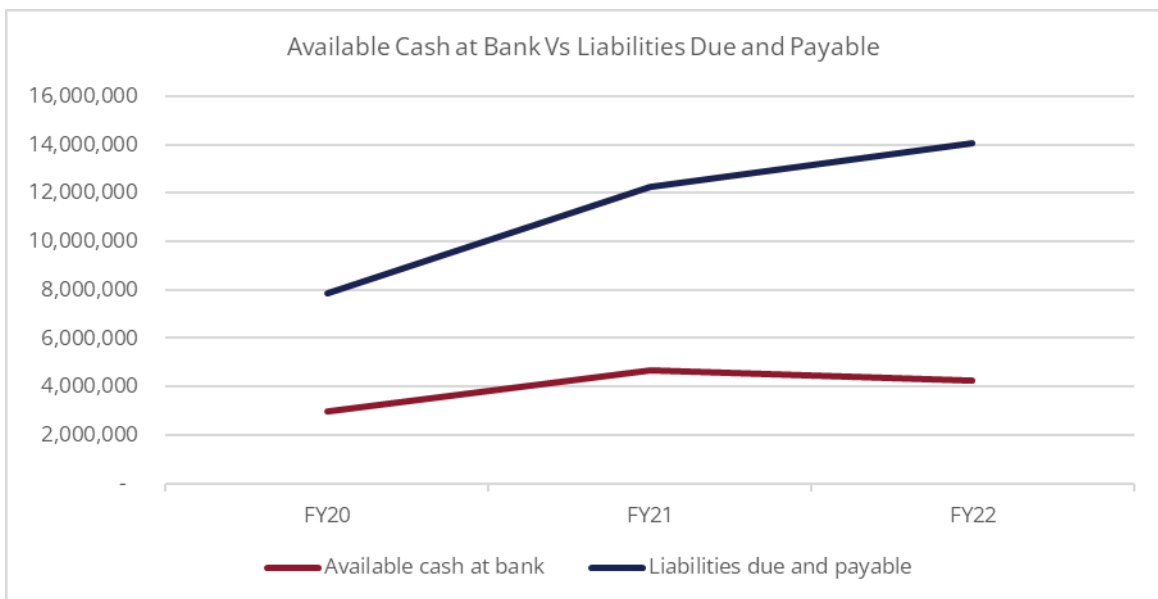
A current ratio of less than 1 is an indicator that the company does not have enough current or liquid assets to cover its short-term obligations and therefore may have been insolvent during the periods illustrated above.

Illustrated below is the current ratio analysis on a consolidated Group basis:

	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)
Current assets	4,361	7,745	7,470
Current liabilities	6,659	12,604	14,988
Current Ratio	0.65:1	0.62:1	0.50:1

Illustrated below is our analysis of available cash at bank to pay the Group's short-term liabilities that were due and payable on the following dates:

Cash flow analysis	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)
Available cash at bank	2,985,254	4,648,020	4,261,813
Liabilities due and payable	7,846,282	12,260,900	14,049,071
Net cash surplus / (deficit)	(4,861,028)	(7,612,880)	(9,787,258)



The Group's short term liquidity position has been deteriorating since FY20 as it did not have sufficient cash available to meet its short-term liabilities that were due and payable. This is an indicator that the Group, on a consolidated basis, may have been insolvent on a cash flow basis during this time.

The Group was reliant on its cash sales, and to a small extent accounts receivable, as it did not have any other form of debt facilities available, other than a small overdraft of \$50k, from an external funder. It was not generating sufficient levels of sales to meet its short-term liabilities.

The Group's current ratio position has deteriorated during these periods as the Group was loss making as illustrated below:

	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)
Income	39,830	42,001	42,322
Less: Cost of Sales	(12,281)	(13,048)	(13,548)
Gross profit	27,549	28,953	28,774
Gross Profit Margin	69%	69%	68%
Expenses	(27,807)	(32,200)	(31,497)
Profit / (Loss) after Income tax	634	(1,144)	(1,642)

The Group's consolidated balance sheet for the period from FY20 to FY22 is illustrated below:

	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)
Current Assets	4,361	7,745	7,470
Non-current assets	2,480	1,978	1,622
Current Liabilities	6,660	12,603	14,988
Non-current Liabilities	1,873	1,530	1,312
Net Assets /(Liabilities)	(1,692)	(4,412)	(7,209)

The Group's Net Asset/(Liabilities) position has deteriorated during this period driven by the accumulating losses it was recording, which totalled \$7.2m by the end of FY22.

This indicates that the Group was Balance Sheet insolvent from prior to FY20 as it did not have sufficient assets to cover its total liabilities, a position that was deteriorating, and continued up until our appointment as Administrators.

7.4 VOIDABLE TRANSACTIONS

A Liquidator has powers to investigate and commence certain recovery actions that may be voidable if it is established that the Company was insolvent at the relevant time. A company is insolvent if it is unable to pay its debts as and when they become due and payable.

The types of transactions which may be recovered include:

- **Unfair preference payments:** Section 588FA of the Act gives the Liquidator the power to recover certain transactions that have had the effect of conferring a priority, preference or advantage to a creditor within six months of the commencement of the winding up (the relation back period).

- **Uncommercial transactions:** Section 588FB of the Act provides the Liquidator the power to recover transactions which may be deemed to be uncommercial, having regard to the detriment to the Company suffered as a consequence of the transaction in the period two years prior to the appointment.
- **Unreasonable director-related transactions:** Section 588FDA allows the Liquidator to investigate and recover unreasonable director-related transactions, having regard to the detriment to the Company suffered as a consequence of the transaction.
- **Unfair loans:** Section 588FD of the Act allows the Liquidator to recover transactions which may be deemed to be unfair loans to the Company. A loan to the Company is considered to be unfair if and only if, interest on the loan is extortionate, or the charges in relation to the loan were extortionate.

We have identified the following payments that may be deemed preferential for each of the Companies:

Company	Statutory creditors		Trade creditors	
	Number	Amount (\$)	Number	Amount (\$)
Firstaction	2	379,399	-	-
Plumbfirst	2	1,125,289	2	188,519
Comfyfirst	2	307,923	-	-
Elecfirst	1	288,718	1	78,688
BBL Auto	2	67,998	-	-
Plumbfirst NSW	1	44,736	-	-

We have not identified any transactions that could be deemed:

- uncommercial
- unreasonable director related transactions; or
- unfair loans.

Recovery of these voidable transactions are only available to a Liquidator to pursue and are not available should creditors of Firstaction and BBL Auto vote to accept the terms of the DOCA Proposal. Should creditors vote to wind up Plumbfirst, Comfyfirst, Elecfirst and Plumbfirst NSW, a liquidator will undertake further investigations into the solvency of these companies.

7.5 BREACHES OF DIRECTORS DUTIES

A Liquidator, is entitled to investigate and, if appropriate, commence action to recover claims against the current and former officeholders for breach of their duties. The Corporations Act requires that officeholders must:

- Exercise their powers and discharge their duties with care and diligence (Section 180 of the Act).
- Exercise their powers and discharge their duties Act in good faith in the best interests of the corporation and for a proper purpose (Section 181 of the Act).

- Not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation (Section 182 of the Act).
- Not improperly used information gained in as an officeholder of the corporation to gain an advantage for themselves or someone else, or cause detriment to the corporation (Section 183 of the Act); and
- Act in good faith in the best interests of the corporation or fur a proper purpose. An officeholder can commit an offence if they are reckless or dishonest in exercise their powers (Section 184 of the Act).

A Liquidator may be able to recover damages on behalf of a company against a company's officeholders in the event it is found that they have breached their duties.

Based on our preliminary investigations, we believe that the Directors may have breached their duties pursuant to section 180 and Section 181 of the Act. A liquidator would investigate these matters further if any of the Companies are wound up.

7.6 INSOLVENT TRADING

7.6.1 DIRECTORS' LIABILITY

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found to have breached Section 588G of the Act, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors for debts that the company incurred whilst it was insolvent.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, exposes a director to imprisonment for up to five years and/or a fine.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- a person must be a director of a company at a time when the company incurs a debt;
- the company must be insolvent at the time or becomes insolvent by incurring the debt; and
- the director must have reasonable grounds for suspecting that the company is insolvent or would become insolvent.

7.6.2 HOLDING COMPANY LIABILITY

Pursuant to Section 588V a holding company can be made liable for any of the debts incurred by its subsidiary in the event that subsidiary is trading whilst insolvent.

The Group does not have an ultimate holding company as the shares are held beneficially for Trusts associated with the Directors. Therefore, there is no claim for insolvent trading against a holding company.

7.6.3 DIRECTORS' DEFENSES TO INSOLVENT TRADING CLAIMS

Under the Act, the Directors may be able to reply on certain defenses available against any claim Liquidator may bring for insolvent trading, which are set out below:

- the directors had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred
- the directors relied on another competent and reliable person to provide information about whether or not the company was insolvent
- the directors were ill or for some other good reason did not take part in the management of the company; and
- the directors took reasonable steps to prevent the incurring of the debt.

Creditors should note that Insolvent trading claims are inherently difficult and costly to pursue and are usually vigorously defended by directors.

Should a Liquidator be appointed to any of the Companies, a further investigation will be carried out to determine the commerciality of pursuing such a claim.

7.6.4 SAFE HARBOUR DEFENCE – INSOLVENT TRADING MORATORIUM

Section 588GAAA of the Act gives the Directors safe harbour from the insolvent trading provisions in Section 588G of the Act for debts incurred in the ordinary course of business from 25 March 2020 up until 31 December 2020. Based on our review of the records, we have not identified any debts incurred during this period that remain outstanding at the date of our appointment.

7.6.5 CALCULATION OF POSSIBLE INSOLVENT TRADING CLAIMS

As Administrators, we have undertaken a review of the outstanding creditor claims in order to determine whether any amounts were incurred (and unpaid) during the period when each of the Companies may have been insolvent. Illustrated below is the estimated date of insolvency and the value of a potential claim that may be available to a Liquidator.

Company	Date of insolvency	Value of claim (\$)
Firstaction	September 2022	684,531
Plumbfirst	September 2022	3,045,529
Comfyfirst	October 2022	719,615
Elecfirst	June 2022	597,788
BBL Auto	February 2023	43,610
Plumbfirst NSW	September 2022	51,970

Creditors should also read **Appendix C** for a summary of our investigations into each of the Companies solvency position.

Section 588G of the Act provides that directors are obliged to prevent a company from:

- Incurring a debt whilst insolvent; or
- Becoming insolvent by incurring a debt.

If a contravention of Section 588G of the Act can be established, then Section 588M of the Act empowers a Liquidator (or a creditor under certain circumstances) to recover compensation from a director for any loss or damage suffered as a consequence of any such contravention.

Section 588R of the Act entitles creditors to commence proceedings against the Director(s) of the Company in their own right, subject to the consent of the Liquidator.

Based on information available to me to date, we believe that a Liquidator would have a claim against the Directors for insolvent trading for each of the Companies.

7.6.6 DIRECTORS' CAPACITY TO MEET A LIQUIDATOR'S CLAIM

The directors have provided us with an Assets & Liability position statement to assist with our assessment of their capacity to meet a claim for insolvent trading should a Liquidator bring such a claim.

James Hetherington has real property and a vintage motor vehicle registered in his own name.

Michael Joyce has real property in his own name and is the beneficiary of a family trust.

The directors provided supplier guarantees to various suppliers and they have received a director penalty notice from the ATO making them personally liable for some of the Group's tax liabilities.

Both directors have a significant shortfall of assets over liabilities (Hetherington \$3m+ and Joyce \$2.3m+) meaning they do not have the financial capacity to meet a claim from a liquidator should one be brought, and if they are both made bankrupt, personal creditors would likely receive only a small return on their debts.

We have analysed the Directors' asset and liability position and if a liquidator brings a successful claim we estimate the following returns may be available to the Companies:

Company	James Hetherington (\$)	Michael Joyce (\$)
First Action	41,796	14,547
Plumbfirst	185,953	64,721
Comfyfirst	43,938	15,293
Elecfirst	36,499	12,704
BBL Auto	2,663	927
Plumbfirst NSW	3,173	1,104

Creditors should note that the above analysis is for illustrative purposes only as there are a number of risks associated with pursuing the successful recovery of an insolvent trading claim. The purposes of the Estimated Outcome for Creditors we have assumed that only in a High Case Liquidation scenario would the above returns likely be available.

7.6.7 DIRECTORS & OFFICERS INSURANCE POLICY

The Group purchased a directors and officers insurance policy that provides certain insurance cover to the directors for any personal loss arising from any claim for a Wrongful Act.

We obtained legal advice as to whether the policy would respond to any claims available to a Liquidator that related to insolvency including breaches of director duties in an insolvency context. It is unlikely that the policy would respond to these claims due to the broad exclusions in the policy.

A liquidator would undertake further investigations into the validity of any claims but in the first instance would consider the costs of pursuing the directors, the likely insolvency exclusion in the D&O policy and the prospects of whether the directors would be able to meet a claim given the high level of personal liabilities.

7.7 OTHER MATTERS

7.7.1 FALSIFICATION OF BOOKS

Pursuant to Section 1307(1) of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books affecting or relating to affairs of the company.

If an offence is proven, there are criminal penalties only. However, similar or related conduct also could give rise to a contravention of Section 1307(2) of the Act and that contravention could give rise to a claim for damages. Further, conduct falling within either Section 1307(1) or Section 1307(2) of the Act may amount to breaches of directors' statutory and/or general law duties and/or provisions proscribing misleading conduct, which could give rise to a recovery of funds.

Our preliminary investigations do not reveal any evidence of falsification of books.

7.7.2 FALSE OR MISLEADING STATEMENTS

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular. That is to say that a statement will be misleading if the statement is about a significant issue and capable of influencing the mind of a person to whom the statement is directed and is not merely trivial or inconsequential.

Our preliminary investigations do not reveal any evidence of any false or misleading statements.

7.7.3 FALSE INFORMATION

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that is to the knowledge of the officer or employee:

- false or misleading in a particular matter; or
- has omitted from it a matter the omission of which renders the information misleading in a material respect.

Our preliminary investigations do not reveal any evidence of any false information.

7.8 REPORTS TO ASIC

We have identified that the directors may have breached Sections 180, 181 and 588G of the Act and pursuant to Section 438D the Administrators will lodge a report with ASIC. Creditors should be aware that any report lodged pursuant to Section 438D (or an investigative report lodged by a liquidator pursuant to Section 533 of the Act) is not available to the public.

08

STATUS OF THE GROUP'S BUSINESS AND ASSETS

8.1 TRADING RATIONALE

Immediately following our appointment, we undertook an urgent assessment of the Group's financial position and determined that it would be in the creditors interest to continue to trade the Group's business whilst running an accelerated sale of business campaign offering the Group's business and assets for sale.

A trading business would likely be more valuable than a business that was closed immediately and its assets sold. This is especially evident in the Group's scenario because the majority of its business is same day call outs to service residential plumbing, electrical and HVAC issues. If the business ceases to trade it is likely that a competitor would win this customer eroding the value of the Group's goodwill.

The Administrators personally funded trading from our own facilities, which was reimbursed from trading income taking considerable risk for the benefit of creditors. We set up new trading accounts with the majority of the Group's suppliers to ensure that the Group could continue to buy parts and service its customers efficiently. This maintained the Group's ability to continue trading.

On appointment, the Group employed 151 employees and had 157 vehicles in its fleet. During the administration, we made 12 people redundant. In addition, we sold 30 surplus vehicles that were not required for day-to-day operations.

As part of the sale negotiations, we entered into an Indemnity and Cooperation Deed as at 29 May 2023 with ASHG whereby the risk of trading was passed to the buyer. The Administrators have continued to manage the Group's Day to day operations in conjunction with ASHG.

Illustrated below is a summary of the trading position for the Group on a consolidated basis for the period from 12 April 2023 to 31 May 2023 (being the date of the Cooperation Deed), which excludes the pre-appointment assets:

	Amount \$
Firstaction	(94,793)
Plumbfirst	142,875
Comfyfirst	(147,073)
Elecfirst	(53,224)
BBL Auto	(8,598)
Net trading loss for the Group	(160,813)

Pre-appointment employee priority claims of \$376,304 have been paid and are included in the above loss position for the Group. By continuing to trade the Group's business we have been able to pay this priority claim from trading income rather than the assets that would be available to meet these claims such as Accounts Receivables and cash at bank.

This improves the estimated outcome for all creditors and enabled us to continuing trading the Group's business and offer a going concern business for sale to the market. It has secured value for the Group's Goodwill and has secured the receipt of Comfyfirst's accounts receivable balances of c\$456k, which may not have been collected if the business was immediately closed.

8.2 INCOME & EXPENDITURE STATEMENT FOR EACH OF THE COMPANIES

We have summarised the income and expenditure for the period from 12 April 2023 to 31 May 2023 for each of the Companies below.

8.2.1 FIRSTACTION

Income & Expenditure statement	Amount (\$)
Income	
Payroll deductions	3,771
Sales	1,493
Group revenue	153,025
Interest Income - No GST	7
Transfer from Plumbfirst	628,130
Transfer from Elecfirst	167,974
Transfer from Comfyfirst	293,250
Other Assets GST Free	19,202
Accounts Receivable (pre-administration)	24,000
Total Income	1,290,852
Expenditure	
Purchases	83,334
Transfer to Plumbfirst	72,000
Transfer to Comfyfirst	31,200
Transfer to Elecfirst	16,800
Transfer to BBL Auto	11,468
Advertising	385,825
Bank Charges	326
Credit Card Merchant Fee	1,025
Electricity	198
Insurance	1,813
Lease Payments	13,156
Overdraft Interest	172
Lease Payment - GST Free	8,065
Rates Council (Council)	374
Rent Paid (Commercial)	19,730
Superannuation	33,981
Telephone & fax	5,934
Vehicle Registration Fee	708
Wages & Salaries	370,969
Vehicle Registration - Non-GST Component	4,016
Vehicle Registration TAC Charge	4,748
Office Expenses	3,920

Subscriptions Expenses	1,959
Fuel Expenses	87,966
Compliance Certificates	1,620
Employee Reimbursement	21,336
Tolls Expense	27,927
Rubbish / Waste Disposal Expense	661
Agents - Valuers Fees	1,250
Bank Charges	8
Distribution to ANZ	56,834
Total Payments	1,269,325
Balance	21,529
Less: Accruals to be paid	
Unpaid purchase orders	28,605
Accrued wages and salaries	90,861
Accrued superannuation	8,709
Accrued payroll tax	25,226
Accrued workers compensation	15,136
GST refund (net)	(52,216)
Total accruals	116,321
Net Trading position	(94,793)

Notes to the Income & Expenditure

Firstaction was the asset holdings entity of the Group and provided shared services to the other companies such as Payroll, Finance, HR and operational support. Therefore, it did not generate its own income and was reliant on the trading entities in the Group to meet its liabilities. The reported loss for the trading period has been reallocated to the trading entities as set out in the Estimated Outcome for Creditors in Section 9. This brings the position to neutral which is a fair reflection of the way the Group operated.

The distribution to ANZ of \$56,834 was due to the bank receiving money into the Group's bank account that was overdrawn by c\$120k. ANZ previously released its security so the validity of this transaction will need to be reviewed further.

Included in the trading position above is wages of \$107,536 that were outstanding on our appointment and were paid shortly after, thus reducing the priority claims for employees.

8.2.2 PLUMBFIRST

Income & Expenditure statement	Amount (\$)
Income	
Sales	2,682,066
Worker's Compensation Receipts	29,882
Payroll Deductions	10,421
Group purchases	4,098
Cash At Bank	536,844
Accounts Receivable (pre-administration)	1,038
Total Income	3,264,350
Expenditure	
Site investigation	508
Purchases - Supplies and Materials	627,799
Apprentice training / labour hire	13,251
Payment of fines	229
Storage hire costs	2,368
Skip Waste Hire	31,900
Advertising	21,325
Bank Charges	20
Merchant Fee	8,322
Hire Of Equipment	8,006
Casual Labour	3,502
Customer Refund	2,319
Professional Services	200
Rates Council (Council)	4,249
Sundry Expenses	73
Superannuation	94,036
Telephone & fax	872
Transport & Courier	400
Wages & Salaries	967,136
Sub Contractors	99,122
Other Government Charges	64
Employee Reimbursements	16,042
Fuel	102
Transfer to FirstAction Group to cover costs	609,130
Waste disposal	5,045
Office expenses	491
Bank Charges	17
Hire Of Meeting Room	3,653
Travelling Expenses	120
Total Expenditure	2,520,302
Balance	744,048

Less: Accruals to be paid	
Unpaid purchase orders	54,453
Accrued wages and salaries	57,670
Accrued superannuation	5,724
Accrued payroll tax	3,170
Accrued workers compensation	1,902
Accrued portable LSL	6,682
GST liability (net)	173,691
Provision for Comfyfirst purchases made by Plumbfirst	(240,000)
Total Accruals	63,291
Net cash position	680,757
Less Pre-Appointment Assets	
Cash at bank	536,844
Accounts receivable (pre-administration)	1,038
Total pre-appointment assets realised	537,882
Net trading position	142,875

Notes to the Income & Expenditure

Included in the trading position above is wages of \$185,935 that were outstanding on our appointment and were paid shortly after, thus reducing the priority claims for employees.

There is a provision for \$240,000 for purchases that relate to Comfyfirst that were charged to Plumbfirst's trade accounts. When trading is finalised a full reconciliation will occur to ensure purchases are allocated to the correct company.

8.2.3 COMFYFIRST

Income & Expenditure Statement	\$
Income	
Sales	1,505,531
Payroll Deductions	5,561
Cash At Bank	215,892
Accounts Receivable (pre administration)	465,933
Total receipts	2,192,917
Expenditure	
Purchases - Parts and Supplies	513,953
Bank Charges	20
Credit Card Merchant Fee	2,688
Superannuation	23,198
Wages & Salaries	252,256
Sub Contractors	146,476
Employee Reimbursements	9,372
Compliance certificates	23,010
Transfer to Plumbfirst	2,869
Child Support	678
Transfer to Firstaction	293,250
Bank Charges	8
Total payments	1,267,776
Balance	925,141
Less: Accruals to be paid	
Unpaid purchase orders	27,797
Accrued wages and salaries	16,107
Accrued superannuation	1,504
Accrued payroll tax	14,653
Accrued workers compensation	8,792
Accrued portable LSL	1,012
GST liability	80,525
Purchases made by Plumbfirst	240,000
Total	390,390
Net cash position	534,751
Made up of	
Cash at bank	215,892
Accounts receivable (pre-administration)	465,933
Total pre-appointment assets realised	681,825
Net trading position	(147,073)

Notes to the Income & Expenditure

Included in the trading position above is wages of \$44,445 that were outstanding on our appointment and were paid shortly after, thus reducing the priority claims for employees.

8.2.4 ELECFIRST

Income & Expenditure Statement	\$
Income	
Payroll Deductions	3,185
Sales	732,127
Cash At Bank	130,692
Total Receipts	866,005
Expenditure	
Transfer to First Action	167,974
Purchases - GST Free	7,316
Purchases - Parts and Supplies	155,530
Child support	230
Purchases - Supplies and Materials	2,520
Advertising	1,118
Bank Charges	24
Credit Card Merchant Fee	2,510
Superannuation	25,791
Wages & Salaries	261,831
Employee Reimbursements	4,992
Compliance certificates	2,430
Total Payments	632,265
Balance	233,740
Less: Accruals to be paid	
Unpaid purchase orders	3,670
Accrued wages and salaries	61,496
Accrued superannuation	6,218
Accrued payroll tax	17,767
Accrued workers compensation	10,660
GST liability (net)	56,460
Total accruals	156,271
Net cash position	77,468
LESS PRE-APPOINTMENT ASSETS	
Cash at bank	130,692
Total pre-appointment assets realised	130,692
Net trading loss	(53,224)

Notes to the Income & Expenditure

Included in the trading position above is wages of \$75,188 that were outstanding on our appointment and were paid shortly after, thus reducing the priority claims for employees.

8.2.5 BBL AUTO

Income & Expenditure Statement	\$
Income	
Sales	105,876
Cash At Bank	10,580
Total Income	116,457
Expenditure	
Purchases - Parts and Supplies	43,351
Bank Charges	12
Credit Card Merchant Fee	189
Superannuation	3,599
Wages & Salaries	47,121
Total Expenditure	94,271
Balance	22,185
Less: Accruals to be paid	
Accrued purchase orders	3,239
Accrued wages and salaries	10,453
Accrued superannuation	844
Accrued payroll tax	565
Accrued workers compensation	339
GST liability (net)	4,763
Total accruals	20,203
Net cash position	1,982
Less Pre-Appointment Assets	
Cash at bank	10,580
Total pre-appointment assets realised	10,580
Net trading position	(8,598)

Notes to the Income & Expenditure Statement

Included in the trading position above is wages of \$3,200 that were outstanding on our appointment and were paid shortly after, thus reducing the priority claims for employees.

8.2.6 PLUMBFIRST NSW

There was no income or expenditure for Plumbfirst NSW during the administration as the business has not traded.

The above information is a snapshot of the receipts and payments made to 31 May 2023 and does not represent a final outcome for creditors. Therefore, we recommend that the above information should be read in conjunction with Section 9 Return to Creditors so that creditors have a complete picture of the estimated outcome of the administration for each of the Companies.

8.3 SALE AND RESTRUCTURE OF THE GROUP'S BUSINESS AND ASSETS

Following our appointment and determining that it was in creditors interest to continue the Group's business, we placed advertisements in major Australian newspapers seeking expressions of interests for the purchase of the assets of the Companies on 18 April 2023. Offers were sought from interested parties to acquire the Companies' businesses and assets through either an asset purchase agreement or a restructure proposal (DOCA).

The Administrators received inquiries from 22 parties in response to the advertisements seeking expressions of interest. Confidentiality agreements were negotiated with interested parties. The Administrators set a date of 27 April 2023 to receive expressions of interest for the assets and /or businesses of the Companies.

On 27 April 2023, the Administrators issued an Information Memorandum to ten parties that had expressed interest in the acquisition of the Group's business and assets and/or submitting a proposal for a DOCA.

In anticipation of the of the sale of assets process, through the expression of interest campaign, the Administrators commissioned a valuation of the business and assets of the Companies. The Administrators also set up a virtual data room for successful parties to conduct further due diligence.

The Administrators set a date of 4 May 2023 by which the parties that received the Information Memorandum had to submit an indicative non-binding offers for the assets and businesses. By the close date the Administrators had received three indicative non-binding offers in response to the Information Memorandum.

From 5 May 2023, the three parties who had submitted indicative non-binding offers for the assets and businesses, were granted access to the virtual data room to conduct further due diligence in order to make final bids for the assets and the businesses of the Companies by 19 May 2023. The deadline to submit final offers was brought forward to midday on 15 May 2023.

On 15 May 2023, the Administrators determined that the offer made by AHSB for the business and assets of the Companies was the best offer in terms of what it would deliver to the creditors of the Companies, both in terms of a commercial return and in terms of certainty. The Administrators informed AHSB that it was the preferred bidder and a deposit of \$350,000 was paid to AHSB's solicitor's trust account.

To provide certainty as to the proposed transaction, the Administrators agreed a Corporation and Indemnity deed with ASHG that passed the risk of the businesses continuing to trade to the purchaser whilst the sale documents and DOCA proposal were agreed and executed. The Administrators continued to manage the Group's operations from this date, but any risk associated with the operations would be borne by ASHG.

On 22 June 2023, final DOCA proposals were received for Firststaction and BBL Auto and sale agreements were agreed for the sale of the business and assets of Plumbfirst, Comfyfirst, Elecfirst and Plumbfirst NSW to ASHG.

Illustrated below is the breakdown of the offer that was accepted totaling \$4,041,572 and how it will be allocated across the Group:

	Cash consideration (\$)	Employee priority entitlements assumed (\$)	Total consideration (\$)
Firstaction/BBL Auto	2,000,000	369,693	2,369,693
Plumbfirst	775,000	-	775,000
Comfyfirst	300,000	-	300,000
Elecfirst	500,000	-	500,000
Plumbfirst NSW	75,000	-	75,000
Total	3,650,000	369,693	4,019,693

The structure of the offer, that was agreed, was Firstaction and BBL Auto would receive a DOCA contribution and certain employee entitlements would be assumed by ASHG. Outstanding superannuation at 12 April 2023 will also be paid from the contribution.

Plumbfirst, Comfyfirst, Elecfirst and Plumbfirst NSW would receive cash to purchase the business and assets of these entities. There is no assumption of any employee priority entitlements for these entities. As a result, all employees were given notice of redundancy to take effect on 30 June 2023, the estimated completion date for the sale at which point they may be offered a new employment contract with ASHG.

09

RETURN TO CREDITORS

To provide creditors with sufficient information on which to make an informed decision on the future of each of the Companies we have prepared an Estimated Outcome Statement for each of the Companies comparing a high case scenario.

A DOCA proposal has been received for Firstaction and BBL Auto. The DOCA proposal is set out in detail in **Appendix D**. Creditors of these two companies can vote separately on whether to accept the DOCA proposal or alternatively, the creditors can vote to wind up the Companies. We have set out below the estimated outcome if creditors accept the DOCA proposal and compared to the likely outcome in liquidation.

No DOCA proposal has been received for Plumbfirst, Comfyfirst, Elecfirst or Plumbfirst NSW. The only available option is for the Companies to vote to wind up these Companies.

Illustrated below is a summary of the estimated outcome for priority (employee) creditors, shown as cents in the dollar, for each of the Companies:

	DOCA (cents/\$)	Liquidation High Case (cents/\$)	Liquidation Low Case (cents/\$)
Firstaction	100	79.3	8.7
Plumbfirst	N/A	100	57.9
Comfyfirst	N/A	100	100
Elecfirst	N/A	100	36.5
BBL Auto	100	Nil	Nil
Plumbfirst NSW	N/A	N/A	N/A

Illustrated below is a summary of the estimated outcome for ordinary unsecured creditors, shown as cents in the dollar, for each of the Companies:

	DOCA High Case (cents/\$)	Liquidation High Case (cents/\$)	Liquidation Low Case (cents/\$)
Firstaction	3.6	Nil	Nil
Plumbfirst	N/A	8.0	Nil
Comfyfirst	N/A	12.6	2.5
Elecfirst	N/A	1.8	Nil
BBL Auto	3.6	Nil	Nil
Plumbfirst NSW	N/A	26.2	Nil

Comments on the Estimated Outcome Statements

Firstaction and BBL Auto

The DOCA provides greater certainty for creditors in terms of timing of a dividend and it provides a better return than our calculations are estimating in a liquidation scenario.

Employee creditors do not have to do anything as their entitlements automatically roll over if employees vote to accept the terms of the DOCA proposal at the Eligible Employee Meeting, which will be held just prior to the Second Meeting.

Outstanding superannuation contributions will also be paid under the proposal.

Plumbfirst, Comfyfirst & Elecfirst

We have provided a broad range of outcome for the creditors of Plumbfirst due to the uncertain nature of the recoveries from pursuing preference payments and insolvent trading claims.

Creditors will be advised as to the progress of recoveries during liquidation and notified as and when any dividends will be paid.

Employees with unpaid entitlements are encouraged to make a claim to FEG as soon as the companies are placed into liquidation, if this occurs at the Second Meeting.

When a company is placed into liquidation, former employees who are owed employee entitlements may make a claim with the Attorney-General's office to be paid under the FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation. For further information on if you are eligible to apply or make an application, please visit www.ag.gov.au/industrial-relations/fair-entitlements-guarantee-feg.

Plumbfirst NSW

The purchaser has allocated some of the consideration to the NSW entity to ensure that all IP associated with the Plumbfirst brand is acquired. ASHG has previously taken over the operations in Sydney and employed some of the staff and the sale will include a change of name from Plumbfirst, Elecfirst and Comfyfirst thus removing any references to this company.

Pooling Application

The Companies were separate entities operating different businesses, from an accounting perspective, the Companies were effectively operated as one Group. Money regularly flowed across the Companies to fund the trading liabilities of each respective entity as and when required.

Accordingly, the Administrators/Liquidators consider that it may be appropriate that upon the liquidation of the Plumbfirst, Elecfirst, Comfyfirst and Plumbfirst NSW to make an application to Court to seek that all funds and creditors of the Companies be pooled. Based on the Administrators preliminary investigations this will result in a more equitable outcome for all creditors of the Companies but further investigation is required to determine the likely impact on creditors.

9.2 ESTIMATED OUTCOME STATEMENT FOR FIRSTACTION

	DOCA/Trust (\$000)	CVL High Case (\$000)	CVL Low case (\$000)
DOCA Contribution	2,000	2,000	2,000
Cash at Bank on appointment	11	-	-
Less: amounts owing to secured parties	(1,429)	(1,429)	(1,429)
Other Plant and Equipment	200	200	180
ATO Preference payments	N/A	366	Nil
Other preference payments	N/A	13	Nil
Insolvent trading/Director breaches	N/A	56	Nil
Total Assets	773	1,207	879
Costs			
Administrators' fees	(363)	(363)	(380)
Administrators' disbursements	(10)	(10)	(10)
Legal Fees	(40)	(40)	(45)
Trustees Fees	(75)	N/A	N/A
Trustees Disbursements	(1)	N/A	N/A
Liquidators Fees	N/A	(100)	(200)
Forensic imaging/IT back up	(6)	(6)	(6)
Data room	(2)	(2)	(2)
Liquidators' Legal Fees	N/A	(40)	(55)
Valuation Fees	(15)	(15)	(15)
Insurance	(46)	(46)	(46)
Total Costs	(558)	(622)	(687)
Assets available for priority creditors	215	585	64
Liabilities			
Priority Employee Claims			
Superannuation	(72)	(60)	(60)
Annual Leave and Leave Loading	Excluded	(198)	(198)
Long Service Leave	Excluded	(86)	(86)
PILN	Excluded	(84)	(84)
Redundancy	Excluded	(310)	(142)
Total Priority Employee Claims	(72)	(737)	(737)
Priority Creditors Dividend(c/\$)	100	79.3	8.7
Total assets available for unsecured creditors	532	Nil	Nil
Unsecured Creditor Claims			
Trade Creditors	(638)	(638)	(638)
ATO	(1,281)	(1,281)	(1,281)
Payroll tax	(2,012)	(2,025)	(2,012)
Total Unsecured Creditor Claims	(3,474)	(4,367)	(4,210)
Estimated dividend (c/\$)	3.6	Nil	Nil

Firstaction – Notes to the Estimated Outcome Statement

- The DOCA proposal as put forward by ASHG provides a better return to all classes of creditors.
- In Liquidation, preferential employees' creditors will not be paid in full and there will be no dividend to unsecured creditors.
- In Liquidation, the difference in the value of the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator.
- In Liquidation, the difference between the value of unsecured creditor claims is the ATO and SRO's claims, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- The State Revenue Office for Victoria has a cross claim against all Victorian companies. If the SRO receives a dividend from any of the Companies, it will reduce its claim by the corresponding amount.

9.3 ESTIMATED OUTCOME STATEMENT FOR PLUMBFIRST

	CVL High Case (\$000)	CVL Low case (\$000)
Sale of business and assets	775	775
Trading position	86	86
Cash at Bank on appointment	537	537
Trade Debtors	21	Nil
ATO Preference payments	1,063	Nil
Other preference payments	62	Nil
Insolvent trading/Director breaches	251	Nil
Total Assets	2,795	1,398
Costs		
Administrators' fees	(347)	(347)
Administrators' disbursements	(10)	(10)
Legal Fees	(55)	(55)
Liquidators Fees	(100)	(150)
Liquidators' Legal Fees	(50)	(35)
Forensic IT	(2)	(2)
Valuation Fees	(2)	(2)
Insurance	(10)	(10)
Total Costs	(575)	(610)
Assets available for priority creditors	2,219	788
Liabilities		
Priority Employee Claims		
Wages/RDO	(161)	(161)
Superannuation	(214)	(214)
Annual Leave and Leave Loading	(476)	(476)
Long Service Leave	(99)	(99)
PILN	(47)	(47)
Redundancy	(364)	(364)
Total Priority Employee Claims	(1,360)	(1,360)
Priority Creditors Dividend (cents in \$)	100	57.9
Total assets available for unsecured creditors	1,352	Nil
Unsecured Creditor Claims		
Trade Creditors	(1,991)	(1,991)
ATO	(6,769)	(5,706)
Payroll tax	(2,012)	(1,200)
Total Unsecured Creditor Claims	(10,772)	(9,709)
Estimated dividend (cents in \$)	8.0	Nil

Plumbfirst – Notes to the Estimated Outcome Statement

- The difference in the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator and the trade debtors, which may not be collectable given our comments in Section 6 about the debtors.
- In Liquidation, the difference between the value of unsecured creditor claims is the ATO and SRO's claims, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- The State Revenue Office for Victoria has a cross claim against all Victorian companies. If the SRO receives a dividend from any of the Companies, it will reduce its claim by the corresponding amount.
- The dividend available to preference creditors (100 cents in a High Case and 57.9 in a Low Case) will be dependant on recoveries from the voidable transactions.
- All related party debts will be eliminated as per the terms of the DOCA and the sale agreements.

9.4 ESTIMATED OUTCOME STATEMENT FOR COMYFIRST

	CVL High Case (\$000)	CVL Low case (\$000)
Sale of business and assets	300	300
Trading position	(170)	(170)
Cash at Bank on appointment	216	216
Trade Debtors	465	465
ATO Preference payments	287	Nil
Other preference payments	21	Nil
Insolvent trading/Director breaches	59	Nil
Total Assets	1,176	809
Costs		
Administrators' fees	(206)	(206)
Administrators' disbursements	(10)	(10)
Legal Fees	(40)	(30)
Liquidators Fees	(100)	(150)
Forensic IT	(2)	(2)
CVL Legal Fees	(45)	(50)
Valuation Fees	(2)	(2)
Insurance	(10)	(10)
Total Costs	414	459
Assets available for priority creditors	762	349
Liabilities		
Priority Employee Claims		
Wages/RDO	(44)	(44)
Superannuation	(67)	(67)
Annual Leave and Leave Loading	(81)	(81)
Long Service Leave	(21)	(21)
Redundancy	(48)	(48)
Total Priority Employee Claims	(260)	(260)
Priority Creditors Dividend (cents in \$)	100	100
Total assets available for unsecured creditors	502	90
Unsecured Creditor Claims		
Trade Creditors	(332)	(332)
ATO	(1,612)	(1,326)
Payroll tax	(2,032)	(2,012)
Total Unsecured Creditor Claims	(3,978)	(3,670)
Estimated dividend (cents in \$)	12.6	2.5

Comfyfirst – Notes to the Estimated Outcome Statement

- The difference in the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator.
- The difference between the value of unsecured creditor claims is the ATO and SRO's claims, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- The State Revenue Office for Victoria has a cross claim against all Victorian companies. If the SRO receives a dividend from any of the Companies, it will reduce its claim by the corresponding amount.
- In a High Case and Low Case, it is estimated the priority claims will be paid in full.
- All related party debts will be eliminated as per the terms of the DOCA and the sale agreements.

9.5 ESTIMATED OUTCOME STATEMENT FOR ELECFIRST

	CVL High Case (\$000)	CVL Low case (\$000)
Sale of business and assets	500	500
Trading position	(66)	(66)
Cash at Bank on appointment	131	131
ATO Preference payments	271	-
Insolvent trading/Director breaches	49	-
Total Assets	885	564
Costs		
Administrators' fees	(176)	(176)
Administrators' disbursements	(10)	(10)
Legal Fees	(30)	(35)
Liquidators Fees	(100)	(125)
Liquidators' Legal Fees	(40)	(45)
Valuation Fees	(2)	(2)
Insurance	(10)	(10)
Total Costs	370	404
Assets available for priority creditors	515	160
Liabilities		
Priority Employee Claims		
Wages/RDO	(48)	(48)
Superannuation	(56)	(56)
Annual Leave and Leave Loading	(134)	(134)
Long Service Leave	(19)	(19)
Redundancy	(182)	(182)
Total Priority Employee Claims	(439)	(439)
Priority Creditors Dividend (cents in \$)	100	36.5
Total assets/(shortfall) available for unsecured creditors	76	(249)
Unsecured Creditor Claims		
Trade Creditors	(607)	(607)
ATO	(1,546)	(1,275)
Payroll tax	(2,011)	(1,200)
Total Unsecured Creditor Claims	(4,164)	(3,893)
Estimated dividend (cents in \$)	1.8	Nil

Elecfirst – Notes to the Estimated Outcome Statement

- The difference in the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator.
- The difference between the value of unsecured creditor claims is the ATO and SRO's claims, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- The State Revenue Office for Victoria has a cross claim against all Victorian companies. If the SRO receives a dividend from any of the Companies, it will reduce its claim by the corresponding amount.
- In a High Case, it is estimated the priority claims will be paid in full but in a Low Case will receive a dividend of 36.5 cents/\$.
- All related party debts will be eliminated as per the terms of the DOCA and the sale agreements.

9.6 ESTIMATED OUTCOME STATEMENT FOR BBL AUTO

	DOCA/Trust (\$000)	CVL High Case (\$000)	CVL Low case (\$000)
DOCA Contribution	2,000	N/A	N/A
Cash at Bank on appointment	11	11	11
Less: amounts owing to secured parties	(1,429)		
Other Plant and Equipment	200	50	25
ATO Preference payments	N/A	64	
Insolvent trading/Director breaches	N/A	4	
Total Assets	773	128	36
Costs			
Administrators' fees	(363)	(76)	(76)
Administrators' disbursements	(10)	(10)	(10)
Legal Fees	(40)	(10)	(10)
Trustees Fees	(75)	N/A	N/A
Trustees Disbursements	(1)	N/A	N/A
Liquidators Fees	N/A	(25)	(35)
Forensic imaging/IT back up	(6)	(1)	(1)
Data room	(2)	(1)	(1)
Liquidators' Legal Fees	N/A	(5)	(10)
Valuation Fees	(15)	(2)	(2)
Insurance	(46)	(3)	(3)
Total Costs	(558)	(157)	(92)
Assets available for priority creditors	215	Nil	Nil
Liabilities			
Priority Employee Claims			
Superannuation	(72)	(12)	(12)
Annual Leave and Leave Loading	Excluded	(10)	(10)
Long Service Leave	Excluded	(5)	(5)
PILN	Excluded	(9)	(9)
Redundancy	Excluded	(19)	(19)
Total Priority Employee Claims	(72)	(55)	(55)
Priority Creditors Dividend(c/\$)	100	Nil	Nil
Total assets available for unsecured creditors	532	Nil	Nil
Unsecured Creditor Claims			
Trade Creditors	(638)	(95)	(95)
ATO	(1,281)	(3)	(3)
Payroll tax	(2,012)	(1,750)	(1,750)
Total Unsecured Creditor Claims	(3,474)	(2,110)	(2,110)
Estimated dividend (c/\$)	3.6	Nil	Nil

BBL Auto - Notes to the Estimated Outcome Statement

- The DOCA proposal as put forward by ASHG provides a better return to all classes of creditors.
- In Liquidation, preferential employees' creditors will not be paid in full and there will be no dividend to unsecured creditors.
- In Liquidation, the difference in the value of the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator.
- In Liquidation, the difference between the value of unsecured creditor claims is the ATO's claim, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- The State Revenue Office for Victoria has a cross claim against all Victorian companies. If the SRO receives a dividend from any of the Companies, it will reduce its claim by the corresponding amount.

9.7 ESTIMATED OUTCOME STATEMENT FOR PLUMBFIRST NSW

	CVL High Case (\$000)	CVL Low Case (\$000)
Sale of business / DOCA	75	75
ATO Preference payments	45	-
Insolvent trading/Director breaches	4	-
Total Assets	124	75
Costs		
Administrators' fees	(39)	(39)
Administrators' disbursements	(2)	(2)
Legal Fees	(5)	(5)
Liquidators Fees	(25)	(35)
Liquidators' Legal Fees	(5)	(10)
Data Room	(1)	(1)
Total Costs	(77)	(92)
Assets available for unsecured creditors	49	Nil
Unsecured Creditor Claims		
Trade Creditors	-	-
ATO	(124)	(79)
SRO*		
SRO NSW	(56)	(56)
Total Unsecured Creditor Claims	(179)	(134)
Estimated dividend (cents in the \$)	26.2	Nil

Plumbfirst NSW – Notes to the Estimated Outcome Statement

- The difference in the assets available for creditors is the voidable transaction recoveries, which are not certain at this stage and require further investigation by a Liquidator.
- The difference between the value of unsecured creditor claims is the ATO claim, which will increase if the Liquidator is successful in pursuing the recovery of the preference payments made in the relation back period.
- All related party debts will be eliminated as per the terms of the DOCA and the sale agreements.

10

STATEMENT BY THE ADMINISTRATORS

10.1 ADMINISTRATORS OPINION

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for each of the Companies for:

- the Administration to end;
- the company execute a DOCA; or
- the company to be wound up.

Each of these options is considered below separately but we summarise our recommendations in the following table:

	Administration to end	Execute a DOCA	Wind up the Company
Firstaction	×	√	×
Plumbfirst	×	×	√
BBL Auto	×	√	×
Elecfirst	×	×	√
Comfyfirst	×	×	√
Plumbfirst NSW	×	×	√

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

10.2 ADMINISTRATION TO END

Each of the Companies are insolvent and unable to pay all of its debts as and when they fall due.

Accordingly, it **would not be** in the creditors' best interests to resolve to end the administration and return control of the Companies to the Directors.

10.3 EXECUTE A DOCA

We have received a DOCA proposal for Firstaction and BBL Auto and it is our recommendation that creditors of these companies resolve to accept the terms of the DOCA proposals.

We are of the opinion that the return to creditors is likely to be greater under the proposed DOCA than in a liquidation scenario. We are also of the opinion that the proposed DOCA would provide a greater certainty of return, as well as continued employment for the Firstaction and BBL Auto employees. The acceptance of the proposed DOCA is also a condition to the sale of business agreements relevant to Plumbfirst, Comfyfirst, Elecfirst and Plumbfirst NSW which provides funds totaling \$1.65m to those administrations / liquidations for the benefit of creditors.

No DOCA proposal has been received for Plumbfirst, Comfyfirst, Elecfirst or Plumbfirst NSW, therefore, creditors cannot resolve to accept a DOCA proposal for these companies.

10.4 WIND UP THE COMPANY

At the date of this report, we are of the opinion that **it would be** in creditors' best interests for the following companies to be wound up and a liquidator(s) be appointed:

- Plumbfirst
- Comfyfirst
- Elecfirst; and
- Plumbfirst NSW.

At the date of this report, we do not consider that is in the creditors interest to wind up the following companies:

- Firstaction; and
- BBL Auto.

We note that our opinion has been prepared at the date of this report. In the event that we uncover further information which may materially alter the opinions expressed in this report prior to the forthcoming second meeting of creditors, we will issue an addendum to this report.

11

FURTHER INFORMATION AND QUERIES

The ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at www.asic.gov.au.

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration and we may, if appropriate, issue an addendum to this report.

Should you have any enquiries, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Yours faithfully



Alan Walker

Administrator

APPENDIX A – STATUTORY COMPANY INFORMATION

Statutory details for each of the Companies as extracted from ASIC's database at the time of our appointment are illustrated below:

Firstaction	
ACN	139 666 247
Incorporation date	25 September 2009
Registered address	K Partners Pty Ltd Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	Unit 1, 10 Hammer Court Hoppers Crossing VIC 3029
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 40 Ordinary Shares Joyce Ft Consultancy Services Pty Ltd – 60 Ordinary Shares

Plumbfirst	
ACN	606 165 173
Incorporation date	1 June 2015
Registered address	K Partners Pty Ltd Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	Unit 1, 10 Hammer Court Hoppers Crossing VIC 3029
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 40 Ordinary Shares Joyce Ft Consultancy Services Pty Ltd – 60 Ordinary Shares

Comfyfirst	
ACN	152 881 135
Incorporation date	26 August 2011
Registered address	Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	9 Fairbank Court Leopold VIC 3224
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 40 Ordinary Shares Joyce Ft Consultancy Services Pty Ltd – 60 Ordinary Shares

APPENDIX A – STATUTORY COMPANY INFORMATION

Elecfirst

ACN	606 391 048
Incorporation date	12 June 2015
Registered address	K Partners Pty Ltd Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	Unit 1, 10 Hammer Court Hoppers Crossing VIC 3029
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 40 Ordinary Shares Joyce Ft Consultancy Services Pty Ltd – 60 Ordinary Shares

Plumbfirst NSW

ACN	639 243 360
Incorporation date	20 February 2020
Registered address	K Partners Pty Ltd Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	Unit 6, 8 Jullian Close Banksmeadow NSW 2019
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 12 Ordinary Shares Joyce Ft Consultancy Services Pty Ltd – 12 Ordinary Shares

Bblautofirst

ACN	647 331 262
Incorporation date	21 January 2021
Registered address	K Partners Pty Ltd Suite 932, 1 Queens Road Melbourne VIC 3004
Principal place of business	Unit 1, 10 Hammer Court Hoppers Crossing VIC 3029
Director(s)	James Hetherington Michael Joyce
Shareholders(s)	Redwoods Gemini Investments Pty Ltd – 12 Ordinary Shares Joyce Ft Consulting Services Pty Ltd – 12 Ordinary Shares

Source: ASIC

APPENDIX A – STATUTORY COMPANY INFORMATION

Registered security interests

The PPSR discloses the following registered security interests on the PPSR over the Companies. We understand that the majority of the security interests relate to leased equipment (including motor vehicles) and the supply of goods and services. Details of the security interest holders are illustrated below:

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
201401220093916	Yes	Other Goods	METAL MANUFACTURES PTY LIMITED ACN 003 762 641	22/01/2014 14:41:45
201506300056733	Yes	Other Goods	FUJIFILM LEASING AUSTRALIA LTD ACN 001 419 807; FUJIFILM BUSINESS INNOVATION AUSTRALIA PTY LTD ACN 000 341 819	30/06/2015 11:42:44
201608110051718	Yes	Other Goods	COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971	11/08/2016 15:45:08
201608110051901	Yes	Motor Vehicle	COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971	11/08/2016 15:45:10
201706140042359	Yes	Other Goods	BOC LIMITED ACN 000 029 729	14/06/2017 13:59:53
201803270002939	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2018 04:55:10
201803270002941	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2018 04:55:14
201805010001574	Yes	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	01/05/2018 04:29:48
201808210001276	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	21/08/2018 04:41:44
201808210001282	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	21/08/2018 04:41:47
201902210033115	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/02/2019 12:32:39
201902210033284	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/02/2019 12:33:11
201902210033463	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/02/2019 12:33:42
201902270001651	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/02/2019 04:28:34
201902270001667	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/02/2019 04:28:37

APPENDIX A – STATUTORY COMPANY INFORMATION

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
201902270001679	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/02/2019 04:28:40
201908020026924	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	02/08/2019 11:39:10
201908020028686	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	02/08/2019 11:56:02
201910150042734	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	15/10/2019 14:20:35
201910150042752	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	15/10/2019 14:21:05
202001160011649	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	16/01/2020 09:33:02
202001160011665	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	16/01/2020 09:33:10
202001160011677	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	16/01/2020 09:33:17
202001160011704	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	16/01/2020 09:33:26
202001230016955	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	23/01/2020 10:41:53
202001230016964	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	23/01/2020 10:41:57
202001230016986	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	23/01/2020 10:42:05
202003270053793	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2020 15:15:29
202003270053835	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2020 15:15:39
202003270053888	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2020 15:15:50
202003270053944	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2020 15:15:58
202003270053971	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/03/2020 15:16:04

APPENDIX A – STATUTORY COMPANY INFORMATION

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
202006080019864	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	08/06/2020 13:47:14
202006080019872	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	08/06/2020 13:47:16
202006080019886	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	08/06/2020 13:47:18
202006080019903	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	08/06/2020 13:47:19
202006080019919	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	08/06/2020 13:47:21
202006110070146	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	11/06/2020 23:44:34
202006110070151	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	11/06/2020 23:45:48
202006110070167	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	11/06/2020 23:50:14
202006110070179	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	11/06/2020 23:53:37
202006230057408	Yes	Other Goods	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	23/06/2020 15:08:44
202007090019595	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	09/07/2020 11:19:20
202007090019609	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	09/07/2020 11:19:20
202007090019613	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	09/07/2020 11:19:20
202007090019621	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	09/07/2020 11:19:21
202007100012601	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	10/07/2020 09:58:59
202008140041821	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	14/08/2020 15:25:29
202008140042154	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	14/08/2020 15:26:14
202009140010785	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	14/09/2020 10:13:16
202011110015751	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	11/11/2020 10:45:15
202011110015767	Yes	Motor Vehicle	MACQUARIE LEASING PTY LTD ACN 002 674 982	11/11/2020 10:45:15
202101040023466	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	04/01/2021 14:26:55

APPENDIX A – STATUTORY COMPANY INFORMATION

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
202101040023478	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	04/01/2021 14:26:57
202101290028895	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	29/01/2021 11:28:21
202102120054064	Yes	Other Goods	METRO FINANCE PTY LIMITED ACN 600 674 093	12/02/2021 16:06:34
202103170044307	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	17/03/2021 15:08:16
202104270056338	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	27/04/2021 16:48:53
202104270056611	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	27/04/2021 16:51:40
202104280051031	Yes	Motor Vehicle	COMMONWEALTH BANK OF AUSTRALIA ACN 123 123 124	28/04/2021 14:13:41
202105240019027	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	24/05/2021 11:28:31
202105260072181	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	26/05/2021 17:28:41
202105280005267	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	28/05/2021 08:52:02
202106210063942	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	21/06/2021 16:08:27
202106280081206	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	28/06/2021 16:32:01
202107160028137	Yes	Other Goods	FLEXICOMMERCIAL PTY LTD ACN 644 644 860	16/07/2021 12:05:53
202108300057515	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	30/08/2021 15:14:09
202109300071850	Yes	Motor Vehicle	WESTPAC BANKING CORPORATION ACN 007 457 141	30/09/2021 15:49:33
202111230019296	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	23/11/2021 11:03:36
202111230019306	No	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	23/11/2021 11:03:36
202111230019644	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	23/11/2021 11:07:54
202111230019659	No	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	23/11/2021 11:07:54
202111230024472	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03
202111230024486	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03

APPENDIX A – STATUTORY COMPANY INFORMATION

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
202111230024493	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03
202111230024504	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03
202111230024515	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03
202111230024527	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	23/11/2021 11:52:03
202201150014630	Yes	Motor Vehicle	VOLKSWAGEN FINANCIAL SERVICES AUSTRALIA PTY LIMITED ACN 097 071 460; ARBN 20 097 071 460	15/01/2022 10:08:40
202202160045132	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	16/02/2022 14:52:07
202202160045145	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	16/02/2022 14:52:07
202202160045150	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	16/02/2022 14:52:07
202205190014708	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	19/05/2022 10:14:40
202205190018923	Yes	Motor Vehicle	PEPPER ASSET FINANCE PTY LTD ACN 165 183 317	19/05/2022 10:48:18
202206010004700	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	01/06/2022 08:52:02
202208250076402	Yes	Motor Vehicle	MERCEDES-BENZ FINANCIAL SERVICES AUSTRALIA PTY LTD ACN 074 134 517	25/08/2022 18:28:39
202209210020436	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/09/2022 10:28:35
202209210020594	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/09/2022 10:30:17
202209210021039	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	21/09/2022 10:31:23
202209290049879	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	29/09/2022 14:00:19
202209290049880	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	29/09/2022 14:00:19
202209290049898	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	29/09/2022 14:00:19
202210060055102	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	06/10/2022 16:45:12
202210170046144	Yes	Motor Vehicle	BOQ EQUIPMENT FINANCE LIMITED ACN 008 492 582	17/10/2022 15:00:25

APPENDIX A – STATUTORY COMPANY INFORMATION

Firstaction				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
202301190024295	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	19/01/2023 11:55:06
202301190024314	Yes	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	19/01/2023 11:55:11
202301300034318	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	30/01/2023 13:37:43
202301300034341	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	30/01/2023 13:37:49
202304030030623	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:06:52
202304030030741	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:08:42
202304030030889	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:11:38
202304030031391	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:17:22
202304030031520	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:18:40
202304030031614	Yes	Motor Vehicle	METRO FINANCE PTY LIMITED ACN 600 674 093	03/04/2023 13:19:40
202304270060166	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/04/2023 14:47:27
202304270061131	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/04/2023 14:52:19
202304270061652	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/04/2023 14:55:31
202304270062026	No	Motor Vehicle	CAPITAL FINANCE AUSTRALIA LIMITED ACN 069 663 136	27/04/2023 14:59:37

APPENDIX A – STATUTORY COMPANY INFORMATION

Plumbfirst

A search of the PPSR recorded 4 registrations for the following parties.

Plumbfirst				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
201601140046175	Yes	Other goods	TradeLink Pty Ltd	14/01/2016 15:58:32
201609070048735	Yes	Motor vehicle	Wilmac Nominee Pty Ltd	07/09/2016 14:54:06
201609070048859	Yes	Other goods	Wilmac Nominee Pty Ltd	07/09/2016 14:55:22
201704240057417	Yes	Other goods	Hydronic Systems (Australia) Pty Ltd	24/04/2017 14:53:25
202303060042063	Yes	Other goods	Accelerated Concrete Sawing Pty Ltd	06/03/2023 15:16:06

Comfyfirst				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
201702090054230	Yes	Other goods	Reece Australia Pty Ltd Actrol Parts Pty Ltd A.C. Components Pty Ltd Viadux Pty Ltd	09/02/2017 15:39:58
202103220052209	Yes	Other goods	Actron Engineering Pty Ltd	22/03/2021 15:15:06

Elecfirst				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
201507100052403	Yes	Other goods	Metal Manufactures Pty Ltd	10/07/2015 15:09:58
201601150004411	Yes	Other goods	Middendorp Electric Co Pty Ltd	15/01/2016 08:54:43
201810180024514	Yes	Other goods	Solarhart Industries Pty Ltd	18/10/2018 11:13:37
201902010012989	Yes	Other goods	Rheem Australia Pty Ltd	01/02/2019 10:34:10
202007060028589	Yes	Other goods	R & R Electrical Wholesalers Pty Ltd	06/07/2020 13:06:30

APPENDIX A – STATUTORY COMPANY INFORMATION

BBL Auto				
Registration Number	PMSI	Collateral Class	Secured Party	Date of Registration
202103290017998	Yes	Other goods	Lubricon Hydrive Pty Ltd	29/03/2021 11:15:06
202209260052350	Yes	Other goods	Perkal Pty Ltd	26/09/2022 16:16:21

Plumbfirst NSW

No security interests are registered against Plumbfirst NSW.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

FIRSTACTION

Detailed below is our analysis of the Group's financial statements for FY19 to YTD. The financial information recorded for FY19 to FY22 has been extrapolated from the Group's external financial statements prepared by the Group's accountant. The information recorded for the YTD period has been extrapolated from the MYOB management accounts maintained by the companies within the Group and have not been reviewed or reconciled by an external accountant.

We confirm that we have not performed an audit of the information contained in the financial statements and management accounts below and are unable to attest to the accuracy of the information presented. We have outlined the financial information from the source it was obtained and have provided our commentary based on that information as well as our review and discussions with the Directors and Management.

FIRSTACTION – BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD (\$000)
Current assets	302	2,628	6,247	5,408	(3,616)
Non-current assets	2,170	2,453	1,954	1,600	4,020
Total assets	2,473	5,081	8,201	7,008	405
Current liabilities	2,587	5,515	10,779	11,221	1,968
Non-current liabilities	1,418	1,874	1,531	1,313	1,513
Total liabilities	4,005	7,388	12,310	12,534	3,481
Net assets	(1,532)	(2,307)	(4,109)	(5,527)	(3,077)

- Firstaction recorded a net asset deficiency at all dates examined.
- Firstaction's major asset is accounts receivable (totalling \$25M) which is largely made up of related party loans owed by other entities within the Group. Based on our review of the management accounts it appears that these loans are offset by a 'cash at bank' account in the name of the respective debtor entities. We have been advised by management that these accounts are not currently reconciled and accordingly, the net inter-company loan position is subject to change. Detailed in section 6 of this report is a summary of the net intercompany loan position per a loan matrix report provided by management which is said to be a summary of the Group's reconciled inter-company loan position.
- Having regard to the nature of Firstaction's business (i.e. acting as a cost centre for the Group), it should not record a net asset deficiency position, as all liabilities are to be on charged to other entities within the Group.
- Prior to the payment of a dividend to creditors a Deed Administrator or Liquidator, should one be appointed, would look to reconcile the Group's inter-company loan position.
- Firstaction's management accounts record a book value of plant and equipment totalling c.\$1.8M as at 12 April 2023. As detailed in section 6 of this report, Pickles have assessed the ERV of this class of asset totalling between \$3.4M and \$2.5M (including the assets of Plumbfirst) before realisation costs and amounts owing under finance agreements. As detailed earlier in this report, these assets are subject to the proposed restructuring plan put forward by AHSB.
- Firstaction's largest liabilities are to the ATO (GST and PAYG), SRO (payroll tax).

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

FIRSTACTION – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY19 TO DATE

	FY19	FY20	FY21	FY22	YTD
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Revenue	10,057	12,515	14,996	12,991	9,640
Cost of sales	-	-	-	-	528
Gross profit	10,057	12,515	14,996	12,991	9,112
Operating expenses	9,577	12,472	15,323	13,253	8,404
Operating profit	480	43	(327)	(262)	709
Other income	-	-	-	-	43
Other expenses	136	4	(100)	-	2
Net profit / (loss)	345	39	(227)	(262)	750

- Firstaction recorded a profit totalling \$749k for the period 1 July 2022 to 12 April 2023, following losses totalling \$226k and \$262k for FY21 and FY22, respectively.
- For an asset and service entity that did not generate its own income you would expect the profit and loss situation to be neutral at the end of the each year as all costs should be allocated to the trading entities within the Group.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

PLUMBFIRST

BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	2,671	4,389	7,772	9,252	4,251
Non-current assets	13	7	4	2	337
Total assets	2,684	4,396	7,776	9,254	4,588
Current liabilities	2,520	3,961	8,139	10,612	60,583
Non-current liabilities					(50,136)
Total liabilities	2,520	3,961	8,139	10,612	10,447
Net assets	165	435	(363)	(1,358)	(5,859)

- **Net assets:** Plumbfirst recorded a net asset deficiency as at 30 June 2021, 30 June 2022 and as at 12 April 2023.
- **Accounts receivable:** following our appointment we analysed the recoverability of the PlumbFirst's accounts receivable having regard the nature of the company's business (i.e. paid on completion of work). Upon review of the accounts and discussions with Management, the accounts receivable ledger appears to be overstated as it has largely been treated as a work in progress account/sales book, recording the value of future work that has been booked, however not performed and / or relates to finalised matters that the company has been paid for and not appropriately reconciled. Based on our review, we estimate that only a small portion of this amount is a genuine debt that may be collectible. Further details concerning this asset can be found in section 6 of this report.
- **Cash at bank / Intercompany loans:** the accounts record cash at bank totalling c.(\$20.454M). Based on our review of the management accounts, it appears that the company has recorded loans to other entities within the Group as cash at bank (representing c.\$19.4M of the YTD cash at bank account detailed above). We understand from discussions with Management that Plumbfirst would provide regular loans to the Group which would in turn be offset by management invoices subsequently raised at month end. These management invoices are recorded in the accounts payable account (representing c.\$29,945M of the YTD trade payables account detailed above).

Considering the above, it appears that the net inter-company loan position is approximately \$2.1M in Plumbfirst's favour (based on the management accounts). Having regard to the status of the Group (i.e. all companies being subject to external administration) this net loan in Plumbfirst's favour does not appear to be recoverable, and will be subject to any dividend payable by a Liquidator / Deed Administrator.

Notwithstanding the above, the directors have provided us with an inter-company loan matrix which discloses a different amount owing. Accordingly, the accounts are subject to change.

- **Statutory liabilities:** as illustrated above, Plumbfirst's tax liabilities (GST, PAYG and Payroll tax) has increased from \$1.3M to \$8M over FY20 to YTD. To date, the ATO has submitted a claim in the Administration totalling \$5,698,692.54.
- **Accounts payable:** having regard to the comments made in the cash at bank section above, the company's trade creditors account presented in the year to date management accounts has not been appropriately reconciled. After adjusting this account for related entity loans / management fees, a balance totalling c.\$1,857M appears owing to unrelated trade creditors (based on the accounts).

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

- Having regard to the claims received in the Administration to date, Tradelink and AAD are the company's major unsecured creditors with claims totalling \$758k and \$852k respectively.
- **Current ratio:** the current measures whether a company has enough current assets to meet its current liabilities. A current ratio of less than 1.0 is an indicator that a company does not have sufficient assets to meet its due and payable liabilities. Based on the Plumbfirst's balance sheets above, the company did not maintain a current ratio more than 1.0 at any date examined. The current ratio is illustrated in **Appendix C** of this report.
- **Plant and equipment:** the accounts record a book value of plant and equipment totalling c.\$331k as at 12 April 2023. Pickles valued the assets of the Group on a Fair Market Value at \$3.3m and a Forced Liquidation Value at \$2.5m. These assets are subject to the proposed DOCA / sale of business to AHSG.
- Plumbfirst's largest liabilities are to the ATO concerning unpaid GST and PAYG, which have accumulated over a number of years.

PLUMBFIRST – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	20,808	26,091	26,463	24,528	17,256
Cost of sales	5,488	6,983	6,798	5,774	4,908
Gross profit	15,320	19,108	19,665	18,754	12,348
Operating expenses	15,509	19,338	21,430	22,399	14,819
Operating profit	(189)	(230)	(1,765)	(3,646)	(2,472)
Other income	664	601	838	2,651	38
Other expenses	118	100	(128)	-	-
Net profit / (loss)	357	271	(799)	(995)	(2,434)

- Plumbfirst recorded net trading losses during FY21 and FY22 totalling \$798k and \$994k, respectively and a trading loss of \$2.4M for YTD.
- Plumbfirst recorded a gross profit margin of between 72% and 76% over the periods examined. Whilst the company recorded a strong gross profit margin, it is noted that the accounts do not record direct labour costs and certain other expenses as a cost of sales items.
- Plumbfirst's revenue remained consistent between \$24.5M and \$26.5M over FY20 to FY22. This corroborates with the Directors' assertions that the company did not suffer a significant decline in revenue during the years relating to COVID-19 lockdowns. Management has indicated that the company's sales volume remained mostly unaffected over this period due to its surplus staff headcount.
- Plumbfirst's major expense items were wages and salaries and management fees, representing 43% and 45%, respectively of total expenses during FY22. Management fees are charged by Firstaction for shared Group expenditure such as motor vehicles, fuel, back office staff, advertising and rent.
- Based on our review of Plumbfirst's records, it appears that the company was funding its losses primarily through the non-payment of statutory liabilities (i.e. PAYG, GST and payroll tax) and then trade creditors.
- We have not been made aware of any extraordinary expense items over the periods examined.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

COMFYFIRST

BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	1,266	2,628	1,541	9,091	12,292
Non-current assets	20	20	20	20	74
Total assets	1,286	2,648	1,561	9,111	12,366
Current liabilities	1,322	2,467	1,458	9,027	10,689
Non-current liabilities					
Total liabilities	1,322	2,467	1,458	9,027	10,689
Net assets	(36)	181	103	84	1,677

- **Net assets:** Comfyfirst recorded a net asset surplus as at 30 June 2021, 30 June 2022 and as at 12 April 2023. Notwithstanding this position, the accounts record related party loans owed by other companies within the Group (reflected in intercompany receivable for FY22 and cash at bank for YTD). The value of these asset loan accounts as at those dates totals c.\$8.337M and c.\$10.674M respectively and accordingly, if accounted for based on recoverability, Comfyfirst would have recorded net asset deficiencies since at least FY21.
- Comfyfirst's major assets as at 12 April 2023 comprise accounts receivable and intercompany receivables totalling c.\$1.648M and cash at bank totalling \$10.7M.
- **Accounts receivable:** similar to the comments made in Plumbfirst above, the accounts receivable ledger appears to be unreconciled. Accordingly, we estimate the true value of the Company's accounts receivable to be \$465k of the recorded book value. This amount represents works completed under the company's contract with Housingfirst. Further details concerning this asset can be found in section 6 of this report.
- **Cash at bank:** the management accounts record cash at bank totalling c.\$10.7M as at 12 April 2023. Based on our enquiries to date, the actual value of cash at bank held by Comfyfirst as at 12 April 2023 totalled \$216k, see section 6 for further details.

Similar to the comments made in Plumbfirst above, Comfyfirst has recorded loans to other entities within the Group against 'cash at bank accounts' which have not been appropriately offset against intercompany invoices owed by the company which were raised subsequent to the company transferring funds. Accordingly, the Company accounted for these transfers in its trade creditor accounts which totals \$10.688M (of this amount, c.\$9M relates to inter-company loans) as at 12 April 2023. The company's bank accounts would then be offset against the trade payables (related parties) account.

- **Statutory liabilities:** Comfyfirst's tax liabilities (GST, PAYG and Payroll tax) has increased from nil to \$1.4M over FY21 to YTD. To date, the ATO has submitted a claim in the Administration totalling \$1,325,559.
- Based on our investigations it appears that the company accrued these tax losses to assist with financing trading losses within the Group.
- **Accounts payable:** having regard to the comments regarding Cash at Bank above the company's year to date management accounts have not been correctly reconciled. Accordingly, the value of the company's trade payables account is c.\$1.6M, when eliminating related party loans / transactions – per the management accounts.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

- **Plant and equipment:** the accounts record a book value of plant and equipment totalling c.53k as at 12 April 2023. We have not been made aware of any material plant and equipment held by Comfyfirst during our appointment.
- Comfyfirst's largest liabilities are to the ATO concerning unpaid GST and PAYG totalling \$1,325,559.

COMFYFIRST – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	6,636	7,268	7,975	8,474	6,812
Cost of sales	2,357	2,929	3,076	4,347	3,255
Gross profit	4,279	4,339	4,899	4,127	3,558
Operating expenses	3,901	4,261	5,272	4,360	3,103
Operating profit	378	77	(374)	(233)	454
Other income	74	200	257	214	53
Other expenses	2	61	(39)		
Net profit / (loss)	450	217	(78)	(19)	507

- Comfyfirst recorded net trading losses in the periods ending 30 June 2021 and 30 June 2022 totalling \$78k and \$19k, respectively. The company recorded a net profit \$507k for YTD.
- Comfyfirst recorded a gross profit margin of between 60% and 61% over FY20 and FY21, respectively. Comfyfirst experienced a decline in gross profit margin during FY22 and YTD of 49% and 52% respectively. Based on our review of the accounts, it appears that the decline in gross profit margin is attributable to rising costs of supplies and materials without a corresponding increase in revenue – with the increase in costs not being passed onto customers.
- Whilst the company recorded a strong gross profit margin, the accounts do not record direct labour costs as a cost of sales item.
- Comfyfirst's revenue grew by 9.7% and 6.37% over FY21 and FY22.
- This corroborates with the Directors' assertions that the company's revenue did not decline during the years relating to COVID-19 lockdowns. Similar to Plumbfirst, management has indicated that the company's sales volume remained largely unaffected over this period due to its surplus staff headcount.
- Comfyfirst's major expenses items were wages and salaries and management fees, representing 51% and 34% of total expenses during FY22. We note that management fees are charged to Comfyfirst by Firststaction for shared Group costs such as motor vehicles, fuel, back office staff, advertising and rent.
- We have not been made aware of any extraordinary expense items over the periods examined.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

ELECFIRST

BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	965	1,427	2,004	1,896	4,993
Non-current assets	-	-	-	-	-
Total assets	965	1,427	2,004	1,896	4,993
Current liabilities	1,044	1,399	1,973	2,203	6,086
Non-current liabilities	-	-	-	-	-
Total liabilities	1,044	1,399	1,973	2,203	6,086
Net assets	(79)	28	31	(307)	(1,093)

- **Net assets:** based on the books and records, Elecfirst recorded a net asset surplus as at 30 June 2020, 30 June 2021. The company subsequently recorded a net asset deficiency totalling \$306k and \$1.093M as at 30 June 2022 and 12 April 2023.
- Elecfirst's major assets as at 12 April 2023 comprise account receivable and intercompany receivables totalling \$193k and \$5.157M, respectively.
- **Accounts receivable:** similar to the comments made in Plumbfirst above, this account appears to be unreconciled. Accordingly, we estimate that only a small portion of this amount is a genuine debt that may be collectible. Further details concerning this asset can be found in section 6 of this report.
- **Cash at bank:** the management accounts record cash at bank totalling c.(\$408k) as at 12 April 2023. Based on our enquiries to date, the actual value of cash at bank held by Elecfirst as at 12 April 2023 totalled \$131k, see section 6 for further details.
- Similar to the comments made in the Plumbfirst section above, the company's management accounts have not been appropriately reconciled to adjust for management fees paid to other entities within the Group. Accordingly, the related party cash at bank accounts are treated to be offset against trade payables which contains management fees.
- **Statutory liabilities:** Elecfirst's tax liabilities (GST, PAYG and Payroll tax) has increased from nil to \$1.4M over FY21 to YTD. Based on our investigations it appears that the company accrued these tax losses to assist with financing trading losses within the Group.
- **Accounts payable:** having regard to the comments regarding cash at bank above the company's year to date management accounts have not been correctly reconciled. Accordingly, the value of the company's trade payables account is c.\$385k, when eliminating related party loans / transactions. Based on our enquiries to date, the value of known unrelated trade payables totals
- Elecfirst's largest liabilities are to the ATO concerning unpaid GST and PAYG.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

ELECFIRST – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY19 TO DATE

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	5,384	6,457	7,411	6,626	4,446
Cost of sales	1,435	1,737	2,145	2,042	1,535
Gross profit	3,949	4,719	5,266	4,584	2,911
Operating expenses	3,660	4,787	5,432	5,081	3,609
Operating profit	289	(67)	(167)	(497)	(698)
Other income	109	198	153	159	15
Other expenses	-	-	-	-	-
Net profit / (loss)	398	130	(13)	(338)	(683)

- Elecfirst recorded net trading losses during FY21, FY22 and YTD totalling \$13k, \$338k and \$683k, respectively. The company recorded a net profit totalling \$130k for FY20.
- Elecfirst's gross profit margin has reduced from 73% in FY20 to 65% in YTD. Based on our review of the accounts, it appears that the decline in gross profit is attributable to rising costs of supplies and materials without a corresponding increase in revenue. This is consistent with the Directors assertions detailed at section 4.
- Whilst the company recorded a strong gross profit margin, the accounts do not record direct labour costs as a cost of sales item.
- The company's revenue grew by 9.7% and 6.37% over FY21 and FY22. This corroborates with the Directors' assertions that the company did not suffer a significant decline in revenue during the years relating to COVID-19 lockdowns. Similar to the comments made in Plumbfirst, management has indicated that the company's sales volume remained largely unaffected over this period due to its surplus staff headcount.
- The company's major expenses items were wages and salaries and management fees, representing 51% and 34% of total expenses during FY22. We note that management fees are charged to Elecfirst by Firstaction for share Group costs such as motor vehicles, back office staff, advertising and rent.
- We have not been made aware of any extraordinary expense items over the periods examined.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

BBL AUTO – BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

	FY21 (\$000)	YTD22 (\$000)	YTD23 (\$000)
Current assets	95,988	153,326	75,665
Non-current assets	-	-	18,450
Total assets	95,988	153,326	94,115
Current liabilities	140,525	155,487	218,622
Non-current liabilities	-	-	-
Total liabilities	140,525	155,487	218,622
Net assets	(44,537)	(2,161)	(124,508)

- **Net assets:** BBLautofirst recorded a net asset deficiency as at all dates examined.
- **Accounts receivable:** similar to the comments made in Plumbfirst above, this account appears to be unreconciled. Accordingly, we estimate the true value of the Company's accounts receivable to be approximately 1% of the recorded book value. Further details concerning this asset can be found in section 6 of this report.
- **Cash at bank:** the management accounts record cash at bank totalling c.\$6k as at 12 April 2023. Based on our enquiries to date, the actual value of cash at bank held by BBLautofirst as at 12 April 2023 totalled \$10,580, see section 6 for further details.
- **Plant and equipment:** the management accounts record motor vehicle and workshop equipment with a written down book value of nil and c.\$18.5k, respectively. See section 6 of this report for further comments concerning the realisable value of these assets.
- **Accounts payable:** BBLautofirst's major creditors per the management accounts are Firstaction Group and M J Property, being related parties. The claims total c.\$63k and 50k, respectively. Based on our discussions with the Director, BBLautofirst is indebted to Firstaction Group for overhead costs such as rent, electricity, back-office etc.
- **Statutory liabilities:** BBLautofirst recorded tax liabilities (GST, PAYG and Payroll tax) totalling \$33k as at 12 April 2023.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

BBL AUTO – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY19 TO DATE

	FY21 (\$000)	YTD22 (\$000)	YTD23 (\$000)
Revenue	246	1,131	808
Cost of sales	134	601	392
Gross profit	111	531	416
Gross profit margin	45%	47%	51%
Operating expenses	156	487	482
Operating profit	(45)	44	(66)
Other income	-	-	-
Other expenses	-	2	-
Net profit / (loss)	(45)	42	(66)

- BBLautofirst recorded net trading losses during FY21, and YTD totalling \$45k and \$66k, respectively. The company recorded a net profit totalling \$42k for FY20.
- BBLautofirst gross profit margin increased from 45% in FY21 to 51% in YTD.
- The company's major expenses items were wages and salaries and rent (paid by Firstaction Group), representing 54% and 13% of total expenses during YTD.
- We have not been made aware of any extraordinary expense items over the periods examined.

APPENDIX B – HISTORICAL FINANCIAL INFORMATION

PLUMBFIRST NSW

BALANCE SHEETS FOR THE PERIOD FROM FY19 TO DATE

As detailed earlier in this report, Plumbfirst NSW ceased trading in January 2023.

We have been advised by Management, the Plumbfirst NSW's management accounts have not been reconciled at the time of our appointment, and accordingly we are unable to provide any commentary. Detailed below are the company's balance sheet and profit and loss as extracted from the management accounts – for illustrative only.

	YTD22 (\$000)	YTD23 (\$000)
Current assets	2,007	2,778
Non-current assets	-	-
Total assets	2,007	2,778
Current liabilities	76	99
Non-current liabilities	-	-
Total liabilities	76	99
Net assets	1,931	2,679

- Current assets comprise of intercompany loans to various entities within the Group. We note that these loan accounts have not been reconciled and accordingly, we are unable to comment.

PLUMBFIRST NSW – PROFIT AND LOSS STATEMENTS FOR THE PERIOD FROM FY22 TO DATE

	YTD22 (\$000)	YTD23 (\$000)
Revenue	1,947	925
Cost of sales	405	2
Gross profit	1,946	922
Operating expenses	16	174
Operating profit	1,931	748
Other income	-	-
Other expenses	-	-
Net profit / (loss)	1,931	748

- As illustrated above, Plumbfirst NSW recorded revenue totaling \$1.9M and \$925k during FY22 and YTD.
- The management accounts do not record any expense accounts.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

FIRSTACTION

Based on our preliminary review, in our view the Company was insolvent since **at least** 30 September 2022, which is based on the information set out below.

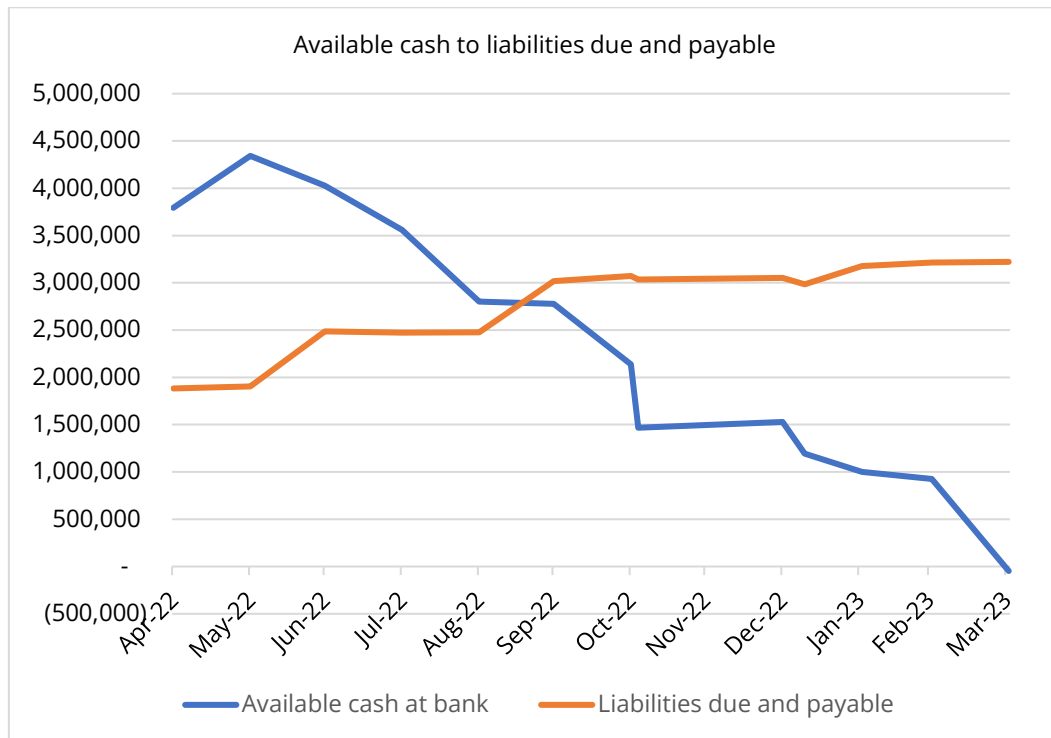
Cash flow analysis

We have analysed the Company's cash to creditor position for the period 30 April 2022 to 12 April 2023. Our analysis is based on the following information:

- Available cash at bank is the total month-end balance held in the Company's ANZ bank accounts:
 - ANZ Business Classic (BSB / Account number: 013-247 / 5263-34726)
 - ANZ Online Saver (BSB / Account number: 013-247/ 5263-37396)

- Liabilities due and payable comprises:
 - BAS debts extracted from the Company's ATO running balance account statement
 - Payroll tax liabilities extracted from the statutory demand issued by State Revenue Office Victoria on 21 February 2023
 - Trade liabilities and credit card liabilities as extracted from the Company's management accounts.

Following is a graph illustrating the deficiency of available cash to meet its liabilities:



It appears the Company held insufficient cash at bank to satisfy its statutory liabilities from 30 September 2022 onwards.

The Company appears to have held sufficient physical assets (i.e., motor vehicles, plant and equipment) to meet its statutory liabilities, however the assets are highly illiquid and unable to be easily converted to cash without significantly discounting the price.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Net asset deficiency

The Company's balance sheets recorded net asset deficiencies as at the below dates:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD (\$000)
Current assets	302,483	2,627,946	6,247,386	5,408,004	(3,615,733)
Non-current assets	2,170,050	2,452,766	1,953,888	1,599,502	4,020,276
Total assets	2,472,533	5,080,712	8,201,274	7,007,506	404,543
Current liabilities	2,586,936	5,514,703	10,779,243	11,221,411	1,968,153
Non-current liabilities	1,417,731	1,873,508	1,530,826	1,312,989	1,513,083
Total liabilities	4,004,667	7,388,211	12,310,069	12,534,400	3,481,236
Net assets	(1,532,134)	(2,307,499)	(4,108,795)	(5,526,894)	(3,076,693)

Current ratio

The current ratio examines a company's ability to access funds in the short term from current or "liquid" assets to meet short term liabilities. An ongoing current ratio of less than one (1.0) indicates that a company has not maintained sufficient assets to meet the day-to-day obligations of creditors, and that it may be insolvent.

We have not included analysis of each for the Companies current ratios on a standalone basis because related party balances were recorded in current assets, which results in an inaccurate recording of the current ratio.

Trading performance

The Company recorded trading losses in FY21 and FY22 as illustrated below:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD (\$000)
Revenue	10,057	12,515	14,996	12,991	9,640
Cost of sales	-	-	-	-	528
Gross profit	10,057	12,515	14,996	12,991	9,112
Operating expenses	9,577	12,472	15,323	13,253	8,404
Operating profit	480	43	(327)	(262)	709
Other income					43
Other expenses	136	4	(100)	-	2
Net profit / (loss)	345	39	(227)	(262)	750

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow.

ATO

The ATO has submitted a claim totalling \$1,281,479, which is Firstaction's running balance account deficit debt. The Company has operated with a running balance account deficit from May 2020. These debts have continued to increase to the date of Administration, notwithstanding intermittent payments to reduce the debts.

State Revenue Office Victoria (SRO)

SRO issued a creditors' statutory demand to the Company on 21 February 2023 for payment of debts totalling \$1,498,377. The debts comprise outstanding payroll tax liabilities from June 2021 to November 2022 and interest charges.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements concerning the quarter ended 31 March 2023 and the period from 1 April 2023 to 12 April 2023
- Income tax return concerning YTD23 (i.e. period 1 July 2022 to 12 April 2023)
- Single touch payroll finalisation declaration concerning YTD23
- Taxable payment annual report concerning YTD23.

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

Date	Amount \$
13/07/2018	297,426
10/01/2019	144,967
11/06/2019	145,456
15/01/2021	715,610
6/12/2021	1,323,938
10/01/2022	1,332,607
9/03/2022	1,347,101
11/04/2022	1,211,675
8/06/2022	1,164,043
13/07/2022	1,137,819
27/03/2023	1,267,859

Special arrangements with selected creditors

The Company entered into a payment arrangement with the ATO on 8 November 2022 and subsequently defaulted on this arrangement on 6 March 2023. The Company's accountants (K Partners) also wrote to SRO on 20 March 2023 to arrange a payment plan.

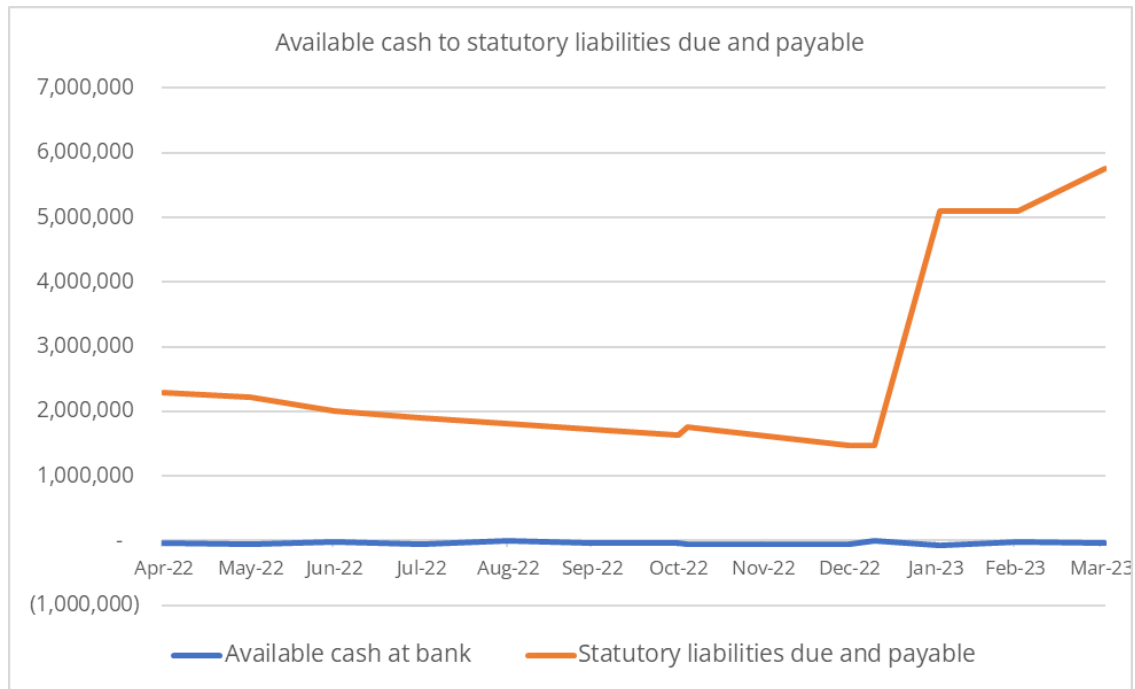
APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

PLUMBFIRST

Based on our preliminary review, in our view Plumbfirst was insolvent since **at least** 30 September 2022, which is based on the information set out below.

Cash flow analysis

An analysis of the Company's month-end bank statement balance versus the Company's statutory liabilities (ATO and Revenue NSW) is illustrated below:



The above analysis does not include any other trade liabilities or payroll liabilities owing to SRO VIC (as we have yet to receive a proof of debt). We have therefore analysed the Company's cash flow on a conservative basis and accordingly, it appears the Company held insufficient cash at bank to satisfy its debts with the ATO and Revenue NSW from at least 30 April 2022 onwards.

Net asset deficiency

The Company's balance sheets recorded net asset deficiencies as at the below dates:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	2,671	4,389	7,772	9,252	4,251
Non-current assets	13	7	4	2	337
Total assets	2,684	4,396	7,776	9,254	4,588
Current liabilities	2,520	3,961	8,139	10,612	60,583
Non-current liabilities					(50,136)
Total liabilities	2,520	3,961	8,139	10,612	10,447
Net assets	165	435	(363)	(1,358)	(5,859)

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Trading performance

The Company recorded trading losses from FY21 to YTD 23 as illustrated below:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	20,808	26,091	26,463	24,528	17,256
Cost of sales	5,488	6,983	6,798	5,774	4,908
Gross profit	15,320	19,108	19,665	18,754	12,348
Operating expenses	15,509	19,338	21,430	22,399	14,819
Operating profit	(189)	(230)	(1,765)	(3,646)	(2,472)
Other income	664	601	838	2,651	38
Other expenses	118	100	(128)	-	-
Net profit / (loss)	357	271	(799)	(995)	(2,434)

Current ratio:

The current ratio examines a company's ability to access funds in the short term from current or "liquid" assets to meet short term liabilities. An ongoing current ratio of less than one (1.0) indicates that a company has not maintained sufficient assets to meet the day-to-day obligations of creditors, and that it may be insolvent.

We have not included analysis of each for the Companies current ratios on a standalone basis because related party balances were recorded in current assets, which results in an inaccurate recording of the current ratio.

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow.

ATO

The ATO has submitted a claim totalling \$5,683,312 concerning the Company's running balance account deficit debt. The Company has operated with a running balance account deficit from at least June 2020. These debts have continued to increase to the date of Administration, notwithstanding intermittent payments to reduce the debts.

Revenue NSW

Revenue NSW has submitted a claim totaling \$55,934 concerning payroll tax owing for the period 1 November 2020 to 11 April 2023.

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements concerning the quarter ended 31 March 2023 and the period from 1 April 2023 to 12 April 2023
- Income tax return concerning YTD23 (i.e. period 1 July 2022 to 12 April 2023)
- Single touch payroll finalisation declaration concerning YTD23
- Taxable payment annual report concerning YTD23.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

Date	Amount \$
23/03/2021	1,543,119
12/04/2021	1,270,670
30/04/2021	1,270,670
18/05/2021	1,278,417
15/06/2021	1,415,588
9/07/2021	1,518,390
27/07/2021	1,518,390
6/08/2021	1,527,670
26/08/2021	1,423,431
9/09/2021	1,909,701
17/09/2021	1,909,701
12/10/2021	1,920,650
10/01/2022	2,177,211
30/03/2022	2,249,839
31/03/2022	2,249,839

The Company also received a notice from Construction Industry Long Service Leave Board on 13 April 2023 demanding payment of \$8,336.

Special arrangements with selected creditors

The Company entered into the below payment plans with the ATO and defaulted on two of the arrangements (for its RBA debts).

Date	ATO account	Amount \$
17/06/2022	SGC	63,098
20/06/2022	RBA	2,380,061
3/01/2023	RBA	1,580,665

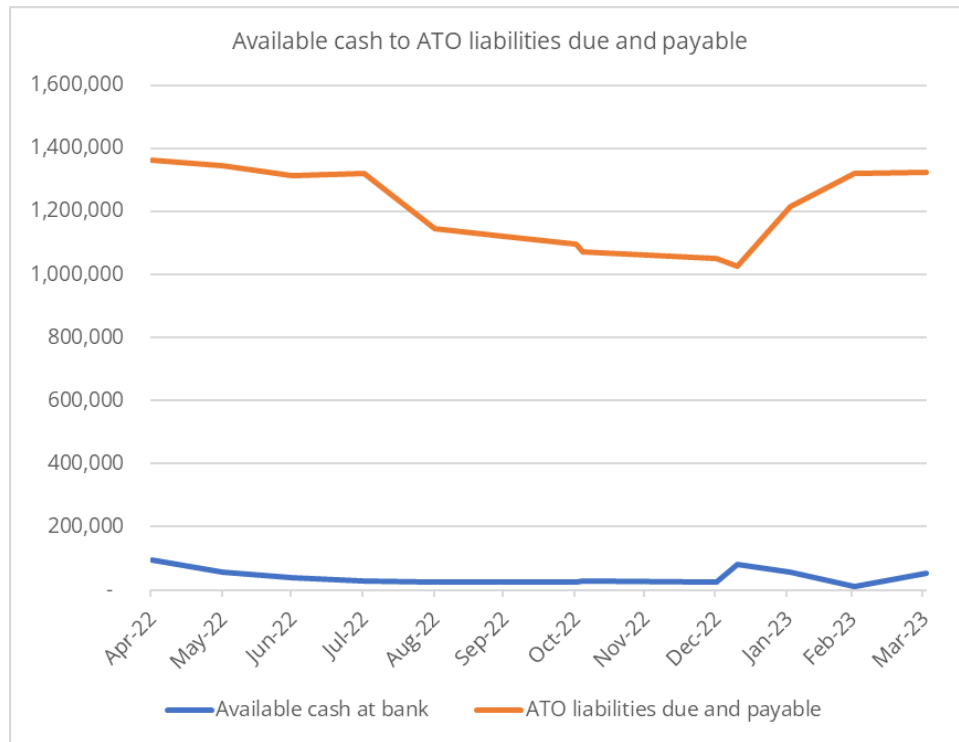
APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

COMFYFIRST

Based on our preliminary review, in our view the Company was insolvent since **at least** 31 October 2022, which is based on the information set out below.

Cash flow analysis

An analysis of the Company's month-end bank statement balance versus the Company's ATO liabilities appears in the following table:



The above analysis does not include any other trade liabilities. We have therefore analysed the Company's cash flow on a conservative basis and accordingly, it appears the Company held insufficient cash at bank to satisfy its debts with the ATO from at least 30 April 2022 onwards.

Net asset deficiency

The Company's balance sheets recorded a net asset deficiency as at 30 June 2019 but in the following years recorded positive Net Assets as illustrated below:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	1,266	2,628	1,541	9,091	12,292
Non-current assets	20	20	20	20	74
Total assets	1,286	2,648	1,561	9,111	12,366
Current liabilities	1,322	2,467	1,458	9,027	10,689
Non-current liabilities	-	-	-	-	-
Total liabilities	1,322	2,467	1,458	9,027	10,689
Net assets	(36)	181	103	84	1,677

The Company's assets primarily comprise of loans to its related entity, Firstaction Group Pty Ltd (Administrators Appointed) (**Firstaction**). As at 12 April 2023, Firstaction's loan account (\$12,122,313)

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

accounted for 98% of the Company's total assets (\$12,295,043) (as recorded in the management accounts).

Our investigations indicate Firstaction did not have the capacity to repay its loans to the Company. Firstaction was placed into voluntary administration on 12 April 2023 and our preliminary investigations indicate Firstaction was insolvent since at least 31 October 2022.

NB: Firstaction loan account is recorded as 'Business Bank First Action' in Company's MYOB account in current assets. Have reviewed ledger and it comprises payments to Firstaction's ANZ bank account (BSB / account number: 013-247 / 5263-34726).

Current ratio:

The current ratio examines a company's ability to access funds in the short term from current or "liquid" assets to meet short term liabilities. An ongoing current ratio of less than one (1.0) indicates that a company has not maintained sufficient assets to meet the day-to-day obligations of creditors, and that it may be insolvent.

We have not included analysis of the Companies current ratios on a standalone basis because related party balances were recorded in current assets, which results in an inaccurate recording of the current ratio.

Trading performance

The Company recorded trading losses in FY21 and FY22.

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	6,636	7,268	7,975	8,474	6,812
Cost of sales	2,357	2,929	3,076	4,347	3,255
Gross profit	4,279	4,339	4,899	4,127	3,558
Operating expenses	3,901	4,261	5,272	4,360	3,103
Operating profit	378	77	(374)	(233)	454
Other income	74	200	257	214	53
Other expenses	2	61	(39)		
Net profit / (loss)	450	217	(78)	(19)	507

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow.

The ATO has submitted a claim totalling \$1,325,559 concerning the Company's running balance account deficit debt. The Company has operated with a running balance account deficit from at least February 2021. These debts have continued to increase to the date of Administration, notwithstanding intermittent payments to reduce the debts.

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements for the quarter ended 31 March 2023 and the period ended 1 April 2023 to 12 April 2023
- Income tax return for YTD23
- Single touch payroll finalisation declaration for YTD23
- Taxable payment annual report for YTD23

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

Date	Amount \$
1/11/2021	1,345,877
20/01/2022	1,495,651
20/04/2022	1,363,474
20/05/2022	1,206,254
10/06/2022	1,349,923
4/07/2022	1,316,596
3/04/2023	1,320,296
4/04/2023	1,322,146

Special arrangements with selected creditors

The Company entered into a payment arrangement with the ATO on 12 July 2022 and defaulted on this arrangement on 10 March 2023. Negotiating a debt in instalments is an indication that a company is experiencing cashflow difficulties and this is further substantiated when it defaults on the negotiated arrangement.

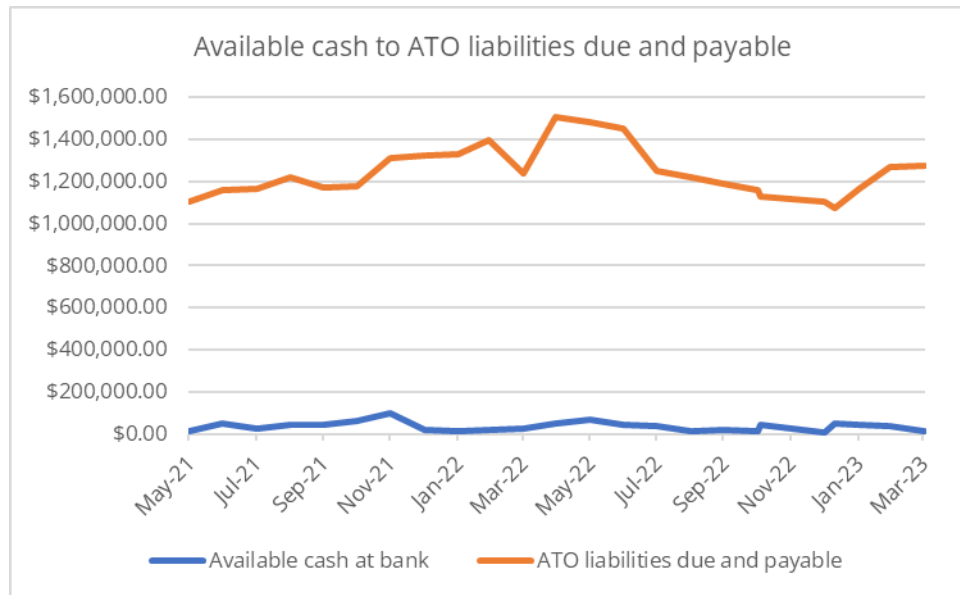
APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

ELECFIRST

Based on our preliminary review, in our view the Company was insolvent since **at least** 30 June 2022, which is based on the information set out below.

Cash flow analysis

We have reviewed the Company's month-end bank statement balance versus the Company's ATO liabilities as at 31 May 2021 to the date of appointment and the results are illustrated below:



The above analysis does not include any other trade liabilities. We have therefore analysed the Company's cash flow on a conservative basis and accordingly, it appears the Company held insufficient cash at bank to satisfy its debts with the ATO from at least 31 May 2021 onwards.

Net asset deficiency

The Company's balance sheets recorded net asset deficiencies as at 30 June 2022 and 12 April 2023:

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Current assets	965	1,427	2,004	1,896	4,993
Non-current assets	-	-	-	-	-
Total assets	965	1,427	2,004	1,896	4,993
Current liabilities	1,044	1,399	1,973	2,203	6,086
Non-current liabilities	-	-	-	-	-
Total liabilities	1,044	1,399	1,973	2,203	6,086
Net assets	(79)	28	31	(307)	(1,093)

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Current ratio

The current ratio examines a company's ability to access funds in the short term from current or "liquid" assets to meet short term liabilities. An ongoing current ratio of less than one (1.0) indicates that a company has not maintained sufficient assets to meet the day-to-day obligations of creditors, and that it may be insolvent.

We have not included analysis of the Companies current ratios on a standalone basis because related party balances were recorded in current assets, which results in an inaccurate recording of the current ratio.

Trading performance

The Company recorded trading losses from FY21 to YTD 23.

	FY19 (\$000)	FY20 (\$000)	FY21 (\$000)	FY22 (\$000)	YTD23 (\$000)
Revenue	5,384	6,457	7,411	6,626	4,446
Cost of sales	1,435	1,737	2,145	2,042	1,535
Gross profit	3,949	4,719	5,266	4,584	2,911
Operating expenses	3,660	4,787	5,432	5,081	3,609
Operating profit	289	(67)	(167)	(497)	(698)
Other income	109	198	153	159	15
Other expenses					
Net profit / (loss)	398	130	(13)	(338)	(683)

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow. The ATO has submitted a claim totalling \$ 1,274,758 concerning the Company's running balance account deficit debt. The Company has operated with a running balance account deficit from at least February 2020. These debts have continued to increase to the date of Administration, notwithstanding intermittent payments to reduce the debts.

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements concerning the quarter ended 31 March 2023 and the period from 1 April 2023 to 12 April 2023
- Income tax return concerning YTD23 (i.e. period 1 July 2022 to 12 April 2023)
- Single touch payroll finalisation declaration concerning YTD23
- Taxable payment annual report concerning YTD23.

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Date	Amount \$
2/11/2018	28,269
9/01/2019	158,805
29/10/2021	1,450,690
3/12/2021	1,573,984
10/01/2022	1,584,289
9/03/2022	1,499,758
4/04/2022	1,508,727
26/04/2022	1,508,727
21/06/2022	1,491,476

The Company also received a notice from Construction Industry Long Service Leave Board on 13 April 2023 demanding payment of \$3,363.

Special arrangements with selected creditors

The Company entered into the below payment plans with the ATO.

Date	ATO account	Amount \$	Outcome
16/01/2019	SGC	33,300	Complied with plan
14/07/2022	RBA	1,660,662	Defaulted on plan

Negotiating a debt in instalments is an indication that a Company was experiencing cashflow difficulties and this is further substantiated when it default on the negotiated arrangement.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

BBL AUTO

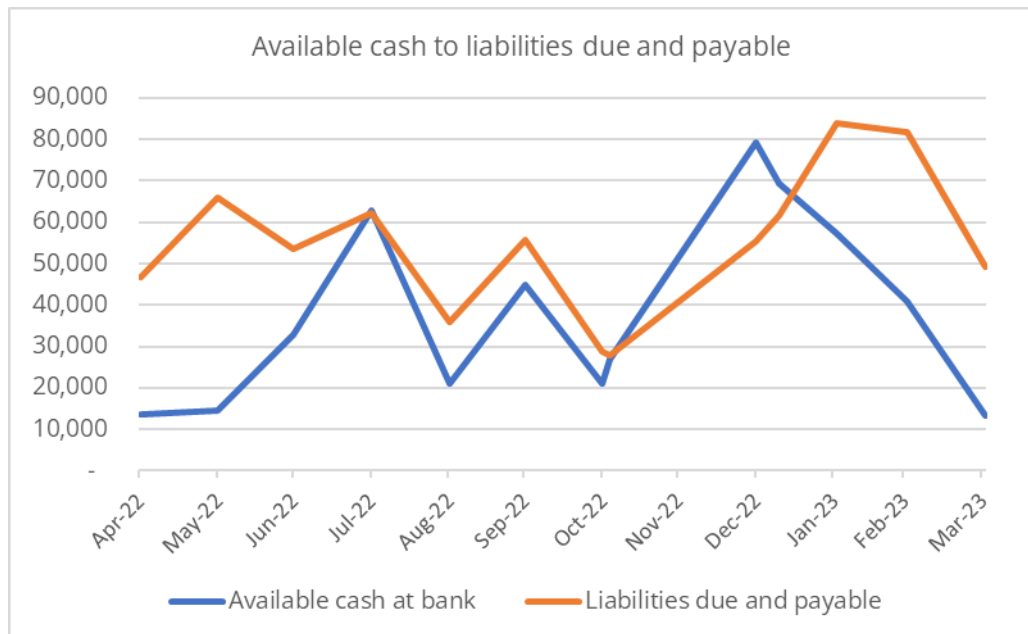
Based on our preliminary review, in our view the Company was insolvent since **at least** 28 February 2023 which is based on the information set out below.

Cash flow analysis

We have analysed the Company's cash to creditor position for the period 30 April 2022 to 12 April 2023. Our analysis is based on the following information:

- Available cash at bank is the total month-end balance held in the Company's ANZ bank account (BSB / Account number: 013-664 / 1523-40581)
- Liabilities due and payable includes:
 - o Trade liabilities (excluding related-party claims) as extracted from the Company's management accounts
 - o ATO debts extracted from the Company's running balance account and income tax statements

Following is a table summarising cash and liabilities, and below the table, a graph illustrating the deficiency of cash to meet liabilities:



As illustrated above, the Company was cash flow insolvent from at least 28 February 2023, having insufficient cash to meet its liabilities.

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Balance Sheets

The Company's balance sheets for FY21, FY22 and YTD23 as extracted from the MYOB management accounts is summarised below:

	FY21 (\$000)	YTD22 (\$000)	YTD23 (\$000)
Current assets	95,988	153,326	75,665
Non-current assets	-	-	18,450
Total assets	95,988	153,326	94,115
Current liabilities	140,525	155,487	218,622
Non-current liabilities	-	-	-
Total liabilities	140,525	155,487	218,622
Net assets	(44,537)	(2,161)	(124,508)

Trading performance

The Company recorded trading losses in FY21 and YTD23.

	FY21 (\$000)	YTD22 (\$000)	YTD23 (\$000)
Revenue	246	1,131	808
Cost of sales	134	601	392
Gross profit	111	531	416
Gross profit margin	45%	47%	51%
Operating expenses	156	487	482
Operating profit	(45)	44	(66)
Other income	-	-	-
Other expenses	-	2	-
Net profit / (loss)	(45)	42	(66)

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow. The ATO has submitted a claim totalling \$2,589 concerning the Company's FY22 income tax liabilities.

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements concerning the quarter ended 31 March 2023 and the period from 1 April 2023 to 12 April 2023
- Income tax return concerning YTD23 (i.e. period 1 July 2022 to 12 April 2023)
- Single touch payroll finalisation declaration concerning YTD23

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

Date	Amount \$
3/09/2021	21,928.00
3/12/2021	37,778.55
11/01/2022	15,723.00
16/03/2022	15,723.00
6/06/2022	15,723.00
6/03/2023	16,660.00
3/04/2023	9,112.00

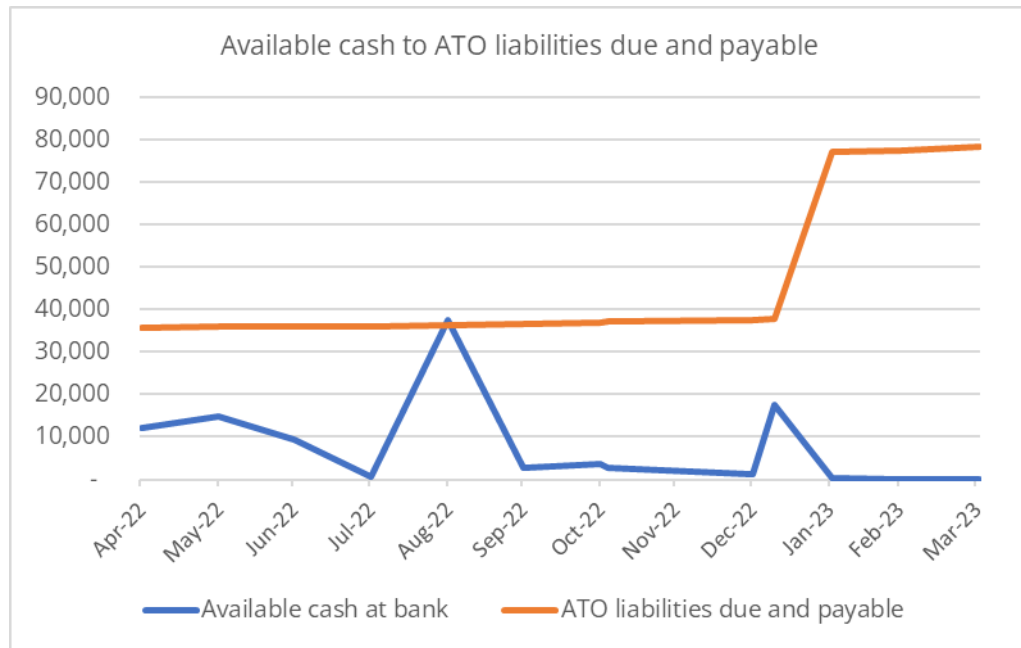
APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

PLUMBFIRST NSW

Based on our preliminary review, in our view the Company was insolvent since **30 September 2022**, 2023 which is based on the information set out below.

Cash flow analysis

An analysis of the Company's month-end bank statement balance versus the Company's ATO liabilities appears in the following table:



The above analysis does not include any other trade liabilities. We have therefore analysed the Company's cash flow on a conservative basis and accordingly, it appears the Company held insufficient cash at bank to satisfy its debts with the ATO from at least 30 September 2022 onwards.

Balance sheets

The Company's balance sheets for FY22 and YTD23 as extracted from the MYOB management accounts is summarised below:

	YTD22 (\$000)	YTD23 (\$000)
Current assets	2,007	2,778
Non-current assets		
Total assets	2,007	2,778
Current liabilities	76	99
Non-current liabilities	-	-
Total liabilities	76	99
Net assets	1,931	2,679

APPENDIX C – ADMINISTRATORS' INVESTIGATIONS

Trading performance

The Company's trading performance for FY22 and YTD23 as extracted from the MYOB management accounts is summarised below:

	YTD22 (\$000)	YTD23 (\$000)
Revenue	1,947	925
Cost of sales	405	2
Gross profit	1,946	922
Operating expenses	16	174
Operating profit	1,931	748
Other income	-	-
Other expenses	-	-
Net profit / (loss)	1,931	748

Overdue Commonwealth and State Taxes

Often when a company is experiencing difficulties in meeting its obligations to its trade creditors it neglects its taxation liabilities to assist with cash flow.

The ATO has submitted a claim totalling \$78,518 concerning the Company's running balance account deficit debt. The Company has operated with a running balance account deficit from around February 2023.

Outstanding taxation lodgements

The ATO has advised of the following outstanding statutory lodgements (noting not all were due at the date of the Administration):

- Activity statements concerning the quarter ended 31 March 2023 and the period from 1 April 2023 to 12 April 2023
- Income tax return concerning YTD23 (i.e. period 1 July 2022 to 12 April 2023)
- Single touch payroll finalisation declaration concerning YTD23

Notices of demand

The ATO issued the below notices to the Company concerning its outstanding tax debts:

Date	Amount \$
10/01/2022	35,107
31/03/2022	35,499
7/06/2022	35,887
6/09/2022	36,574
6/12/2022	37,393
6/03/2023	77,605

AGREED FORM

Deed of Company Arrangement

Dated

Firstaction Group Pty Ltd (Administrators Appointed) (ACN 139 666 247)
("First Action") and Bblautofirst Pty Ltd (Administrators Appointed) (ACN
647 331 262) ("BBL Auto")
(each a "Target Company" and together, the "Target Group")

Alan Walker and Glenn Livingstone in their capacities as joint and several
voluntary administrators of the Target Group (each an "Administrator"
and together, the "Administrators")

Australian Home Services Group Pty Ltd (ACN 659 865 951)
("Proponent")

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia
T +61 2 9296 2000
F +61 2 9296 3999
DX 113 Sydney
www.kwm.com
602-0084276

Deed of Company Arrangement

Contents

Details	1
General terms	3
1 Definitions and interpretation	3
1.1 Definitions	3
1.2 General interpretation	8
1.3 Application of the Corporations Act and Corporations Regulations	9
1.4 Inconsistency	10
2 Commencement and objects of this Deed	10
2.1 When Deed comes into operation	10
2.2 Period of operation	10
2.3 Objectives of this Deed	10
3 Persons bound by this Deed	10
4 Appointment of Deed Administrators	11
4.1 Appointment	11
4.2 Deed Administrator is agent	11
4.3 Joint and several	11
4.4 Deed Administrator's powers	11
5 Moratorium	12
6 Owners and Lessors	13
7 Control and cooperation	13
7.1 Control	13
7.2 Cooperation of Directors and Officers	14
7.3 Effect of this Deed on the Members	14
8 Release of Creditors' Claims	14
8.1 Operation of this clause	14
8.2 Release of Creditors' Claims	14
8.3 Claims under the CTD	14
8.4 Continuing Employee Claims	15
8.5 Bar to Creditors' Claims and discharge of debts	15
8.6 Secured Claims of Owners and Lessors	15
8.7 No interest	16
9 CTD	16
9.1 Commencement	16
9.2 CTD Entitlements	16
9.3 Distribution of Assets in liquidation	16

10	Proponent Contribution	17
11	Transfer of Shares	17
12	Conditions for Deed to be completed	17
12.1	Conditions Precedent	17
12.2	Conditions Precedent End Date	17
13	Completion	18
13.1	Date and place of Completion	18
13.2	Completion Steps	18
13.3	Obligations interdependent	18
14	Effectuation	18
15	Termination	19
15.1	Termination	19
15.2	Automatic termination	19
15.3	Termination on effectuation of Deed	19
15.4	Meetings to consider termination of Deed	20
15.5	Previous operation of this Deed preserved	20
15.6	Transition to liquidation	20
16	Remuneration, costs, charges and expenses	20
16.1	Remuneration and costs	20
17	Liabilities of Deed Administrators and Administrators	21
18	Resignation and removal of Deed Administrator	21
18.1	Deed Administrator's termination or death	21
18.2	Deed Administrator's resignation	21
19	GST	22
19.1	GST exclusive amounts	22
19.2	Reimbursements	22
19.3	Interpretation	22
20	Notices	22
20.1	How to give a notice	22
20.2	When a notice is given	23
20.3	Address for notices	23
21	General	23
21.1	Meetings	23
21.2	Costs and stamp duty	23
21.3	Variation of this Deed by Creditors	23
21.4	Governing law	23
21.5	Jurisdiction	23
21.6	This Deed prevails over memorandum, articles, contracts etc.	24
21.7	No waiver	24
21.8	Indemnities and reimbursement obligations	24
21.9	Counterparts	24

21.10	Rules of construction	24
21.11	Entire agreement	24
21.12	Further assurances	24
21.13	Survival	25
Schedule 1	What this instrument specifies	26
Schedule 2	Completion Notice	27
	Signing Page	28
Annexure A	Creditors' Trust Deed	31

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Deed of Company Arrangement

Details

Parties	Target Group, Administrators and Proponent	
First Action	Name	Firstaction Group Pty Ltd (Administrators Appointed)
	ACN	139 666 247
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wpr.com.au glivingstone@wpr.com.au
	Attention	Alan Walker, Glenn Livingstone
BBL Auto	Name	Bblautofirst Pty Ltd (Administrators Appointed)
	ACN	647 331 262
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wpr.com.au glivingstone@wpr.com.au
	Attention	Alan Walker, Glenn Livingstone
Administrators	Name	Alan Walker and Glenn Livingstone in their capacities as joint and several voluntary administrators of the Target Group
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wpr.com.au glivingstone@wpr.com.au
	Attention	Alan Walker and Glenn Livingstone

Proponent	Name	Australian Home Services Group Pty Ltd
	ACN	659 865 951
	Address	38 Myoora Road, Terry Hills NSW 2084
	Email	netjet77@gmail.com
	Attention	Scott Irwin

- Recitals**
- A** On 12 April 2023, the directors of the Target Group appointed the Administrators as joint and several administrators of the Target Group pursuant to section 436A of the Corporations Act.
- B** On 15 May 2023, the Proponent proposed a deed of company arrangement in respect of the Target Group.
- C** At the duly convened second meeting of each Target Company's Creditors held on [#], it was resolved pursuant to section 439C(a) of the Corporations Act ("**Section 439C Resolution**") that the Target Group execute a deed of company arrangement on the terms set out in this Deed.
- D** This Deed sets out the terms of the deed of company arrangement pursuant to section 444A(3) of the Corporations Act. The matters specified for the purposes of section 444A(4) of the Corporations Act are addressed in the provisions noted in the table at Schedule 1.

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Accrued Debtors means any amounts paid or owing to the Target Group in respect of work performed during the period up to the Commencement Time, regardless of whether invoiced or paid before, during or after the period of operation of this Deed.

Administration Period means the period commencing on the Relevant Date and ending at the Effective Time.

Administrators means Alan Walker and Glenn Livingstone in their capacity as joint and several administrators of each Target Company.

Administrators' Liabilities means any liabilities, debts, costs, fees, charges, disbursements and expenses of the Administrators, including any Statutory Liabilities, incurred in respect of the administration of the Target Group pursuant to the Administrators' appointment as voluntary administrators of the Target Group.

Administrators' Remuneration means the Administrators' remuneration and fees for services for any work performed by them or their partners, employees or agents in performing their powers, functions and duties as voluntary administrators of the Target Group and as a result of acting in their capacity as voluntary administrators of the Target Group.

Admitted Claim means a Claim against the Target Group that is admitted in accordance with the CTD.

Admitted Priority Claim means any Admitted Claim which, in a liquidation of a Target Company, would be entitled to priority of payment pursuant to sections 556(1)(e) to (h) (inclusive), 560 or 561 of the Corporations Act, with the winding up of the Target Group taken to have begun on the Relevant Date.

ASIC means the Australian Securities and Investments Commission.

Assets means the Property, assets and undertaking of the Target Group, including:

- (a) cash at bank and at hand;
- (b) issued shares held by the Target Group;
- (c) actions, claims, suits, causes of action, arbitrations, debts, costs, demands, verdicts and judgments at law or in equity or under any statute (whether certain or contingent, present or future, ascertained or sounding only in damages) which any Target Company may have against any person;
- (d) real and other property, including intellectual property;
- (e) GST and other tax refunds or credits obtained by the Target Group; and

- (f) contracts of insurance or reinsurance, including any amounts (after deducting any expenses of or incidental to getting in those amounts) received under such contracts.

BBL Auto means Bblautofirst Pty Ltd (Administrators Appointed) (ACN 647 331 262).

Business Day means a day on which banks are open for general banking business in Melbourne, Victoria, Australia (not being a Saturday, Sunday or public holiday).

Claim means all debts payable by and all claims against, any Target Company (arising at law, in equity or under any statute, present or future, certain or contingent, direct or indirect, consequential, incidental or economic, known or unknown as at the Relevant Date, ascertained or sounding only in damages) and any fine or penalty to which any Target Company is subject or liable to be subject, the circumstances giving rise to which occurred on or before the Relevant Date, including without limitation, all liabilities, obligations, actions, claims, suits, causes of action, arbitrations, debts, costs, demands, verdicts and judgments and:

- (a) a debt or claim arising pursuant to any guarantee or indemnity (including contingent claims);
- (b) subject to section 444D(3) of the Corporations Act, a debt or claim of an Owner or Lessor of property;
- (c) subject to section 444D(2) of the Corporations Act, a debt or claim of a Secured Creditor;
- (d) all debts or claims provable in a winding up of the Target Company pursuant to section 553 of the Corporations Act.

Commencement Time has the meaning given to it in the Cooperation and Indemnity Deed.

Completion means completion of all actions required to be taken in accordance with clause 13.2 (*Completion Steps*) and **Complete** has a corresponding meaning.

Completion Date means the date on which Completion occurs in accordance with clause 13.2 (*Completion Steps*).

Completion Notice means a notice substantially in the form at Schedule 2 (*Completion Notice*).

Conditions Precedent has the meaning given to that term in the Implementation Deed.

Conditions Precedent End Date has the meaning given to it in the Implementation Deed.

Continuing Employee means an Employee who was employed by a Target Company as at the Effective Time and who remains an Employee of a Target Company as at the Effectuation Date.

Control has the meaning given in section 50AA of the Corporations Act.

Cooperation Deed means the cooperation and indemnity deed between the Proponent, the Target Group and the Residual Group dated 26 May 2023.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Supreme Court of Victoria or the Federal Court of Australia and any appellate court from those courts.

Creditor means a person who has a Claim against one or more Target Companies.

Creditors' Trust Account means any bank account established by the Trustees and notified in writing to the Buyer for the purposes of accepting receipts in respect of the Creditors' Trust.

Creditors' Trust has the meaning given to it in the CTD.

CTD means the creditors' trust deed to be entered into between the Target Group and the Deed Administrators in substantially the same form as Annexure A.

Deed means the deed of company arrangement set out in this instrument, as varied from time to time.

Deed Administrators means Alan Walker and Glenn Livingstone, in their capacity as joint and several administrators of this Deed and any replacement deed administrator appointed in accordance with this Deed.

Deed Administrators' Liabilities means any liabilities, debts, costs, fees, charges, disbursements and expenses of the Deed Administrators (including any Statutory Liabilities) incurred in respect of:

- (a) the administration of this Deed pursuant to the Deed Administrators' appointment as deed administrators of this Deed; and
- (b) the execution and performance of this Deed.

Deed Administrators' Remuneration means the Deed Administrators' remuneration and fees for services for any work performed by them or their partners, employees or agents in performing their powers, functions and duties under this Deed and as a result of acting in their capacity as deed administrators of this Deed.

Deed Period means the period of time commencing immediately after the Effective Time and ending on the Termination Date.

Details means the section of this Deed headed "Details".

Director means any person who, by reason of section 9 of the Corporations Act, is a 'director' of a Target Company.

Effective Time means the time that this Deed comes into operation under clause 2.1 (*When Deed comes into operation*).

Effectuation Date means the date on which this Deed effectuates in accordance with clause 14 (*Effectuation*).

Employee:

- (a) has the same meaning as "eligible employee creditor" in section 9 of the Corporation Act as though the reference to "company" was to the relevant Target Company as at or prior to the Relevant Date; and
- (b) means any person who made an advance of money to the Target Group for which section 560 of the Corporations Act would apply if the Target Group was taken to be in liquidation as at the Relevant Date.

Enforcement Process has the meaning given to that term in section 9 of the Corporations Act.

Excluded Asset means the rights and property of the Target Group in respect of the following:

- (a) the Accrued Debtors;
- (b) the benefit of any insurance policy or insurance claim in connection with the operation of the Assets during the period up to and including the Completion Date; and
- (c) any cash or cash equivalents:
 - (i) held by any Target Company on or prior to the Commencement Time; or
 - (ii) received by any Target Company after the Commencement Time as a result of any EFTPOS sale which occurred before the Commencement Time.

First Action means Firstaction Group Pty Ltd (Administrators Appointed) (ACN 139 666 247).

GST has the meaning given in the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Deed means the implementation deed entered into between the Proponent, the Administrators, the Target Group and the Residual Group dated on or about 21 June 2023.

Intercompany Creditor means any “related body corporate” (as defined in section 9 of the Corporations Act) of a Target Company which has a Claim against any Target Company.

IPS means the *Insolvency Practice Schedule (Corporations)* at Schedule 2 to the Corporations Act.

KWM Trust Account means the trust account of the solicitors for the Deed Administrators, King & Wood Mallesons.

Lessor means any person who is the legal owner of property in the possession of any Target Company as at the Effective Time that is leased or hired by that Target Company.

Member means any person who, by reason of sections 9 and 231 of the Corporations Act, is a ‘member’ of any Target Company.

Non-Participating Claim means any:

- (a) Claims by Continuing Employees;
- (b) Claim by an Intercompany Creditor;
- (c) Claim which is a “subordinate claim” as defined in section 563A of the Corporations Act;
- (d) Claim in respect of a superannuation contribution that the Trustees determine is not admissible to prove in accordance with the CTD; or
- (e) Claim in respect of which a Creditor has agreed with the Administrators or the Deed Administrators not to participate as a Creditor in respect of any Target Company.

Officer means any person who, by reason of section 9 of the Corporations Act, is an 'officer' of any Target Company.

Owner means any person who is the legal owner of property used or occupied by, or in the possession of, any Target Company as at the Effective Time.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Prescribed Provisions means regulations 5.6.11 to 5.6.70A (inclusive) of the Corporations Regulations, clauses 2 (*Powers of administrator*) and 8 (*Making claims*) of Schedule 8A of the Corporations Regulations (and only those clauses of the Corporations Regulations) and Subdivisions A to E (inclusive) of Division 6 of Part 5.6 of the Corporations Act, excluding section 553B of the Corporations Act.

Property means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description of the Target Group and includes:

- (a) a thing in action; and
- (b) "PPSA retention of title property" (as that term is defined in section 51F of the Corporations Act).

Proponent Contribution means the sum of:

- (a) A\$573,390.98; and
- (b) any surplus Assets, or the cash proceeds of the sale of Assets by the Administrators or the Deed Administrators.

Proponent means Australian Home Services Group Pty Ltd (ACN 659 865 951).

Relevant Date means 12 April 2023.

Representatives means, in relation to the Deed Administrators or the Administrators (as applicable), their firm, partners, employees, agents, advisers and consultants.

Residual Group means:

- (a) Comfyfirst Pty Ltd (Administrators Appointed) (ACN 152 881 135);
- (b) Elecfirst Pty Ltd (Administrators Appointed) (ACN 606 391 048);
- (c) Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd (Administrators Appointed) (ACN 639 243 360); and
- (d) Plumbfirst Pty Ltd (Administrators Appointed) (ACN 606 165 173),

and **Residual Company** means any of them.

Resolution means a resolution passed at a meeting of Creditors convened in accordance with clause 21.1 (*Meetings*) and **Resolve** has a corresponding meaning.

Sale Shares means all issued shares in the capital of each Target Company.

Scheduled Completion Date has the meaning given in clause 13.1 (*Date and Time for Completion*).

Section 439C Resolution has the meaning given in Recital C.

Secured Claim means any Claim secured by a valid Security Interest, hypothecation, lien, mortgage, pledge, charge, encumbrance or any other type of security over or in the Property of any Target Company.

Secured Creditor means any Creditor to the extent that their Claim is a Secured Claim.

Security Interest means:

- (a) a “security interest” as defined in section 51A of the Corporations Act or sections 12(1) or (2) of the PPSA;
- (b) any mortgage, chattel mortgage, pledge, charge, encumbrance, lien, hypothecation, right of set-off (arising otherwise than by operation of law or as a result of a banker’s right to combine accounts);
- (c) a bill of sale, assignment, title retention arrangement, trust or power held as security; or
- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

Statutory Liabilities means any charge, tax, duty, impost or levy raised by, or by the authority of, any governmental instrumentality, including GST.

Target Group means First Action and BBL Auto, and **Target Company** means any of them.

Tax Act means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), as the context requires.

Termination Date means the date on which this Deed terminates in accordance with clause 15.2 (*Automatic Termination*), clause 15.3(a) (*Termination on Effectuation of Deed*) or otherwise.

Transaction means the transfer of the Sale Shares to the Proponent, including any required dealings with the Residual Group and as provided for in the Implementation Deed.

Trust Fund has the meaning given in the CTD.

Trustees has the meaning given in the CTD.

Trustees’ Liabilities has the meaning given in the CTD.

Trustees’ Remuneration has the meaning given in the CTD.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Deed:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement, deed or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);

- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association, an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, liquidator, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (h) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);
- (i) a reference to a payment incorporates a reference to that payment being made without set-off, deduction or counterclaim;
- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) an agreement, representation or warranty in favour of 2 or more persons is for the benefit of them jointly and each of them individually;
- (m) a warranty, representation, covenant or obligation given or entered into by 2 or more persons binds them individually only and not jointly;
- (n) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (o) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (p) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (q) if a party must do something under this Deed on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next Business Day; and
- (r) if the day on which a party must do something under this Deed is not a Business Day, the party must do it on the next Business Day.

1.3 Application of the Corporations Act and Corporations Regulations

- (a) Subject to any contrary terms of this Deed, the Prescribed Provisions are incorporated in this Deed with all modifications as are necessary to give effect to Part 5.3A of the Corporations Act and this Deed, and as if references to the “liquidator”, “provisional liquidator”, “administrator” or the like, were references to the “Deed Administrators”, references to the “relevant date” were references to the “Relevant Date”, and references to “winding up” were references to the arrangement effected by this Deed.

- (b) The provisions prescribed to be included in this Deed by section 444A(5) of the Corporations Act are expressly excluded from this Deed, excluding those which are incorporated in accordance with paragraph (a).

1.4 Inconsistency

If there is any inconsistency between the provisions of this Deed and the Corporations Act, the Corporations Regulations or both, this Deed will prevail to the extent:

- (a) of the inconsistency; and
- (b) permitted by law.

2 Commencement and objects of this Deed

2.1 When Deed comes into operation

For the purposes of section 444A(4)(e) of the Corporations Act, this Deed will come into operation following execution of this Deed by the Deed Administrators, each Target Company and the Proponent.

2.2 Period of operation

For the purposes of section 444A(4)(f) of the Corporations Act, once this Deed has come into operation, it will continue in operation until the Termination Date.

2.3 Objectives of this Deed

The objectives of this Deed are:

- (a) to maximise the chances of as much as possible of the Target Group's business continuing in existence by transferring ownership of the Target Group to the Proponent who is prepared to continue that business in the future, contingent on this Deed being approved and implemented; or
- (b) if that is not possible, to administer the business, Property and affairs of the Target Group in an orderly way that results in a better return for Creditors than would result from an immediate winding up of the Target Group.

3 Persons bound by this Deed

This Deed binds:

- (a) in accordance with its terms, the parties to this Deed; and
- (b) all other persons who, pursuant to the Corporations Act, are bound by the terms of this Deed, including:
 - (i) each Creditor;
 - (ii) the Officers and Members;
 - (iii) any Secured Creditor, Owner or Lessor that voted in favour of the Section 439C Resolution; and
 - (iv) any person so ordered by the Court under section 444F of the Corporations Act or otherwise.

4 Appointment of Deed Administrators

4.1 Appointment

- (a) For the purposes of section 444A(4)(a) of the Corporations Act, with effect on and from the Effective Time, the Administrators are appointed joint and several administrators of this Deed.
- (b) The Administrators:
 - (i) are registered liquidators and are not disqualified from acting as administrators of this Deed;
 - (ii) accept the appointment as administrators of this Deed; and
 - (iii) consent to act as administrators of this Deed during the Deed Period or until the Deed Administrators retire or are removed from office in accordance with this Deed or the Corporations Act.

4.2 Deed Administrator is agent

In exercising the powers conferred by this Deed and carrying out the duties arising under this Deed, each Deed Administrator is taken to act as agent for and on behalf of the Target Group.

4.3 Joint and several

The rights, powers and privileges of the Deed Administrators may be exercised by them jointly or individually.

4.4 Deed Administrator's powers

- (a) Each Deed Administrator has all of the powers set out in this Deed, in clause 2 of Schedule 8A of the Corporations Regulations and as otherwise provided to deed administrators by the Corporations Act, the Corporations Regulations or generally at law or in equity.
- (b) The rights, powers, privileges, authorities and discretions of the Deed Administrators include:
 - (i) the power to execute this Deed and to take any and all steps necessary to give effect to the Transaction and any other transactions contemplated by this Deed;
 - (ii) the power to report to Creditors on any matters contemplated by this Deed or in connection with the Target Group's business, Property, affairs or financial circumstances, as the Deed Administrators see fit and to the extent that the Deed Administrators consider necessary;
 - (iii) all rights, powers, privileges, authorities and discretions which are conferred by the Target Group's constitutions or otherwise by law on the directors of each Target Company and to perform any function and exercise any power that the Target Group or any of their Officers could perform or exercise if the Target Group was not subject to this Deed;
 - (iv) the power to remove any Director from office;

- (v) the power to appoint a person as a director of each Target Company, whether to fill a casual vacancy or not;
 - (vi) the power to insure the Deed Administrators for actions taken to administer this Deed;
 - (vii) the power to take all necessary steps for the purposes of giving effect to the sale and recapitalisation of the business of the Target Group, including to novate, release, repudiate, terminate or disclaim in writing all contracts entered into by the Target Group;
 - (viii) the power to do anything that is necessary or convenient for the purpose of exercising the Deed Administrators' powers to administer this Deed;
 - (ix) the power to access the books and records of the Target Group for the purposes of administering this Deed; and
 - (x) the power to delegate some or all of their powers as the Deed Administrators see fit.
- (c) Where a right, power, privilege, authority or discretion is conferred on the Deed Administrators (whether by this Deed, the Corporations Act, the Corporations Regulations or otherwise), the Deed Administrators may exercise that right, power, privilege, authority or discretion in such manner as they, in their absolute discretion, consider fit.

5 Moratorium

- (a) For the purposes of section 444A(4)(c) of the Corporations Act, the nature and duration of the moratorium period provided by this Deed is set out in this clause 5.
- (b) During the Deed Period, the moratorium in sections 440A, 440B, 440D 440F and 444E of the Corporations Act will apply to bind all Creditors and Members of the Target Group in relation to their Claims.
- (c) Without limiting clause (b) above, during the Deed Period, except for the purpose of enforcing its rights under this Deed, a Creditor must not in connection with a Claim:
 - (i) make an application for an order to or take or concur in the taking of any step to wind up the Target Group or to proceed with an application for an order to wind up the Target Group made before this Deed became binding on that person;
 - (ii) commence or take any further step in any proceeding or arbitration against the Target Group or in relation to any of their Property, except with leave of the Court or the Deed Administrators' written consent and in accordance with such terms (if any) as the Court or Deed Administrators impose;
 - (iii) begin or proceed with an Enforcement Process in relation to Property (including any property used or occupied by, or in the possession of the Target Group) except with the leave of the Court or the Deed Administrators' written consent and in accordance with such terms (if any) as the Court or Deed Administrators impose;
 - (iv) exercise or purport to exercise any right of counterclaim, set-off, cross-demand or cross-action to which the Creditor would not have

- been entitled had the Target Group been wound up (with the winding up taken to have begun on the Relevant Date);
- (v) make or proceed with an application for a Court appointed receiver, receiver and manager, or a provisional liquidator to the Target Group or any of their Property; or
 - (vi) institute, proceed or take any action whatsoever against the Target Group or their Property to recover or enforce any part of its Claim.
- (d) During the Deed Period, the powers of the Officers and Directors remain suspended and the Target Group, the Officers and Directors must not:
- (i) act inconsistently with the terms and objects of this Deed;
 - (ii) must not make, proceed or take any action in connection with any application to wind up the Target Group or pass any resolution pursuant to section 491 of the Corporations Act; and
 - (iii) purport to perform or exercise, a function or power as a Director or Officer of the relevant Target Company except where prior consent and approval has been given to the Director or Officer by the Deed Administrators.
- (e) This clause 5 has effect in addition to, and not in derogation of, section 444E of the Corporations Act.

6 Owners and Lessors

To the extent permitted by law, and unless expressly agreed in writing by the Deed Administrators, each Owner and Lessor bound by this Deed acknowledges and agrees that the Deed Administrators have not adopted, ratified or in any manner become personally bound under any arrangement between a Target Company and any Owner or Lessor as a result of:

- (a) any discussions or correspondence between the Administrators or Deed Administrators and any Owner or Lessor;
- (b) the use, occupation or possession of the property of the Owner or Lessor by a Target Company during:
 - (i) the Administration Period; or
 - (ii) the Deed Period; and
- (c) any other act, matter or thing done or omitted to be done by the Deed Administrators or the Target Group.

7 Control and cooperation

7.1 Control

- (a) During the Deed Period, the Deed Administrators will be responsible for the day-to-day management and administration of the Target Group's businesses, Assets and affairs to the exclusion of the Directors and Officers except as otherwise indicated in this Deed. The Cooperation Deed will remain in full force and effect during the term of this Deed.

- (b) To the extent permitted by law, the Deed Administrators will not be responsible for such statutory obligations that may continue to be imposed on any Officers during the Deed Period.

7.2 Cooperation of Directors and Officers

The Directors and Officers must:

- (a) use all reasonable endeavours to cooperate with and assist the Deed Administrators in carrying out their duties and exercising their rights under this Deed;
- (b) as soon as reasonably practical, comply with all reasonable requests of the Deed Administrators in connection with the Target Group's businesses, Assets and affairs and this Deed;
- (c) carry out and perform such operations, functions, powers and other matters as may be delegated to them by the Deed Administrators; and
- (d) perform their obligations pursuant to this Deed.

7.3 Effect of this Deed on the Members

During the Deed Period, any Member of the Target Group and any Creditor holding any Security Interest over any shares must not, without the consent of the Deed Administrators, deal with shares or exercise shareholder rights that are contrary to this Deed or the CTD or the purpose of the Deed or the CTD.

8 Release of Creditors' Claims

8.1 Operation of this clause

For the purposes of section 444A(4)(d) of the Corporations Act, this clause 8 sets out the extent to which the Target Group are to be released from all Claims.

8.2 Release of Creditors' Claims

On and from the Effectuation Date:

- (a) subject to clause 8.4, each Creditor's Claims against each Target Company are extinguished and released;
- (b) each Creditor must accept their entitlements under the CTD in full and final satisfaction and complete discharge of all Claims which they have or claim to have against each Target Company; and
- (c) each Creditor must, if requested to do so by the Deed Administrators, execute and deliver to each Target Company any documents the Deed Administrators may reasonably require, including such form of release of that Creditor's Claims, to give effect to the releases in this Deed.

8.3 Claims under the CTD

- (a) Upon Claims being released pursuant to clause 8.2, each Creditor who had a Claim:
 - (i) will be entitled to make a claim against the CTD equal to their released Claim in accordance with the terms of the CTD; and

- (ii) must accept such entitlements as they may have under the CTD in substitution for any rights that they may have had against the relevant Target Company or the Target Group, including under this Deed, and in all matters relating to those entitlements will be bound by the provisions of the CTD.
- (b) Despite anything to the contrary in this Deed, a Creditor is not entitled to make a claim against, participate in or receive any distribution from, the Trust Fund in respect of a Non-Participating Claim.

8.4 Continuing Employee Claims

Continuing Employees:

- (a) will not be entitled to make a claim against, participate in or receive any distribution from, the Trust Fund in respect of any Admitted Priority Claims; and
- (b) will not have their Admitted Priority Claims released or compromised under this clause 8.

8.5 Bar to Creditors' Claims and discharge of debts

- (a) Subject to the terms of this Deed and section 444D of the Corporations Act, this Deed may be pleaded by any Target Company against any Creditor in absolute bar and defence to that Creditor's Claims, including any legal proceeding brought or made at any time in respect of such Claim.
- (b) This Deed may be pleaded in set-off or in answer to any Claim, as fully and effectively as if the Creditor had executed a binding covenant under seal not to sue.
- (c) Each Creditor irrevocably appoints each Deed Administrator to be the attorney of the Creditor with full power for and on behalf of and in the name of the Creditor to do all acts and things and sign and execute all deeds, documents and notices as may be necessary or convenient for the purposes of the execution and delivery to each Target Company of the written release of the Creditors' Claims.

8.6 Secured Claims of Owners and Lessors

- (a) An Owner or Lessor who votes in favour of the resolution to approve this Deed:
 - (i) waives any event of default or breach by the relevant Target Company of any agreement to which the Target Group or any Target Company and the Owner or Lessor is a party which occurred on or prior to the Effective Time or which may occur during the Deed Period, insofar as the relevant event of default or breach would entitle the Owner or Lessor to terminate the agreement or take possession of or otherwise recover the property the subject of the agreement;
 - (ii) consents for all purposes to the change in Control of the Target Group that will occur on Completion; and
 - (iii) must permit the relevant Target Company to have continued and uninterrupted use, occupation and possession of the property the subject of such an agreement unless and until:

- (A) the surrender of the agreement by the relevant Target Company to the Owner or Lessor on terms agreed to by the relevant Target Company and the Owner or Lessor; and
- (B) the termination of the agreement by the relevant Target Company,

whichever occurs first.

- (b) Subject to clause 8.6(a), nothing in this clause 8 has the effect of releasing or compromising the Secured Claims of an Owner or Lessor.

8.7 No interest

Interest does not accrue, and is not payable, in respect of any Creditor's Claims and Admitted Claims.

9 CTD

9.1 Commencement

Immediately following the Effective Time, the Deed Administrators and the Target Group must execute the CTD.

9.2 CTD Entitlements

The CTD will establish:

- (a) for the purposes of section 444A(4)(b) of the Corporations Act, the property that forms part of the Trust Fund and is available to pay Admitted Claims;
- (b) for the purposes of section 444A(4)(h) of the Corporations Act, the order in which the Trust Fund is to be distributed among Creditors but excluding Creditors to the extent that they have Non-Participating Claims;
- (c) for the purposes of section 444A(4)(i) of the Corporations Act, the day on or before which Claims must have arisen to be admissible under the CTD;
- (d) for the purposes of section 444DA(1) of the Corporations Act, the requirement for eligible employees to receive priority at least equal to what they would have been entitled if the Property was applied in accordance with sections 556, 560 and 561 of the Corporations Act; and
- (e) for the purposes of section 444DB of the Corporations Act, the requirement for no admissibility of a superannuation contribution to proof in whole or in part.

9.3 Distribution of Assets in liquidation

If, prior to the Effectuation Date, the termination of this Deed is followed by the winding up of the Target Group, then the Assets will be applied, in respect of unsecured debts and claims:

- (a) first, in payment of the Deed Administrators' Liabilities and the Administrators' Liabilities;
- (b) second, in payment of the Deed Administrators' Remuneration and the Administrators' Remuneration; and

- (c) third, to supplement the Proponent Contribution.

10 Proponent Contribution

- (a) On or before the Scheduled Completion Date, the Proponent must pay the Proponent Contribution into the KWM Trust Account.
- (b) On Completion, the Proponent Contribution will be released from the KWM Trust Account and paid to the Creditors' Trust Account to be dealt with in accordance with the CTD.
- (c) This document constitutes the parties' irrevocable authorisation of King & Wood Mallesons transferring the Proponent Contribution to the Creditors' Trust Account as contemplated in clause 10(b).

11 Transfer of Shares

- (a) The Deed Administrators will:
 - (i) within 1 Business Day after the Effective Time, seek written consent from the owners of the Sale Shares to the transfer of the Sale Shares to the Proponent pursuant to section 444GA(1)(a) of the Corporations Act; and
 - (ii) in the event written consent as sought under paragraph (i) above is not provided by the owners of the Sale Shares within 5 Business Days, make an application to Court for orders granting the Deed Administrators leave to transfer the Sale Shares to the Proponent pursuant to section 444GA(1)(b) of the Corporations Act.
- (b) On Completion, and subject to:
 - (i) the owners of the Sale Shares providing written consent as sought by the Deed Administrators in accordance with paragraph (a)(i) above; or
 - (ii) the Court making orders as sought by the Deed Administrators in accordance with paragraph (a)(ii) above,

the Deed Administrators shall take all necessary steps, including execute all necessary documents, to effect the transfer of Sale Shares to the Proponent.

12 Conditions for Deed to be completed

12.1 Conditions Precedent

Completion is conditional upon each of the Conditions Precedent being satisfied or waived in accordance with the Implementation Deed.

12.2 Conditions Precedent End Date

To the extent that it is within the relevant party's control, each party must use reasonable endeavours to ensure that the Conditions Precedent are satisfied in accordance with the Implementation Deed by no later than the Conditions Precedent End Date.

13 Completion

13.1 Date and place of Completion

Completion will take place at 10.00am on the date specified for Completion in the Implementation Deed (“**Scheduled Completion Date**”), which date must be before the Conditions Precedent End Date.

13.2 Completion Steps

- (a) At Completion, the following steps will occur and are deemed to occur in the following order:
- (i) first, the Creditors’ Trust is established in accordance with the terms of the CTD;
 - (ii) second, the Proponent pays the Proponent Contribution to the KWM Trust Account;
 - (iii) third, the Excluded Assets are transferred to the Trustees to be held and distributed in accordance with the CTD;
 - (iv) fourth, the Sale Shares are transferred to the Proponent following the consent or court order contemplated in clause 11(a);
 - (v) fifth, the Proponent Contribution is released from the KWM Trust Account to the Creditors’ Trust Account to be held and distributed in accordance with the CTD; and
 - (vi) sixth, the Deed Administrators issue the Completion Notice to each other party.
- (b) On Completion, subject to each of the steps in clause 13.2(a) above occurring:
- (i) each person notified in writing by the Deed Administrators on behalf of the Proponent, will be appointed by the Deed Administrators as directors and company secretary of each Target Company (“**Incoming Directors**”); and
 - (ii) each Director and company secretary of a Target Company (other than the Incoming Directors) will be automatically removed from that position by the Deed Administrators.

13.3 Obligations interdependent

The obligations of the parties under clause 13.2 are interdependent and Completion will not occur unless all of the obligations to be performed at Completion under clause 13.2 are complied with and are fully effective. If an action required to be performed at Completion does not take place, then without prejudice to any rights available to a party as a consequence, to the extent any actions have already been taken, the parties must do everything reasonably required to reverse those actions if requested to do so in writing by a party (including by returning any documents delivered to them and repaying all monies paid to them).

14 Effectuation

This Deed will effectuate immediately upon the issuance of the Completion Notice in accordance with clause 13.2(a)(vi).

15 Termination

15.1 Termination

For the purposes of section 444A(4)(g) of the Corporations Act, this Deed will terminate in accordance with clause 15.2 or 15.3(a).

15.2 Automatic termination

This Deed automatically terminates upon the occurrence of any one of the following events:

- (a) by an order of the Court under section 445D of the Corporations Act; or
- (b) by a resolution of the Creditors at a meeting convened by the Deed Administrators in accordance with clause 15.4.

Upon termination of this Deed in accordance with this clause 15.2, the Deed Administrators will certify to that effect in writing by lodging with ASIC a notice of termination of this Deed in accordance with ASIC form 509G (or such other relevant form as required by ASIC).

15.3 Termination on effectuation of Deed

- (a) This Deed will terminate immediately on effectuation in accordance with clause 14 (*Effectuation*).
- (b) On the termination of this Deed in accordance with clause 15.3(a);
 - (i) control of the Target Group will immediately revert to the Directors of each Target Company;
 - (ii) the Deed Administrators will return to the Target Group all of the Target Group's books and records within their possession as soon as reasonably practicable (though the Deed Administrators reserve the right to retain copies of such books and records);
 - (iii) the Proponent and the Target Group will provide the Deed Administrators and the Trustees with free and unrestricted access to the Target Group's books and records, at the Deed Administrators' and the Trustees' (as applicable) own cost, as and when requested by the Deed Administrators or the Trustees (as applicable) on reasonable notice, to enable the Deed Administrators or the Trustees (as applicable) to determine the Claims of the Creditors, or such other purpose as may be required pursuant to this Deed or the CTD;
 - (iv) the Deed Administrators will provide the Proponent with the ASIC corporate keys to the Target Group within their possession as soon as reasonably practicable; and
 - (v) within 28 days, the Deed Administrators must certify to that effect in writing by lodging with ASIC a notice of termination of this Deed in accordance with ASIC form 5056 (or such other relevant form as required by ASIC).

15.4 Meetings to consider termination of Deed

The Deed Administrators will convene a meeting of Creditors to consider a Resolution to terminate this Deed (and any other Resolutions requested or ordered), if:

- (a) a Court so orders, and in accordance with the Court's orders;
- (b) a Court declares a provision of this Deed (but not the Deed in its entirety) to be void pursuant to section 445G(2) of the Corporations Act in which case, unless the Court makes orders varying this Deed, within 14 days of such a declaration;
- (c) requested in writing in accordance with sections 75-15 or 75-20 of the IPS; or
- (d) if the Deed Administrators determine (acting reasonably) that:
 - (i) it is no longer practicable or desirable to implement this Deed; or
 - (ii) the relevant Target Company or Proponent is unlikely to be able to comply with the terms of this Deed,

but for the avoidance of doubt this clause 15.4 does not prevent the Deed Administrators from otherwise convening a meeting of Creditors at such times as they see fit.

15.5 Previous operation of this Deed preserved

Subject to any orders of the Court and the terms of this Deed, the termination or avoidance, in whole or in part, of this Deed does not affect the previous operation, or the accrued rights, duties and obligations of the Target Companies and the Deed Administrators under this Deed.

15.6 Transition to liquidation

Where at any meeting, Creditors resolve to terminate the Deed and that the Target Group be wound up then:

- (a) this Deed is terminated as at the date of the resolution; and
- (b) sections 446A(3) and (5) to (7) of the Corporations Act apply as if each Target Company was being wound up under section 446A of the Corporations Act, and the Deed Administrators will become the liquidators of each Target Company.

16 Remuneration, costs, charges and expenses

16.1 Remuneration and costs

The Deed Administrators, the Administrators and Trustees will receive:

- (a) payment for the Deed Administrators' Liabilities, the Administrators' Liabilities and the Trustees' Liabilities; and
- (b) payment of the Deed Administrators' Remuneration, the Administrators' Remuneration and the Trustees Remuneration,

in accordance with the terms of the CTD.

17 Liabilities of Deed Administrators and Administrators

To the maximum extent permitted by law, the Deed Administrators and the Administrators will not be personally liable for:

- (a) any debts incurred or any claims, obligations, demands, actions, losses, damages, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Deed Administrators or the Administrators or their respective Representatives in administering this Deed or exercising their duties and obligations under this Deed;
- (b) any debts incurred or any claims, obligations, demands, actions, losses, damages, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Target Group whether before, during or after the period of the operation of this Deed; or
- (c) any debts incurred or any claims, obligations, demands, actions, losses, damages, costs, charges, expenses or liabilities suffered or sustained or incurred by any Directors, Officers or Creditors,

except any loss or damage occasioned by the gross negligence or wilful misconduct of the Deed Administrators or the Administrators.

18 Resignation and removal of Deed Administrator

18.1 Deed Administrator's termination or death

- (a) The appointment of a Deed Administrator may be terminated by a Resolution at a meeting of Creditors held in accordance with this Deed.
- (b) In the event of the death of a Deed Administrator or in the event of their appointment being terminated in accordance with this Deed, the Creditors will have the power by Resolution to appoint a substitute administrator or administrators to carry out their duties.
- (c) Nothing in this clause 18.1 affects a Deed Administrator's accrued right to:
 - (i) the Deed Administrator's Remuneration or payment of the Deed Administrators' Liabilities and any indemnity pursuant to this Deed or at law; or
 - (ii) the Deed Administrator's supporting lien whether arising pursuant to this Deed or at law.

18.2 Deed Administrator's resignation

- (a) Subject to clause 18.2(b), a Deed Administrator may resign at any time by giving not less than 14 days' prior written notice tendered to Creditors.
- (b) If following the proposed resignation of a Deed Administrator there would be no remaining Deed Administrator, the Deed Administrator must prior to resigning:
 - (i) convene a meeting of Creditors of each Target Company in accordance with clause 21.1 (*Meetings*), or alternatively approach the Court, for the purpose of appointing a replacement administrator or administrators of this Deed; and

- (ii) do all things reasonably necessary to give effect to the replacement of the Deed Administrator in accordance with the outcome of the meeting or order of the Court (as applicable).

19 GST

19.1 GST exclusive amounts

- (a) If GST is or will be payable on a supply made under or in connection with this Deed, to the extent that the consideration otherwise provided for that supply under this Deed is not stated to include an amount in respect of GST on the supply:
 - (i) the consideration otherwise provided for that supply under this Deed is increased by the amount of that GST; and
 - (ii) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within 7 days of receiving a written demand from the supplier.
- (b) The right of the supplier to recover any amount in respect of GST under this Deed on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient within the time period within which the recipient is otherwise entitled to the relevant input tax credit.

19.2 Reimbursements

If a payment to a person is a reimbursement or indemnification that is calculated by reference to a loss, cost or expense incurred by that person, the payment will be reduced by the amount of any input tax credit to which that person is entitled for the acquisition to which that loss, cost or expense relates and then, if consideration for a taxable supply, clause 19.1 will apply.

19.3 Interpretation

For the purposes of clauses concerning GST, all terms defined in the GST Act have the meanings given to those terms in the GST Act unless the context requires otherwise.

20 Notices

20.1 How to give a notice

A notice, consent or other communication under this Deed is only effective if it is:

- (a) in writing and addressed to the person to whom it is to be given; and
- (b) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent in electronic form (such as email).

20.2 When a notice is given

A notice, consent or other communication that complies with this clause 20 is regarded as given and received:

- (a) if it is delivered or sent by email:
 - (i) by 5.00pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day,

(in each case unless the sender receives an automated message that delivery failed); or

- (b) if it is sent by mail:
 - (i) within Australia - 6 Business Days after posting; or
 - (ii) to or from a place outside Australia - 10 days after posting.

20.3 Address for notices

A person's address and email address are those set out in the Details, or as the person notifies to the sender.

21 General

21.1 Meetings

Meetings of Creditors may be convened by the Deed Administrators from time to time in accordance with the Prescribed Provisions, the Corporations Act and the Corporations Regulations.

21.2 Costs and stamp duty

The Deed Administrators' and Administrators' costs, charges and expenses of and incidental to the preparation, execution and any variation of this Deed and any associated stamp duty payable are taken to be costs, charges and expenses incurred by the Administrators or the Deed Administrators in connection with or incidental to the administration of this Deed but only to the extent that the Trust Fund is sufficient to meet those costs, charges, expenses and stamp duty.

21.3 Variation of this Deed by Creditors

This Deed may be varied, with the consent of the Deed Administrators, by a Resolution passed at a meeting of Creditors convened in accordance with the Corporations Regulations, but only if the variation is not materially different from a proposed variation set out in the notice of meeting.

21.4 Governing law

This Deed is governed by the law in force in Victoria, Australia.

21.5 Jurisdiction

Any proceedings in relation to or arising out of this Deed, including appeals against rejections of Claims must be commenced in the Courts.

21.6 This Deed prevails over memorandum, articles, contracts etc.

If there is any inconsistency between the provisions of this Deed and the constitution, memorandum of association or articles of association of any Target Company or any other obligations binding on the Target Group, then the provisions of this Deed will prevail to the extent of the inconsistency.

21.7 No waiver

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

21.8 Indemnities and reimbursement obligations

Any indemnity, reimbursement, payment or similar obligation in this Deed given by a party:

- (a) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this Deed, any settlement or any other thing;
- (b) is independent of any other obligations under this Deed or any other document; and
- (c) continues after this Deed, or any obligation arising under it, ends.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this Deed.

21.9 Counterparts

This Deed may be executed in counterparts with the same effect as if the signatures to each counterpart were upon the same instrument.

21.10 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Deed or any part of it.

21.11 Entire agreement

This Deed contains the entire agreement of the parties with respect to its subject matter and supersedes all earlier conduct by the parties with respect to its subject matter.

21.12 Further assurances

- (a) Each of the parties will do all acts, matters and things as may be reasonably necessary or expedient to implement and give full effect to the provisions of this Deed.

- (b) All persons bound by this Deed will do (at their own cost, unless otherwise agreed by the Deed Administrators, acting reasonably) all acts, matters and things as may reasonably be requested by the Deed Administrators to give effect to this Deed and the transactions contemplated by it (including signing any documents).

21.13 Survival

Clauses 1 (*Definitions and Interpretation*), 8 (*Release of Creditor Claims*), 9.3 (*Distribution of Assets in Liquidation*), 15.3(b) (*Termination on Effectuation of Deed*), 15.5 (*Previous Operation of this Deed Preserved*), 15.6 (*Transition to Liquidation*), 16 (*Remuneration, Costs and Expenses*), 17 (*Liabilities of Deed Administrators and Administrators*) and 19 (*GST*) and this clause survive termination of this Deed.

EXECUTED as a deed

DRAFT

Schedule 1 What this instrument specifies

Section of Corporations Act	Item	Clause(s) of this Deed
444A(4)(a)	the administrator of the deed	4.1(a)
444A(4)(b)	the property of the company (whether or not already owned by the company when it executes the deed) that is to be available to pay creditors' claims	9.2(a)
444A(4)(c)	the nature and duration of any moratorium period for which the deed provides	5
444A(4)(d)	to what extent the company is to be released from its debts	8
444A(4)(e)	the conditions (if any) for the deed to come into operation	2.1
444A(4)(f)	the conditions (if any) for the deed to continue in operation	2.2
444A(4)(g)	the circumstances in which the deed terminates	15.1
444A(4)(h)	the order in which proceeds of realising the property referred to in paragraph (b) are to be distributed among creditors bound by the deed	9.2(b)
444A(4)(i)	the day (not later than the day when the administration began) on or before which claims must have arisen if they are to be admissible under the deed	9.2(c)
444DA(1)	requirement for eligible employee creditor priority at least equal to what they would have been entitled if the property were applied in accordance with sections 556, 560 and 561 of the Corporations Act	9.2(d)
444DB	requirement for no admissibility of superannuation contribution to proof in whole or in part	9.2(e)

Schedule 2 Completion Notice

To: Australian Home Services Group Pty Ltd (ACN 659 865 951) (**Proponent**)

Date: _____

Deed of company arrangement dated [●] between the Proponent, Deed Administrators and Target Group (“DOCA”) – Completion Notice

We refer to the DOCA. Capitalised terms used but not defined in this notice have the same meanings given in the DOCA.

This is a Completion Notice for the purposes of the DOCA.

The Deed Administrators confirm that the DOCA effectuated on [●] and Completion has occurred.

This document is governed by the law in force in Victoria, Australia.

Yours sincerely

.....
For and behalf of the Deed Administrators

Deed of Company Arrangement

Signing Page

COMPANIES

EXECUTED by)
Bblautofirst Pty Ltd (Administrators)
Appointed) and **Firstaction Group Pty**)
Ltd (Administrators Appointed) in)
accordance with sections 442A(c) and)
126(1) of the *Corporations Act 2001* (Cth))
by their duly appointed joint and several)
administrator:)

.....
) Signature of ALAN LEE WALKER

DRAFT

ADMINISTRATORS

SIGNED, SEALED AND DELIVERED
by **Alan Lee Walker** in his capacity as
joint and several voluntary
administrator of the Target Group:

)
)
)
)
)
)
)
)
)
)
)

.....
Signature of ALAN LEE WALKER

SIGNED, SEALED AND DELIVERED
by **Glenn Ian Livingstone** in his
capacity as joint and several voluntary
administrator of the Target Group:

)
)
)
)
)
)
)
)
)
)
)

.....
Signature of GLENN IAN
LIVINGSTONE

DRAFT

Annexure A Creditors' Trust Deed

DRAFT

Creditors' Trust Deed

Dated

Firstaction Group Pty Ltd (Subject to Deed of Company Arrangement) (ACN 139 666 247) ("**First Action**") and Bblautofirst Pty Ltd (Subject to Deed of Company Arrangement) (ACN 647 331 262) ("**BBL Auto**") (each a "**Target Group Member**" and together, the "**Target Group**")

Alan Walker and Glenn Livingstone in their capacity as joint and several deed administrators of the DOCA as defined in this document ("**Deed Administrators**")

King & Wood Mallesons

Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia
T +61 2 9269 2000
F +61 2 9269 3999
DX 113 Sydney
www.kwm.com
602-0084276

Creditors' Trust Deed

Contents

Details	1	
General terms	3	
1	Definitions and interpretation	3
1.1	Definitions	3
1.2	General interpretation	4
1.3	Application of the Corporations Act and Corporations Regulations	5
1.4	Inconsistency	5
2	Declaration of trust	5
2.1	Commencement Date	5
2.2	Appointment	5
2.3	Declaration	6
2.4	Name of Creditors' Trust	6
2.5	Trustees' duties	6
2.6	Trustees' powers	6
2.7	Access to records	8
3	Trust Fund	8
3.1	Trust Fund	8
3.2	Trust Deed	8
3.3	Postponement	9
4	Perpetuity period	9
5	Claims	9
5.1	Entitlements	9
5.2	No interest	9
5.3	Ascertaining Creditors	9
5.4	Determining Entitlements and priority	9
5.5	Admitted Priority Claims	9
5.6	Payments not made	10
5.7	Admissibility of Claims	10
5.8	Adjudication of proofs	10
5.9	Trustees' discretion	10
5.10	Payment of Claims	10
5.11	Abandonment of Claims	10
6	Distribution of Trust Fund	11
6.1	Distribution of the Trust Fund	11
6.2	Treatment of Non-Participating Claims	11
7	Further action	11
7.1	Bar to Creditor's Claims and discharge of debts	11
7.2	Release of Creditor's Claims	12

8	Register	12
8.1	Register	12
8.2	Inspection of register	12
8.3	Register conclusive	12
9	Superannuation contribution debts	12
9.1	Whole of superannuation contribution debt	12
9.2	Part of superannuation contribution debt	13
10	Meetings of Admitted Creditors	13
11	Remuneration	13
11.1	Remuneration and costs	13
11.2	Calculation of remuneration	13
11.3	Payment	13
11.4	Costs and outlays	14
11.5	Statutory Liabilities and other Liabilities	14
12	Indemnity	14
12.1	Indemnity	14
12.2	Nature of indemnity	14
12.3	Indemnity not affected or prejudiced	14
12.4	Lien	15
12.5	Insufficient funds	15
13	Liability	15
14	Resignation and removal	16
14.1	Trustee's death	16
14.2	Trustee's resignation	16
15	Termination	16
15.1	Termination of the Creditors' Trust	16
15.2	Previous operation of this document preserved	16
15.3	Variation	17
16	Notices and other communications	17
16.1	Form	17
16.2	Delivery	17
16.3	When effective	17
16.4	When taken to be received	17
17	General	18
17.1	Invalidity/severance	18
17.2	Further assurances	18
17.3	Consents, approvals or waivers	18
17.4	Discretion in exercising rights	18
17.5	Partial exercising of rights	18
17.6	Indemnities and reimbursement obligations	18
17.7	Supervening law	19
17.8	Counterparts	19
17.9	No liability for loss	19

17.10	Rules of construction	19
17.11	Stamp duty	19
17.12	GST	19
17.13	Survival	19
<hr/>		
18	Governing law	20
18.1	Governing law and jurisdiction	20
18.2	Serving documents	20
	Signing page	21

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Creditors' Trust Deed

Details

Parties	Target Group and Deed Administrators	
First Action	Name	Firstaction Group Pty Ltd (Subject to Deed of Company Arrangement)
	ACN	139 666 247
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wlpr.com.au glivingstone@wlpr.com.au
	Attention	Alan Walker, Glenn Livingstone
BBL Auto	Name	Bblautofirst Pty Ltd (Subject to Deed of Company Arrangement)
	ACN	647 331 262
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wlpr.com.au glivingstone@wlpr.com.au
	Attention	Alan Walker, Glenn Livingstone
Deed Administrators	Name	Alan Walker and Glenn Livingstone in their capacity as joint and several deed administrators of the DOCA as defined in this document
	Address	c/- WLP Restructuring Suite 21.02, Level 21 Australia Square Sydney NSW 2001
	Email	awalker@wlpr.com.au glivingstone@wlpr.com.au
	Attention	Alan Walker, Glenn Livingstone

Governing law Victoria, Australia

- Recitals**
- A** On 12 April 2023, the directors of the Target Group appointed Alan Walker and Glenn Livingstone as joint and several administrators of each Target Company pursuant to section 436A of the Corporations Act.
 - B** At the duly convened second meetings of the Target Group's creditors held on [#], it was resolved pursuant to section 439C(a) of the Corporations Act that the Target Group execute the DOCA and the DOCA was executed on or around the date of this document.
 - C** The Target Group and Deed Administrators enter into this document as contemplated by the DOCA in order to facilitate distributions by the Trustees to the beneficiaries of the Trust Fund.
 - D** The Deed Administrators have agreed to act as Trustees of the Creditors' Trust.

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Creditors' Trust Deed

General terms

1 Definitions and interpretation

1.1 Definitions

Words and phrases which are capitalised in this document have the meaning set out in the DOCA, unless defined below:

Admitted Creditor means any Creditor who has an Admitted Claim, including an Admitted Priority Claim.

Claim means any Claim but excluding any Non-Participating Claim.

Commencement Date means the date on which Completion occurs.

Creditors' Trust means the trust established by this document.

Creditors' Trust Account means the bank account established in the name of the Trustees for the express purpose of holding funds pursuant to this document.

Details means the section of this document headed "Details".

Director means any person who, by reason of section 9 of the Corporations Act, is a 'director' of a Target Group Member at the Commencement Date.

Dividend means any amount paid from the Trust Fund to a Creditor in respect of that Creditor's Entitlement.

DOCA means the deed of company arrangement executed by the Target Group, the Deed Administrators and the Proponent, on or around the date of this document.

Entitlement means an Admitted Creditor's right to receive Dividend(s) under this document with respect to an Admitted Claim.

Final Dividend means the last Dividend payment to be made by the Trustees to any Creditor under this document.

GST means the goods and services tax as imposed by the GST Law, a consumption tax, value added tax, retail turnover tax or tax of a similar nature.

GST Law has the meaning given to that term in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or, if that Act does not exist for any reason, means any legislation imposing or relating to the imposition or administration of a goods and services tax in Australia.

Initial Trust Fund Amount means A\$10.

Officer means any person who, by reason of section 9 of the Corporations Act, is an 'officer' of a Target Group Member at the Commencement Date.

Representatives means, in relation to the Administrators, the Deed Administrators or the Trustees (as the context requires), their firm, partners, employees, agents, advisers and consultants.

Superannuation Guarantee Charge has the meaning given to that term in the *Superannuation Guarantee (Administration) Act 1992* (Cth).

Trust Fund means the fund established under clause 2.3 (*Declaration*).

Trustees means Alan Walker and Glenn Livingstone in their capacity as joint and several trustees of the Creditors' Trust appointed in accordance with this document.

Trustees Act means the *Trustee Act 1958* (Vic).

Trustees' Liabilities means any liabilities, debts, costs, fees, charges, disbursements, and expenses of the Trustees, including any Statutory Liabilities, professional fees and expenses and legal fees, incurred in respect of:

- (a) the administration and performance of this document pursuant to the Trustees' appointment as trustees of this document; and/or
- (b) the preparation, stamping, execution and performance of this document.

Trustees' Remuneration means the amount calculated in accordance with clause 11.2 (*Calculation of Remuneration*).

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement, deed or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (e) a reference to "**person**" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association, an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person's executors, administrators, liquidator, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (h) a reference to "**law**" includes common law, principles of equity and legislation (including regulations);
- (i) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (j) a reference to "**regulations**" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);

- (k) an agreement, representation or warranty in favour of 2 or more persons is for the benefit of them jointly and each of them individually;
- (l) a warranty, representation, covenant or obligation given or entered into by 2 or more persons binds them individually only and not jointly;
- (m) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (n) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (o) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (p) if a party must do something under this document on or by a given day and it is done after 7.00pm on that day, it is taken to be done on the next Business Day; and
- (q) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

1.3 Application of the Corporations Act and Corporations Regulations

Subject to any contrary terms of this document, the Prescribed Provisions are incorporated in this document with all modifications as are necessary to give effect to Part 5.3A of the Corporations Act and this document, and as if references to the 'liquidator', 'provisional liquidator', 'administrator' or the like, were references to the 'Trustees', references to the 'relevant date' were references to the 'Relevant Date', and references to 'winding up' were references to the arrangement effected by this document.

1.4 Inconsistency

If there is any inconsistency between the provisions of this document and the Corporations Act, the Corporations Regulations or both, this document will prevail to the extent:

- (a) of the inconsistency; and
- (b) permitted by law.

2 Declaration of trust

2.1 Commencement Date

This document will come into operation and take effect on and from the Commencement Date, following execution of this document by the Deed Administrators and each Target Company.

2.2 Appointment

- (a) On the Commencement Date, the Creditors and the Deed Administrators appoint the Trustees as trustees of the Creditors' Trust on the terms of this document.
- (b) Subject to the terms of this document, the appointment of the Trustees is irrevocable.

- (c) The Trustees accept and agree to their appointment as trustees of the Creditors' Trust.

2.3 Declaration

On the Commencement Date,

- (a) the Deed Administrators will pay the Initial Trust Fund Amount and the Proponent Contribution into the Creditors' Trust Account;
- (b) the Deed Administrators will transfer the Excluded Assets to the Trustees or into the Creditors' Trust Account; and
- (c) the Trustees acknowledge and declare that the amounts referred to in paragraph (a), once received by the Trustees, will be held on trust by the Trustees for the parties entitled to those funds in accordance with this document and applied as provided in clause 6.1 (*Distribution of the Trust Fund*).

2.4 Name of Creditors' Trust

The trust constituted by this document will be called the "Plumbfirst Creditors' Trust".

2.5 Trustees' duties

The Trustees must:

- (a) to the extent and in the manner the Trustees believe appropriate, collect, sell or otherwise realise the property held on trust (including any choses in action forming part of the Trust Fund);
- (b) at such time(s) as the Trustees consider appropriate, call for formal proofs of debt from some or all Creditors and adjudicate proofs of debt received;
- (c) pay Admitted Claims in accordance with this document, including by paying interim distributions;
- (d) otherwise distribute the Trust Fund in accordance with this document; and
- (e) to the extent that the Trustees consider it reasonably necessary, receive, consider and report back to Creditors on all issues in relation to the matters covered by this document.

2.6 Trustees' powers

Without limiting the powers that the Trustees have by operation of the Trustees Act, for the purposes of administering the trust constituted by this document and to give effect to the Transaction generally, the Trustees have the following powers:

- (a) to administer the Trust Fund:
 - (i) to give effect to the Transaction; or otherwise
 - (ii) in accordance with the provisions set out in the DOCA and this document;

- (b) to fulfil the Trustees' obligations in terms of this document;
- (c) to sell, re-invest or otherwise deal with the assets of the Trust Fund;
- (d) to perfect title in any assets of the Trust Fund;
- (e) to insure any assets of the Trust Fund;
- (f) to, at any time, convene and hold meetings of the Creditors for any purpose as the Trustees consider fit, including for the purpose of considering the variation or termination of this document in accordance with the provisions of this document;
- (g) to admit Claims to proof in accordance with the provisions of the DOCA and this document;
- (h) to determine Entitlements and then to pay Dividends in accordance with the terms of this document;
- (i) to act as attorney for the Target Group or any other person for any purpose associated with the Creditors' Trust or the Trust Fund;
- (j) to enforce compliance with the terms of this document;
- (k) to accept the transfer of any shares, stocks, debentures, debenture stock, annuities, bonds, obligations or other securities of whatever nature that may at any time be transferred to it;
- (l) to enter upon or take possession of the Trust Fund and to collect the revenue or income from or interest on the Trust Fund and exercise any rights or powers relating to any part of the Trust Fund;
- (m) to bring, prosecute and defend any claim, action, suit or proceeding, which power includes the power to bring and defend any claim, counter-claim, set-off, action, suit or proceeding in the Target Group names or (after assignment) in the Trustees' name, to enforce any right, claim or cause of action that forms part of the Trust Fund, and to that end:
 - (i) to issue or accept service of any writ, summons or other legal process and to appear or be represented in any court and before all wardens, magistrates or judicial or other officers as the Trustees think fit and to commence or defend and conduct any action or other proceeding in any court of justice in relation to the Trust Fund and any claim, proceeding or action forming part of the Trust Fund and to prosecute, discontinue, compromise, stay, terminate or abandon that proceeding or action as the Trustees think fit;
 - (ii) to appoint any solicitor and counsel to prosecute or defend in those proceedings as occasion may require; and
 - (iii) to take any other lawful ways and means for the recovering or getting in any of the Trust Fund;
- (n) to permit any person authorised by the Trustees to operate any account in the name of the Creditors' Trust;
- (o) to do all acts and execute in the name and on behalf of the Creditors' Trust all deeds, receipts and other documents;

- (p) to draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Creditors' Trust;
- (q) subject to the Corporations Act, to prove in the winding up of or under any scheme of arrangement entered into by, or deed of company arrangement executed by, any contributory or debtor of the Creditors' Trust;
- (r) to bring or defend an application for the vesting or winding up of the Creditors' Trust;
- (s) to report to the Creditors from time to time;
- (t) to make interim or other distributions of the Trust Fund;
- (u) to appoint agents to do any business or attend to any matter or affairs of the Creditors' Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;
- (v) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- (w) to compromise any claim, action, suit or proceeding brought by or against the Trustees on such terms as the Trustees consider fit, which power includes the power to compromise any claim, action, suit or proceeding referred to in paragraph (m) of this clause;
- (x) to provision for and set aside a sum or sums equal to an amount which the Trustees reasonably anticipate may be payable in respect of any tax, including income tax, capital gains tax or GST;
- (y) to do anything incidental to exercising a power set out in this document; and
- (z) to do anything else that is necessary or convenient for administering the Creditors' Trust.

2.7 Access to records

The Target Group must provide the Trustees with free and unrestricted access to the Target Group's books and records within a reasonable time, as and when reasonably requested by the Trustees, to enable the Trustees to determine the Claims of the Creditors, or such other purpose as may be required pursuant to this document.

3 Trust Fund

3.1 Trust Fund

The Trust Fund will be comprised of the funds held in the Creditors' Trust Account from time to time, including the funds set out in clause 2.3(a) (*Declaration*).

3.2 Trust Deed

The Trust Fund is to be held by the Trustees for the benefit of the Creditors, the Trustees, the Deed Administrators and the Administrators on the terms of this document.

3.3 Postponement

If proceedings are brought, or threatened to be brought, by any person in respect of the distribution of the Trust Fund, then the Trustees will be entitled at their sole discretion to postpone the payment of any Entitlement until determined by the Trustees.

4 Perpetuity period

Notwithstanding any other provision in this document, each

- (a) interest in property; and
- (b) Trustees' power over or in connection with property,

created or granted by this document that, but for this provision, might vest, take effect, or be exercisable after the expiry of 80 years commencing on the date of this document, but which has not vested or taken effect by that date,

- (c) will vest or take effect on the last day of that period; and
- (d) is exercisable only on or before the last day of that period.

5 Claims

5.1 Entitlements

Each Admitted Creditor is entitled to its Entitlement as determined in accordance with the terms of this document.

5.2 No interest

Interest does not accrue, and is not payable, in respect of any Creditor's Claims, Admitted Claims or Entitlement.

5.3 Ascertaining Creditors

In adjudicating the Creditor's Claims, the Trustees are entitled to adopt the conclusions and findings of the Administrators or the Deed Administrators, such that if a Creditor's Claim has been previously rejected, it is to be treated as rejected under this document and if a Creditor's Claim has been previously admitted to prove, it is to be treated as having been admitted to prove under this document.

5.4 Determining Entitlements and priority

In accordance with clause 1.3 (*Application of the Corporations Act and Corporations Regulations*), the Prescribed Provisions apply to the adjudication of Creditor's Claims by the Trustees.

5.5 Admitted Priority Claims

In accordance with section 444DA of the Corporations Act, the Trustees are to apply the Trust Fund so that an Admitted Creditor with an Admitted Priority Claim will be entitled to a priority at least equal to what they would have been entitled if the Trust Fund were applied in accordance with sections 556, 560 and 561 of the Corporations Act.

5.6 Payments not made

In the event that the Trustees, for any reason, are unable to locate an Admitted Creditor, or if any cheque sent by the Trustees to an Admitted Creditor has not been presented by the time the Creditors' Trust would otherwise terminate, then:

- (a) the Trustees will stop payment of such cheque;
- (b) the moneys represented by such stopped cheque or held by the Trustees on behalf of the Admitted Creditor must be paid to ASIC; and
- (c) the provisions of sections 544(1) and 544(3) of the Corporations Act apply, with such modifications as are necessary, to such payment as if references in those sections to 'liquidator' were references to the 'Trustees' and references to 'company' were references to the 'Trust' (however, the terms of this document and the DOCA prevail to the extent of any inconsistency).

5.7 Admissibility of Claims

Upon the Commencement Date, all Claims will, in accordance with the DOCA, be treated as Claims under this document which may, if admitted by the Trustees, give rise to Entitlements.

5.8 Adjudication of proofs

- (a) Creditors are entitled to submit a proof of debt in respect of their Claim for adjudication by the Trustees in accordance with this document.
- (b) Creditors are required to lodge their proof of debt for their Claims on or before the time fixed in accordance with regulation 5.6.39 of the Corporations Regulations, or such later date as the Trustees may specify in their absolute discretion.
- (c) The Trustees are to adjudicate the proofs of debt of each Creditor's Claim in accordance with the Prescribed Provisions, the DOCA, and this document.

5.9 Trustees' discretion

The Trustees may, in their absolute discretion, adjudicate Claims and determine whether to admit Claims under this document.

5.10 Payment of Claims

- (a) The Trustees may pay Admitted Creditors their Dividend(s) by electronic funds transfer.
- (b) The Trustees need not pay a Dividend to an Admitted Creditor if the amount due to them in respect of a Dividend would be less than A\$25.

5.11 Abandonment of Claims

- (a) A Creditor will have abandoned, and will be taken for all purposes to have abandoned, all Claims and all other entitlements (if any) in the Trust Fund:
 - (i) which are not the subject of a proof lodged with the Deed Administrators or the Trustees in the form required by the Trustees prior to the declaration of a Final Dividend; or

- (ii) which have been rejected by the Trustees and which are not the subject of any appeal or application to the Court within the time allowed for appeals under the Corporation Regulations.
- (b) In the event that the Trustees declare an interim Dividend pursuant to this document, regulation 5.6.65(3) of the Corporation Regulations (with any necessary modifications) will apply to the Claims of any Creditors who fail to submit a proof of debt before the date on which the interim Dividend is paid.

6 Distribution of Trust Fund

6.1 Distribution of the Trust Fund

- (a) The order in which the Trustees will distribute the Trust Fund is as follows:
 - (i) first, in payment of the Administrators' Liabilities, Deed Administrators' Liabilities and Trustees' Liabilities;
 - (ii) second, in payment of the Administrators' Remuneration, Deed Administrators' Remuneration and Trustees' Remuneration;
 - (iii) third, in payment of Admitted Priority Claims; and
 - (iv) fourth, in payment of Admitted Claims which are not Admitted Priority Claims on a pari passu basis.
- (b) The day on or before which Claims (if any) must have arisen if they are to be admissible under this document is the Relevant Date.
- (c) Payments out of the Trust Fund to pay Admitted Claims will be made in the manner and at the time determined by the Trustees in their absolute discretion.

6.2 Treatment of Non-Participating Claims

A Creditor is not entitled to participate in, nor receive any distribution from, and will not prove to recover any distributions from the Trust Fund in respect of any Non-Participating Claim.

7 Further action

7.1 Bar to Creditor's Claims and discharge of debts

- (a) Subject to the terms of this document and section 444D of the Corporations Act, this document may be pleaded by the Target Group, the Administrators, the Deed Administrators and the Trustees against, in set-off or in answer to any Creditor in bar to the Creditor's Claims (irrespective of whether the Creditor has lodged a proof of debt or received a Dividend), as fully and effectively as if the Creditor had executed a binding covenant under seal not to sue.
- (b) Each Creditor must accept its Entitlements under this document (even if the amount of any final Dividend is nil) in full and final satisfaction and complete discharge of all Claims or Entitlements which the Creditor has, or claims to have, against the Target Group, the Administrators, the Deed

Administrators or the Trustees (irrespective of whether the Creditor has lodged a proof of debt or received a Dividend under this document).

7.2 Release of Creditor's Claims

If the Trustees have paid a Creditor its full Dividend(s) under this document in relation to the Creditor's Claims and Entitlements, the Administrators, the Deed Administrators and the Trustees are forever released and discharged by the Creditor and the Creditor's Claims are extinguished and each Creditor must, if called upon to do so by the Trustees, execute and deliver to the Target Group, the Administrators, Deed Administrators and the Trustees such form of release of the Creditor's Claims and Entitlements as the Trustees may require.

8 Register

8.1 Register

The Trustees must maintain in Sydney, New South Wales, Australia, or elsewhere as the Trustees determine, an up-to-date register and must enter in the register in respect of each Admitted Creditor:

- (a) the Admitted Creditor's name and address;
- (b) details of each Admitted Claim; and
- (c) Dividend(s) paid to the Admitted Creditor pursuant to this document.

8.2 Inspection of register

The Trustees must make the register open at times reasonably requested by Admitted Creditors for the inspection of Admitted Creditors or any person authorised in writing by an Admitted Creditor.

8.3 Register conclusive

The register is conclusive evidence of the matters entered on the register.

9 Superannuation contribution debts

9.1 Whole of superannuation contribution debt

In accordance with sections 444DB(1) and 444DB(2) of the Corporations Act (with such modifications as necessary), the Trustees must determine that the whole of a debt by way of a superannuation contribution is not admissible to prove if:

- (a) a debt by way of Superannuation Guarantee Charge:
 - (i) has been paid; or
 - (ii) is, or is to be, admissible to prove; and
- (b) the Trustees are satisfied that the Superannuation Guarantee Charge is attributable to the whole of the first-mentioned debt.

9.2 Part of superannuation contribution debt

In accordance with sections 444DB(3) and 444DB(4) of the Corporations Act (with such modifications as necessary), the Trustees must determine that a particular part of a debt by way of a superannuation contribution is not admissible to prove if:

- (a) a debt by way of Superannuation Guarantee Charge:
 - (i) has been paid; or
 - (ii) is, or is to be, admissible to prove; and
- (b) the Trustees are satisfied that the Superannuation Guarantee Charge is attributable to that part of the first-mentioned debt.

10 Meetings of Admitted Creditors

- (a) The Trustees may at any time convene and hold a meeting of Creditors.
- (c) In accordance with clause 1.3 (*Application of the Corporations Act and Corporations Regulations*), the Prescribed Provisions apply to meetings of Creditors convened for the purposes of this document.
- (b) Creditors who have been paid the full amount of their Entitlements under this document, will no longer be entitled to attend and participate in meetings of Creditors.

11 Remuneration

11.1 Remuneration and costs

From the Trust Fund, the Trustees, the Deed Administrators and the Administrators will receive payment of the Administrators' Liabilities, Deed Administrators' Liabilities and Trustees' Liabilities.

11.2 Calculation of remuneration

- (a) The Trustees' Remuneration, Deed Administrators' Remuneration and Administrators' Remuneration will be calculated on a time basis at the hourly rates usually charged by the Trustees, Deed Administrators and Administrators their partners and staff for insolvency related matters, together with rates charged by their firm in accordance with the hourly rates charged for such service lines.
- (b) The Administrators' Remuneration and the Deed Administrators' Remuneration will not, without approval by the Court, a committee of creditors or of the Creditors at a meeting of creditors, exceed the amounts approved by the Court or Creditors from time to time (exclusive of GST and disbursements), in accordance with the Corporations Act and other applicable law.

11.3 Payment

Subject to clause 11.2 (*Calculation of remuneration*), the Trustees are entitled to draw from the Trust Fund funds to pay the Trustees' Remuneration, the Administrators' Remuneration and Deed Administrators' Remuneration.

11.4 Costs and outlays

The costs and outlays connected with the negotiation, preparation and execution of the DOCA and this document are taken to be costs, charges and expenses incurred by the Trustees in connection with or incidental to their administration of this document.

11.5 Statutory Liabilities and other Liabilities

All Statutory Liabilities, including any stamp duty or GST, payable in connection with the DOCA and this document, the Administrators', the Deed Administrators', or the Trustees' remuneration and/or the other documents and matters referred to in this document, may be treated as costs and expenses of the administration of this document.

12 Indemnity

12.1 Indemnity

In addition to any rights the Trustees, Deed Administrators and Administrators may have under the Corporations Act or at law, the Trustees, the Deed Administrators and the Administrators are entitled to be indemnified out of the Trust Fund for:

- (a) payment for the Trustees' Liabilities, the Deed Administrators' Liabilities and the Administrators' Liabilities;
- (b) payment of the Trustees' Remuneration, the Deed Administrators' Remuneration and the Administrators' Remuneration; and
- (c) any liability referred to in clause 13 (*Liability*).

12.2 Nature of indemnity

- (a) The indemnity under clause 12.1 (*Indemnity*) will take effect on and from the Commencement Date and be without limitation as to time and will endure for the benefit of the Trustees, the Deed Administrators, the Administrators and their respective Representatives notwithstanding the removal of the Trustees, the Deed Administrators or the Administrators, the appointment of a replacement trustee, deed administrator or administrator, the determination of the Creditors' Trust for any reason or the termination of this document for any reason.
- (b) The Trustees', the Deed Administrators' and the Administrators' right of indemnity conferred by this clause 12 (*Indemnity*) has priority over the Claims and Entitlements of any Creditor or Creditors generally (including, to the extent permitted by law, any Admitted Priority Claim).
- (c) The Trustees, the Deed Administrators and the Administrators are entitled to exercise their right of indemnity conferred by this clause 12 (*Indemnity*) at any time whether or not they have paid or satisfied the Admitted Claims.

12.3 Indemnity not affected or prejudiced

The indemnity under clause 12.1 (*Indemnity*) will not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees, the Deed Administrators or the Administrators (as applicable), and extends to all actions, suits,

proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees, the Deed Administrators or the Administrators, the approval and execution of this document or otherwise; or

- (b) affect or prejudice all or any rights that the Trustees, the Deed Administrators or the Administrators (as applicable) may have in respect of the Trust Fund or against the Target Group or any person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees, the Deed Administrators or the Administrators in, or incidental to, the exercise or performance of any of the powers or authorities conferred on the Trustees by this document or the Deed Administrators or the Administrators as joint and several administrators of the Target Group or otherwise.

12.4 Lien

The Trustees, the Deed Administrators and the Administrators each have a lien over the Trust Fund to secure the rights of indemnity under this document.

12.5 Insufficient funds

Notwithstanding any other provision of this document and subject to applicable law, the Trustees are not obliged to take any action under this document in the event there are insufficient funds to pay the Trustees' Remuneration, the Trustees' Liabilities, the Administrators' Remuneration, the Administrators' Liabilities, the Deed Administrators' Remuneration and the Deed Administrators' Liabilities.

13 Liability

To the maximum extent permitted by law, the Trustees, the Deed Administrators and the Administrators are not personally liable for:

- (a) any debts incurred or any claims, obligations, demands, actions, loss, damage, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Trustees, the Deed Administrators, the Administrators or their respective Representatives in administering this document or exercising their duties and obligations under this document;
- (b) any debts incurred or any claims, obligations, demands, actions, loss, damage, costs, charges, expenses or liabilities caused by any act, omission or default by or on behalf of the Target Group whether before, during or after the period of the operation of this document; or
- (c) any debts incurred or any claims, obligations, demands, actions, loss, damage, costs, charges, expenses or liabilities suffered or sustained or incurred by any Directors, the Officers or the Creditors,

except any loss or damage occasioned by the gross negligence, wilful misconduct or in breach of fiduciary duty of the Trustees, the Deed Administrators or the Administrators (as applicable), or to the extent that indemnification in respect of such liabilities contravenes the Corporations Act or the Trustees Act.

14 Resignation and removal

14.1 Trustee's death

- (a) In the event of the death of a Trustee, the Creditors will have the power by Resolution to appoint a substitute trustee or trustees to carry out their duties.
- (b) Nothing in this clause affects the Trustees' accrued right to:
 - (i) the Trustees' Remuneration or payment of the Trustees' Liabilities and any indemnity pursuant to this document or at law; or
 - (ii) the Trustees' supporting lien whether arising pursuant to this document or at law.

14.2 Trustee's resignation

- (a) Subject to clause 14.2(b), a Trustee may resign at any time by giving not less than 28 days' prior written notice to Creditors.
- (b) If following the proposed resignation of a Trustee there would be no remaining Trustee, the Trustee must prior to resigning:
 - (i) convene a meeting of Creditors of the Target Group in accordance with clause 10 (*Meetings of Admitted Creditors*), or alternatively approach the Court, for the purpose of appointing a replacement trustee of this document;
 - (ii) assign to a replacement trustee the Trustees' rights, title and benefit under this document; and
 - (iii) do all things reasonably necessary to give effect to the replacement of the trustee in accordance with the outcome of the meeting or order of the Court (as applicable).

15 Termination

15.1 Termination of the Creditors' Trust

The Creditors' Trust will terminate and the Trustees will resign as soon as reasonably practicable upon:

- (a) application of the entirety of the Trust Fund in accordance with this document; or
- (b) the expiry of the perpetuity period referred to in clause 4 (*Perpetuity Period*),

whichever occurs first.

15.2 Previous operation of this document preserved

The termination or avoidance, in whole or in part, of this document does not affect the efficacy of any act done prior to the termination or avoidance.

15.3 Variation

This document may be varied with the consent of the Trustees by Resolution but only if the variation is not materially different from the proposed variation set out in the notice of that meeting.

16 Notices and other communications

16.1 Form

Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing and signed by the sender (if an individual) or a director or secretary of a party or any other person nominated by a party to act as an authorised officer of the sender for the purposes of this document. All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified). Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

16.2 Delivery

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by post (airmail if appropriate) to the address referred to in the Details; or
- (c) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details then communications must be sent to the changed contact details.

16.3 When effective

Communications take effect from the time they are received or taken to be received under clause 16.4 (*When taken to be received*) (whichever happens first) unless a later time is specified in the communication.

16.4 When taken to be received

Communications are taken to be received:

- (a) if it is delivered or sent by email:
 - (i) by 7.00pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 7.00pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day,

(in each case unless the sender receives an automated message that delivery failed); or

- (b) if it is sent by mail:
 - (i) within Australia - 6 Business Days after posting; or
 - (ii) to or from a place outside Australia - 10 days after posting.

17 General

17.1 Invalidity/severance

If any provision of this document is invalid for any reason whatsoever, it will be deemed to have been deleted which will not affect the validity or operation of the remainder of this document.

17.2 Further assurances

Each of the parties to this document will do, execute, provide, acknowledge and deliver all further acts, deeds, assignments, charges, guarantees, covenants, assurances, documents and things reasonably required to most expeditiously fulfil the purposes and intentions of this document.

17.3 Consents, approvals or waivers

By giving any consent, approval or waiver a party does not give any representation or warranty as to any circumstance in connection with the subject matter of the consent, approval or waiver.

17.4 Discretion in exercising rights

Unless this document expressly states otherwise, a party may exercise a right, power or remedy or give or refuse its consent, approval or a waiver in connection with this document in its absolute discretion (including by imposing conditions).

17.5 Partial exercising of rights

Unless this document expressly states otherwise, if a party does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

17.6 Indemnities and reimbursement obligations

Any indemnity, reimbursement, payment or similar obligation in this document given by a party:

- (a) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this document, any settlement or any other thing;
- (b) is independent of any other obligations under this document or any other document; and
- (c) continues after this document, or any obligation arising under it, ends.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this document.

17.7 Supervening law

Any present or future law which operates to vary the obligations of a party in connection with this document with the result that another party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

17.8 Counterparts

This document may consist of a number of copies, each signed by one or more parties to it. If so, the signed copies are treated as making up a single document.

17.9 No liability for loss

Unless this document expressly states otherwise, a party is not liable for any loss, liability or Costs arising in connection with the exercise or attempted exercise of, failure to exercise or delay in exercising, a right, power or remedy in connection with this document.

17.10 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

17.11 Stamp duty

Any stamp duty assessed on this document is to be paid out of the Trust Fund.

17.12 GST

- (a) Words used in this clause 17.12 which have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context otherwise indicates.
- (b) Unless expressly included, the consideration for any supply under or in connection with the DOCA is exclusive of GST.
- (c) To the extent that any supply made by the Target Group under or in connection with the DOCA is a taxable supply, the consideration for that supply is increased by an amount determined by the Target Group, not exceeding the amount of that consideration (or its market value) multiplied by the rate at which GST is imposed in respect of the supply ("**Additional Amount**").
- (d) The Additional Amount must be paid to the Target Group by the Trustees within 14 days of it being determined that the supply is a taxable supply.
- (e) The Target Group must issue a Tax Invoice to the Trustees with respect to the supply to which clause 17.12(c) applies no later than 7 days following payment of the GST inclusive consideration determined under that clause.

17.13 Survival

This clause 17 and clauses 1 (*Definitions and interpretation*), 7 (*Further Action*), 11 (*Remuneration*), 12 (*Indemnity*), 13 (*Liability*), 15.2 (*Previous operation of this deed preserved*) and 18 (*Governing law*) survive termination of this document.

18 Governing law

18.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

18.2 Serving documents

Without preventing any other method of service any document in an action in connection with this document may be served on a party by being delivered or left at that party's address for service of notices under clause 16.2 (*Delivery*).

EXECUTED as a deed

DRAFT

Creditors' Trust Deed

Signing page

COMPANIES

EXECUTED by)
Bblautofirst Pty Ltd (Administrators)
Appointed) and **Firstaction Group Pty**)
Ltd (Administrators Appointed) in)
accordance with sections 442A(c) and)
126(1) of the *Corporations Act 2001* (Cth))
by their duly appointed joint and several)
administrator:)

.....
) Signature of ALAN LEE WALKER

DRAFT

ADMINISTRATORS

SIGNED, SEALED AND DELIVERED)
by **Alan Lee Walker** in his capacity as)
joint and several voluntary)
administrator of the Target Group:)
)
)
)
)
)
)
)

.....
Signature of ALAN LEE WALKER

SIGNED, SEALED AND DELIVERED)
by **Glenn Ian Livingstone** in his)
capacity as joint and several voluntary)
administrator of the Target Group:)
)
)
)
)
)
)
)

.....
Signature of GLENN IAN
LIVINGSTONE

DRAFT

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Bblautofirst (Administrators Appointed)
ACN 647 331 262 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$65,998.50
19 June 2023 to the end of the voluntary administration	\$10,000.00
Total voluntary administration	\$75,998.50
Deed of company arrangement (DOCA) / Creditors' Trust	
From execution of the DOCA until finalisation of the DOCA / Creditors' Trust	\$25,000.00
Total DOCA / Creditors' Trust	\$25,000.00
Liquidation (if applicable)	
From commencement to the end of the liquidation	\$25,000.00
Total liquidation	\$25,000.00
<p><i>* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the deed administration or liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</i></p>	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Deed of Company Arrangement / Creditors' Trust	
From execution of the Deed of Company Arrangement until finalisation Of the Deed of Company Arrangement / Creditors' Trust	\$1,000.00
Liquidation (if applicable)	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$75,998.50 (ex GST). This is broadly consistent with the estimated remuneration in our Initial Remuneration Notice which estimated an amount up to \$75,000.00 (ex GST).

We estimate that our remuneration for any future deed of company arrangement or liquidation will total \$25,000.00 (ex GST) for each administration.

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent deed administration or liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$65,998.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Deed Administrators' / Creditors' Trustee Future Remuneration (as required)

"That the remuneration of the Deed Administrators (when aggregated with the total remuneration of the Trustees of the Creditors' Trust) for the period from the execution of the Deed of Company Arrangement until the finalisation of the Deed of Company Arrangement / Creditors' Trust is determined at a sum equal to the cost of time spent by the Deed Administrators and the Deed Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Deed Administrators / Creditors' Trustees may draw the remuneration on a monthly basis or as required."

Resolution 9: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate	Total		Assets		Creditors		Employees		Trade On		Investigation		Administration	
		(ex GST) \$/Hour	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	20.20	13,837.00	7.50	5,137.50	4.50	3,082.50	-	-	3.60	2,466.00	2.20	1,507.00	2.40	1,644.00
Glen Livingstone	Appointee	685	0.80	548.00	-	-	0.50	342.50	-	-	-	-	-	-	0.30	205.50
John Thompson	Director	635	16.90	10,731.50	2.00	1,270.00	2.50	1,587.50	0.10	63.50	10.30	6,540.50	1.20	762.00	0.80	508.00
Neil Smail	Director	635	6.00	3,810.00	0.30	190.50	0.90	571.50	-	-	1.60	1,016.00	0.90	571.50	2.30	1,460.50
Matthew Kelly	Senior Manager	575	2.30	1,322.50	-	-	0.80	460.00	-	-	-	-	-	-	1.50	862.50
Teresa Zhang	Manager	500	10.20	5,100.00	-	-	6.40	3,200.00	-	-	0.50	250.00	1.70	850.00	1.60	800.00
Billy Batbileg	Assistant Manager	450	28.30	12,735.00	1.20	540.00	0.70	315.00	5.70	2,565.00	17.90	8,055.00	2.10	945.00	0.70	315.00
Susan Zou	Assistant Manager	450	19.10	8,595.00	0.10	45.00	6.50	2,925.00	-	-	-	-	10.60	4,770.00	1.90	855.00
Viendya Karman	Senior Accountant	415	3.30	1,369.50	0.40	166.00	1.50	622.50	-	-	-	-	1.20	498.00	0.20	83.00
Deanne Lee	Intermediate	375	11.40	4,275.00	-	-	4.90	1,837.50	-	-	0.20	75.00	5.30	1,987.50	1.00	375.00
Jody Kwee	Intermediate	375	3.60	1,350.00	-	-	0.80	300.00	0.90	337.50	0.10	37.50	1.30	487.50	0.50	187.50
Ryan Pascoe	Junior Accountant	250	1.20	300.00	-	-	-	-	-	-	0.40	100.00	0.50	125.00	0.30	75.00
Oscar Bush	Junior Accountant	250	8.10	2,025.00	0.40	100.00	0.10	25.00	-	-	3.30	825.00	1.70	425.00	2.60	650.00
Total (excluding GST)			131.40	65,998.50	11.90	7,449.00	30.10	15,269.00	6.70	2,966.00	37.90	19,365.00	28.70	12,928.50	16.10	8,021.00
GST				6,599.85		744.90		1,526.90		296.60		1,936.50		1,292.85		802.10
Total (including GST)				72,598.35		8,193.90		16,795.90		3,262.60		21,301.50		14,221.35		8,823.10
Average Hourly Rate (exc GST)				552.50		688.56		558.00		0.00		0.00		495.52		548.02

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 11.90 Cost: \$7,449.00	Leasing	Liaising with owners/lessors Reviewing lease documents
	Debtors	Correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties Engaging marketing experts to place advertisements Liaising with interested parties Data room, preparation of due diligence materials and associated matters Meetings, offers, sale documentation Issuing circulars to interested parties regarding destroying confidential information Liaising with the successful bidder concerning a Corporation and Indemnity Deed
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Number of hours: 30.10 Cost: \$15,269.00		creditors and their representatives via email and post
	Creditor reports	Preparing and distributing an initial circular to creditors Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	Initial notifications including to PPSR registrants about their security interest and property General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting
	Extension of convening period	Preparing and submitting application to court for the extension to convening period

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		Liaising with solicitors regarding the application
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Investigation Number of hours: \$28.70 Cost: \$12,928.50	Conducting investigation	Initial letters and circulars to parties and stakeholders Collection of books and records from the company, directors and other parties Performing all applicable land title searches and other statutory searches as needed Reviewing books and records, company background and history Preparation of comparative financial statements Meetings and/or discussions with officers, employees and/or other parties on general company matters Reviewing management accounts, financial statements and associated information Reviewing and determining the date of insolvency Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
	Deed of Company Arrangement	Reviewing DOCA proposals received Liaising with solicitors concerning the proposals and assessing the return to creditors generally
Employees Number of hours: 6.70 Cost: \$2,966.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Liaising with solicitors concerning payroll queries
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Number of hours: 37.90 Cost: \$19,365.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Seeking legal advice regarding payroll

Administration Type: Voluntary Administration

Resolution 1: 12 April 2023 to 18 June 2023

Task Area	General Description	Includes
		<p>matters</p> <p>Liaising with the directors and management concerning operations</p> <p>Employee manpower plans and requirements</p> <p>Employee trade on matters including wages and payroll</p>
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	<p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>
<p>Administration</p> <p>Number of hours: 16.10</p> <p>Cost: \$8,021.00</p>	General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>
	Document maintenance/file review/checklists	<p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>
	Insurance	<p>Initial notifications and liaison with insolvency brokers</p> <p>Determining insurance needs</p> <p>Providing information to/discussions with our brokers</p> <p>Ongoing monitoring and review of</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		insurance needs
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration – 19 June 2023 to finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$2,000.00
Employees	\$1,000.00
Trade On	\$4,000.00
Investigation	\$1,000.00
Administration	\$1,000.00
Total	\$10,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration		
Resolution 2: 19 June 2023 to finalisation of the Voluntary Administration		
Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Further meetings with the successful bidder, AHSG Drafting necessary legal documents to affect the transition of the business to AHSG
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Voluntary Administration**

Task Area	General Description	Includes
Cost: \$2,000.00		Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Employees Cost: \$1,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Voluntary Administration**

Task Area	General Description	Includes
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Investigation Cost: \$1,000.00	Deed of Company Arrangement	Reviewing final deed Dealing with any conditions precedent Attending to execution
Trade On Cost: \$4,000.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued operations

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Voluntary Administration**

Task Area	General Description	Includes
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Administration Cost: \$1,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Deed Administrators' / Creditors' Trustees' Future Remuneration – from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$7,000.00
Employees	\$3,000.00
Trade On	\$2,000.00
Dividend	\$10,000.00
Administration	\$2,000.00
Total	\$25,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Deed Administration / Creditors' Trust		
Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust		
Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Liaising with financial institutions concerning transfers of funds from pre-appointment accounts (for period up to DOCA execution)
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
Creditors Cost: \$7,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
	Creditor reports	Preparing and distributing updates and circulars to creditors
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Employees Cost: \$3,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records Reviewing / determining status of superannuation claims
	Dividend	Dividend process for priority (employee) claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debts and claims Assessing SGC and ATO claims Payment of priority (employee) dividend
Trade On Cost: \$2,000.00	Trade on management	All tasks required to finalise trade-on matters and to facilitate the handover to the purchaser Management and staff liaison, including attendance on site and site visits as required Completing accounting tasks and finalising employee / payroll matters
Dividend	Proofs of debts and claims	Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
Cost: \$10,000.00		Receiving and recording proofs of debt Review and adjudication of debts and claims and requesting further particulars from creditors Updating registers Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes
	Process and procedure	Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Obtaining ATO clearance Issuing all notices, advertisements, acceptance/rejection of claims to creditors Performing final dividend calculations Calculating ATO dividend adjustments Dividend payments and notices to creditors
Administration Cost: \$2,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 9: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$5,000.00
Employees	\$3,000.00
Trade On	\$3,000.00
Investigation	\$11,000.00
Administration	\$2,000.00
Total	\$25,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
Creditors Cost: \$5,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$11,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
		recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct
Employees Cost: \$3,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
	FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
Trade On Cost: \$3,000.00	Trade on management	All tasks required to finalise trade-on matters Management and staff liaison, including attendance on site and site visits as required

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
		Dealing with staff terminations and resignations Completing accounting tasks and finalising employee / payroll matters
Administration Cost: \$2,000.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
		and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates**4.3.1 Previous approval requests**

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company executes a deed of company arrangement, we estimate our total remuneration for acting as deed administrators and creditors' trustees to be \$25,000.00 (ex GST).

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$25,000 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent deed administration or liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

If the Company is placed into liquidation, the Attorney-General's Department (Department) may request our assistance with matters relating to the verification of employee entitlements under the Fair Entitlements Guarantee Act 2012 (FEG). We are entitled to remuneration from the Department for performing this work. This form of remuneration is not subject to creditor approval.

There is no other remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to Creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 11: Deed Administrators' / Creditors' Trustees' Disbursements (as required)

"That the internal disbursements of the Deed Administrators (when aggregated with the total internal disbursements of the Trustees of the Creditors' Trust) are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Deed Administrators / Creditors' Trustees' may pay the internal disbursements on a monthly basis or as required".

Resolution 10: Liquidators' Disbursements (as required)

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel / out of pocket costs	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 22 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023



Glenn Livingstone & Alan Walker

Joint and Several Administrators

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Comfyfirst Pty Ltd (Administrators Appointed)
ACN 152 881 135 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$191,355.50
19 June 2023 to the end of the voluntary administration	\$15,000.00
Total voluntary administration	\$206,355.50
Liquidation	
Commencement to the end of the liquidation	\$100,000.00
Total liquidation	\$100,000.00

Period	Amount (ex GST)
<p><i>* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</i></p>	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Liquidation	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$206,355.50 (ex GST).

This estimate differs to the estimated remuneration of \$100,000.00 to \$150,000.00 (ex GST) provided in the Initial Remuneration Notice due to further than anticipated time costs performing the following key tasks:

- attending to the sale of the Company's business and assets, including the preparation of advertisements and due diligence materials, liaising with interested parties, assessing offers and liaising with the successful bidder concerning a Corporation and Indemnity Deed
- reviewing and calculating employee entitlements, including liaising with solicitors concerning payroll matters
- attending to all trade-on matters, including attending to the payment of trade-on costs, dealing with employee matters, liaising with staff / management, and overseeing operations, and
- conducting investigations into the Company's affairs, including identifying the existence of any voidable transactions, determining the estimated date of the Company's insolvency, and other potential claims for insolvent trading and breaches of duties.

We estimate that our remuneration for any future liquidation will total \$100,000.00 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$191,355.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$15,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate	Task Area													
		(ex GST) \$/Hour	Total Hrs	Assets		Creditors		Employees		Trade On		Investigation		Administration		
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	50.70	34,729.50	16.50	11,302.50	10.60	7,261.00	1.00	685.00	17.10	11,713.50	2.50	1,712.50	3.00	2,055.00
Glen Livingstone	Appointee	685	0.80	548.00	-	-	0.50	342.50	-	-	0.10	68.50	-	-	0.20	137.00
John Thompson	Director	635	109.20	69,342.00	12.00	7,620.00	3.00	1,905.00	0.40	254.00	91.30	57,975.50	1.10	698.50	1.40	889.00
Neil Smail	Director	635	44.20	28,067.00	5.60	3,556.00	5.80	3,683.00	-	-	29.10	18,478.50	3.40	2,159.00	0.30	190.50
Matthew Kelly	Senior Manager	575	4.10	2,357.50	-	-	-	-	-	-	-	-	2.60	1,495.00	1.50	862.50
Alison Walker	Senior Manager	575	5.70	3,277.50	-	-	-	-	-	-	5.40	3,105.00	-	-	0.30	172.50
Teresa Zhang	Manager	500	12.10	6,050.00	0.60	300.00	7.60	3,800.00	-	-	0.70	350.00	1.70	850.00	1.50	750.00
Billy Batbileg	Assistant Manager	450	45.40	20,430.00	1.20	540.00	1.50	675.00	9.50	4,275.00	28.20	12,690.00	2.70	1,215.00	2.30	1,035.00
Susan Zou	Assistant Manager	450	26.60	11,970.00	6.10	2,745.00	4.50	2,025.00	-	-	0.70	315.00	13.80	6,210.00	1.50	675.00
Viendya Karman	Senior Accountant	415	4.60	1,909.00	0.40	166.00	2.80	1,162.00	-	-	-	-	1.20	498.00	0.20	83.00
Deanne Lee	Intermediate	375	13.60	5,100.00	1.10	412.50	5.70	2,137.50	-	-	-	-	5.90	2,212.50	0.90	337.50
Jody Kwee	Intermediate	375	10.80	4,050.00	-	-	1.20	450.00	1.60	600.00	6.30	2,362.50	1.20	450.00	0.50	187.50
Ryan Pascoe	Junior Accountant	250	5.20	1,300.00	-	-	-	-	-	-	4.80	1,200.00	0.20	50.00	0.20	50.00
Oscar Bush	Junior Accountant	250	8.90	2,225.00	-	-	0.10	25.00	-	-	4.00	1,000.00	1.70	425.00	3.10	775.00
Total (excluding GST)			341.90	191,355.50	43.50	26,642.00	43.30	23,466.00	12.50	5,814.00	187.70	109,258.50	38.00	17,975.50	16.90	8,199.50
GST				19,135.55		2,664.20		2,346.60		581.40		10,925.85		1,797.55		819.95
Total (including GST)				210,491.05		29,306.20		25,812.60		6,395.40		120,184.35		19,773.05		9,019.45
Average Hourly Rate (exc GST)				615.65		673.71		596.13		0.00		0.00		520.34		533.70

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 43.50 Cost: \$26,642.00	Leasing	Liaising with owners/lessors Reviewing lease documents
	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Debtors	Correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties Engaging marketing experts to place advertisements Liaising with interested parties Data room, preparing due diligence materials and associated matters Meetings, offers, sale documentation Issuing circulars to interested parties regarding destroying confidential information Liaising with the successful bidder concerning a Corporation and Indemnity Deed
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Number of hours: 43.30 Cost: \$23,466.00		creditors and their representatives via email and post
	Creditor reports	Preparing and distributing an initial circular to creditors Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	Initial notifications including to PPSR registrants about their security interest and property General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting
	Meeting of committee of inspection	Preparation of meeting documents and notices and forwarding these to members of the committee of inspection

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>All applicable meeting preparation including documents, registers, circulars and mailing, meeting advertisements, draft minutes/agenda preparation</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the committee of inspection meeting</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to member queries and questions immediately following meeting</p>
	Extension of convening period	<p>Preparing and submitting application to court for the extension to convening period</p> <p>Liaising with solicitors regarding the application</p>
	Dealing with proofs of debts and claims	<p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p> <p>Review and consideration of debts and claims for reporting and meeting purposes.</p>
Investigation Number of hours: 38.00 Cost: \$17,975.50	Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		statements Meetings and/or discussions with officers, employees and/or other parties on general company matters Reviewing management accounts, financial statements and associated information Reviewing and determining the date of insolvency Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
Employees Number of hours: 12.50 Cost: \$5,814.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Liaising with solicitors concerning payroll queries
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Number of hours: 187.70 Cost: \$109,258.50	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>oversight</p> <p>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration</p> <p>Process matters including authorisations of payments and receipts</p> <p>Dealing with staff terminations and resignations</p> <p>Seeking legal advice regarding payroll matters</p> <p>Liaising with the directors and management concerning operations</p> <p>Employee manpower plans and requirements</p> <p>Employee trade on matters including wages and payroll</p>
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	<p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>
	General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Administration Number of hours: 16.90 Cost: \$8,199.50	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Initial notifications and liaison with insolvency brokers Determining insurance needs Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration - 19 June 2023 to finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$3,000.00
Employees	\$1,000.00
Trade On	\$8,000.00
Investigation	\$1,000.00
Administration	\$1,000.00
Total	\$15,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration		
Resolution 2: 19 June 2023 to finalisation of the voluntary administration		
Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Further meetings with the successful bidder, AHSG Drafting necessary legal documents to affect the transition of the business to AHSG
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
Cost: \$3,000.00		Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Investigation Cost: \$1,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
		additional review and investigation
Employees Cost: \$1,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Cost: \$8,000.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
		operations
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Administration Cost: \$1,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$3,000.00
Creditors	\$25,000.00
Employees	\$14,000.00
Trade On	\$5,000.00
Investigation	\$50,000.00
Administration	\$3,000.00
Total	\$100,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation		
Resolution 6: From commencement to the end of the liquidation		
Task Area	General Description	Includes
Assets Cost: \$3,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
Creditors Cost: \$25,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$50,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
Employees Cost: \$14,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
	FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
Trade On Cost: \$5,000.00	Trade on management	All tasks required to finalise trade-on matters Management and staff liaison, including attendance on site and site visits as required Dealing with staff terminations and resignations Completing accounting tasks and finalising employee / payroll matters
Administration Cost: \$3,000.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates**4.3.1 Previous approval requests**

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$100,000.00 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

If the Company is placed into liquidation, the Attorney-General's Department (Department) may request our assistance with matters relating to the verification of employee entitlements under the Fair Entitlements Guarantee Act 2012 (FEG). We are entitled to remuneration from the Department for performing this work. This form of remuneration is not subject to creditor approval.

There is no other remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to Creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 7: Liquidators' Disbursements

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel / out of pocket costs	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 22 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a flourish.

Glenn Livingstone & Alan Walker

Joint and Several Administrators

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Elecfirst Pty Ltd (Administrators Appointed)
ACN 606 391 048 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$161,281.50
19 June 2023 to the end of the voluntary administration	\$15,000.00
Total voluntary administration	\$176,281.50
Liquidation	
Commencement to the end of the liquidation	\$100,000.00
Total liquidation	\$100,000.00

Period	Amount (ex GST)
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Liquidation	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$176,281.50 (ex GST).

This estimate differs to the estimated remuneration of \$100,000.00 to \$150,000.00 (ex GST) provided in the Initial Remuneration Notice due to further than anticipated time costs performing the following key tasks:

- attending to the sale of the Company's business and assets, including the preparation of advertisements and due diligence materials, liaising with interested parties, assessing offers and liaising with the successful bidder concerning a Corporation and Indemnity Deed
- reviewing and calculating employee entitlements, including liaising with solicitors concerning payroll matters
- attending to all trade-on matters, including attending to the payment of trade-on costs, dealing with employee matters, liaising with staff / management, and overseeing operations, and
- conducting investigations into the Company's affairs, including identifying the existence of any voidable transactions, determining the estimated date of the Company's insolvency, and other potential claims for insolvent trading and breaches of duties.

We estimate that our remuneration for any future liquidation will total \$100,000.00 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$161,281.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$15,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate (ex GST) \$/Hour	Task Area													
			Total Hrs	Assets		Creditors		Employees		Trade On		Investigation		Administration		
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	60.30	41,305.50	13.50	9,247.50	18.60	12,741.00	0.50	342.50	22.30	15,275.50	2.40	1,644.00	3.00	2,055.00
Glen Livingstone	Appointee	685	0.20	137.00	-	-	-	-	-	-	-	-	-	-	0.20	137.00
John Thompson	Director	635	78.20	49,657.00	6.10	3,873.50	3.00	1,905.00	2.10	1,333.50	65.50	41,592.50	0.80	508.00	0.70	444.50
Neil Smail	Director	635	31.10	19,748.50	3.30	2,095.50	4.60	2,921.00	-	-	18.90	12,001.50	3.60	2,286.00	0.70	444.50
Matthew Kelly	Senior Manager	575	4.80	2,760.00	-	-	-	-	-	-	-	-	3.30	1,897.50	1.50	862.50
Alison Walker	Senior Manager	575	7.20	4,140.00	-	-	-	-	-	-	6.90	3,967.50	-	-	0.30	172.50
Teresa Zhang	Manager	500	12.90	6,450.00	0.10	50.00	8.40	4,200.00	1.00	500.00	0.40	200.00	1.40	700.00	1.60	800.00
Billy Batbileg	Assistant Manager	450	36.50	16,425.00	1.50	675.00	1.50	675.00	6.00	2,700.00	23.80	10,710.00	1.90	855.00	1.80	810.00
Susan Zou	Assistant Manager	450	21.30	9,585.00	5.50	2,475.00	3.60	1,620.00	-	-	0.70	315.00	8.90	4,005.00	2.60	1,170.00
Viendya Karman	Senior Accountant	415	3.40	1,411.00	0.40	166.00	1.60	664.00	-	-	-	-	1.20	498.00	0.20	83.00
Deanne Lee	Intermediate	375	13.00	4,875.00	1.10	412.50	6.40	2,400.00	-	-	-	-	5.00	1,875.00	0.50	187.50
Jody Kwee	Intermediate	375	2.90	1,087.50	-	-	0.10	37.50	0.40	150.00	0.30	112.50	2.00	750.00	0.10	37.50
Ryan Pascoe	Junior Accountant	250	4.10	1,025.00	0.10	25.00	-	-	-	-	0.90	225.00	1.70	425.00	1.40	350.00
Oscar Bush	Junior Accountant	250	10.70	2,675.00	-	-	0.10	25.00	-	-	7.80	1,950.00	-	-	2.80	700.00
Total (excluding GST)			286.60	161,281.50	31.60	19,020.00	47.90	27,188.50	10.00	5,026.00	147.50	86,349.50	32.20	15,443.50	17.40	8,254.00
GST				16,128.15		1,902.00		2,718.85		502.60		8,634.95		1,544.35		825.40
Total (including GST)				177,409.65		20,922.00		29,907.35		5,528.60		94,984.45		16,987.85		9,079.40
Average Hourly Rate (exc GST)				619.01		662.09		624.37		0.00		0.00		527.57		521.80

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 31.60 Cost: \$19,020.00	Leasing	Liaising with owners/lessors Reviewing lease documents
	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Debtors	Correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties Engaging marketing experts to place advertisements Liaising with interested parties Data room, preparation of due diligence materials and associated matters Meetings, offers, sale documentation Issuing circulars to interested parties regarding destroying confidential information Liaising with the successful bidder concerning a Corporation and Indemnity Deed
Creditors Number of hours: 47.90	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Cost: \$27,188.50		creditors and their representatives via email and post
	Creditor reports	Preparing and distributing an initial circular to creditors Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	Initial notifications including to PPSR registrants about their security interest and property General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting
	Meeting of committee of inspection	Preparation of meeting documents and notices and forwarding these to members of the committee of inspection

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>All applicable meeting preparation including documents, registers, circulars and mailing, meeting advertisements, draft minutes/agenda preparation</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the committee of inspection meeting</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to member queries and questions immediately following meeting</p>
	Extension of convening period	<p>Preparing and submitting application to court for the extension to convening period</p> <p>Liaising with solicitors regarding the application</p>
	Dealing with proofs of debts and claims	<p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p> <p>Review and consideration of debts and claims for reporting and meeting purposes.</p>
Investigation Number of hours: 32.20 Cost: \$15,443.50	Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		statements Meetings and/or discussions with officers, employees and/or other parties on general company matters Reviewing management accounts, financial statements and associated information Reviewing and determining the date of insolvency Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
Employees Number of hours: 10.00 Cost: \$5,026.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Liaising with solicitors concerning payroll queries
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Number of hours: 147.50 Cost: \$86,349.50	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>oversight</p> <p>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration</p> <p>Process matters including authorisations of payments and receipts</p> <p>Dealing with staff terminations and resignations</p> <p>Seeking legal advice regarding payroll matters</p> <p>Liaising with the directors and management concerning operations</p> <p>Employee manpower plans and requirements</p> <p>Employee trade on matters including wages and payroll</p>
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	<p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>
Administration Number of hours: 17.40 Cost: \$8,254.00	General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Initial notifications and liaison with insolvency brokers Determining insurance needs Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration - 19 June 2023 to finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$3,000.00
Employees	\$1,000.00
Trade On	\$8,000.00
Investigation	\$1,000.00
Administration	\$1,000.00
Total	\$15,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration		
Resolution 2: 19 June 2023 to finalisation of the voluntary administration		
Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Further meetings with the successful bidder, AHSG Drafting necessary legal documents to affect the transition of the business to AHSG
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
Cost: \$3,000.00		Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Investigation Cost: \$1,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
		additional review and investigation
Employees Cost: \$1,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Cost: \$8,000.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the voluntary administration**

Task Area	General Description	Includes
		operations
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Administration Cost: \$1,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$3,000.00
Creditors	\$25,000.00
Employees	\$14,000.00
Trade On	\$5,000.00
Investigation	\$50,000.00
Administration	\$3,000.00
Total	\$100,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation		
Resolution 6: From commencement to the end of the liquidation		
Task Area	General Description	Includes
Assets Cost: \$3,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
Creditors Cost: \$25,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$50,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
Employees Cost: \$14,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
	FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
Trade On Cost: \$5,000.00	Trade on management	All tasks required to finalise trade-on matters Management and staff liaison, including attendance on site and site visits as required Dealing with staff terminations and resignations Completing accounting tasks and finalising employee / payroll matters
Administration Cost: \$3,000.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates**4.3.1 Previous approval requests**

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$100,000 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

If the Company is placed into liquidation, the Attorney-General's Department (Department) may request our assistance with matters relating to the verification of employee entitlements under the Fair Entitlements Guarantee Act 2012 (FEG). We are entitled to remuneration from the Department for performing this work. This form of remuneration is not subject to creditor approval.

There is no other remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to Creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 7: Liquidators' Disbursements

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel / out of pocket costs	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 21 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023



Glenn Livingstone & Alan Walker
Joint and Several Administrators

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Firstaction Group Pty Ltd (Administrators Appointed)
ACN 139 666 247 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$262,188.50
19 June 2023 to the end of the voluntary administration	\$25,000.00
Total voluntary administration	\$287,188.50
Deed of company arrangement (DOCA) / Creditors' Trust	
From execution of the DOCA until finalisation of the DOCA / Creditors' Trust	\$100,000.00
Total DOCA / Creditors' Trust	\$100,000.00
Liquidation (if applicable)	
From commencement to the end of the liquidation	\$100,000.00
Total liquidation	\$100,000.00
<p><i>* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the deed administration or liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</i></p>	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Deed of Company Arrangement / Creditors' Trust	
From execution of the Deed of Company Arrangement until finalisation Of the Deed of Company Arrangement / Creditors' Trust	\$1,000.00
Liquidation (if applicable)	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$287,188.50 (ex GST).

This estimate differs to the estimated remuneration of \$150,000.00 to \$200,000.00 (ex GST) provided in the Initial Remuneration Notice due to further than anticipated time costs performing the following key tasks:

- attending to the sale of the Company's business and assets, including the preparation of advertisements and due diligence materials, liaising with interested parties, assessing offers and liaising with the successful bidder concerning a Corporation and Indemnity Deed
- higher than anticipated time was spent in organising valuations for the Company's mobile fleet comprising of 120+ motor vehicles at separate locations
- recovery of motor vehicles subject to invalid security interests registered on the PPSR, resulting in additional assets being made available for creditors
- assessing DOCA proposals, liaising with solicitors concerning the proposals and assessing the return to creditors generally
- reviewing and calculating employee entitlements, including liaising with solicitors concerning payroll matters
- attending to all trade-on matters, including attending to the payment of trade-on costs, dealing with employee matters, liaising with staff / management, and overseeing operations, and
- conducting investigations into the Company's affairs, including identifying the existence of any avoidable transactions, determining the estimated date of the Company's insolvency, and other potential claims for insolvent trading and breaches of duties.

We estimate that our remuneration for any future deed of company arrangement or liquidation will total \$100,000 (ex GST) for each administration.

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent deed administration or liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$262,188.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Deed Administrators' / Creditors' Trustee Future Remuneration (as required)

"That the remuneration of the Deed Administrators (when aggregated with the total remuneration of the Trustees of the Creditors' Trust) for the period from the execution of the Deed of Company Arrangement until the finalisation of the Deed of Company Arrangement / Creditors' Trust is determined at a sum equal to the cost of time spent by the Deed Administrators and the Deed Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Deed Administrators / Creditors' Trustees may draw the remuneration on a monthly basis or as required."

Resolution 9: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate (ex GST) \$/Hour	Task Area													
			Total		Assets		Creditors		Employees		Trade On		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	58.93	40,369.50	9.90	6,781.50	25.50	17,467.50	0.50	342.50	5.90	4,041.50	3.63	2,489.00	13.50	9,247.50
Glen Livingstone	Appointee	685	2.80	1,918.00	1.20	822.00	0.80	548.00	-	-	-	-	0.50	342.50	0.30	205.50
John Thompson	Director	635	86.00	54,610.00	12.90	8,191.50	3.10	1,968.50	0.50	317.50	66.30	42,100.50	1.90	1,206.50	1.30	825.50
Neil Smail	Director	635	66.90	42,481.50	38.50	24,447.50	3.40	2,159.00	0.30	190.50	12.10	7,683.50	9.50	6,032.50	3.10	1,968.50
Matthew Kelly	Senior Manager	575	63.70	36,627.50	12.70	7,302.50	21.10	12,132.50	-	-	-	-	16.10	9,257.50	13.80	7,935.00
Alison Walker	Senior Manager	575	5.70	3,277.50	-	-	-	-	-	-	5.60	3,220.00	-	-	0.10	57.50
Teresa Zhang	Manager	500	18.50	9,250.00	0.50	250.00	12.90	6,450.00	0.10	50.00	1.00	500.00	1.60	800.00	2.40	1,200.00
Billy Batbileg	Assistant Manager	450	74.00	33,300.00	4.60	2,070.00	11.20	5,040.00	6.20	2,790.00	38.90	17,505.00	7.80	3,510.00	5.30	2,385.00
Susan Zou	Assistant Manager	450	22.70	10,215.00	0.10	45.00	7.30	3,285.00	-	-	-	-	13.80	6,210.00	1.50	675.00
Viendya Karman	Senior Accountant	415	16.30	6,764.50	0.40	166.00	4.60	1,909.00	-	-	-	-	1.50	622.50	9.80	4,067.00
Deanne Lee	Intermediate	375	38.40	14,400.00	-	-	14.60	5,475.00	-	-	0.40	150.00	20.60	7,725.00	2.80	1,050.00
Jody Kwee	Intermediate	375	8.80	3,300.00	5.30	1,987.50	0.10	37.50	0.50	187.50	1.30	487.50	0.70	262.50	0.90	337.50
Ryan Pascoe	Junior Accountant	250	13.00	3,250.00	10.80	2,700.00	-	-	-	-	1.60	400.00	0.50	125.00	0.10	25.00
Oscar Bush	Junior Accountant	250	9.70	2,425.00	0.70	175.00	0.20	50.00	-	-	2.30	575.00	3.70	925.00	2.80	700.00
Total (excluding GST)			485.43	262,188.50	97.60	54,938.50	104.80	56,522.00	8.10	3,878.00	135.40	76,663.00	81.83	39,508.00	57.70	30,679.00
GST				26,218.85		5,493.85		5,652.20		387.80		7,666.30		3,950.80		3,067.90
Total (including GST)				288,407.35		60,432.35		62,174.20		4,265.80		84,329.30		43,458.80		33,746.90
Average Hourly Rate (exc GST)				594.12		619.18		593.27		0.00		0.00		531.06		584.87

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 97.60 Cost: \$54,939.50	Leasing	Liaising with owners/lessors Reviewing lease documents
	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Plant and equipment	Liaising with valuers, interested parties and other stakeholders as required Coordinate valuation of 120+ motor vehicles, including plant and equipment held off site Recovery of assets subject to invalid securities registered on the PPSR, including engaging solicitors, review contracts etc Determining realisation processes and requirements Reviewing asset listings and other asset-related information
	Insurance	Initial notifications and liaison with insolvency brokers Determining insurance needs Identifying areas requiring attention and/or specialist advice Providing information to/discussions with our brokers Reviewing policy placements Ongoing monitoring and review of insurance needs
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>Engaging marketing experts to place advertisements</p> <p>Liaising with interested parties</p> <p>Data room, preparation of due diligence materials and associated matters</p> <p>Meetings, offers, sale documentation</p> <p>Issuing circulars to interested parties regarding destroying confidential information</p> <p>Liaising with the successful bidder concerning a Corporation and Indemnity Deed</p>
Creditors Number of hours: 104.80 Cost: \$56,522.00	Creditor Enquiries, Requests & Directions	<p>Receive and follow up creditor enquiries via telephone and email</p> <p>Maintaining creditor enquiry register</p> <p>Review and prepare correspondence to creditors and their representatives via email and post</p>
	Creditor reports	<p>Preparing and distributing an initial circular to creditors</p> <p>Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report</p>
	Secured creditor reporting	<p>Initial notifications including to PPSR registrants about their security interest and property</p> <p>General PPSA creditor correspondence and property matters</p> <p>Responding to secured creditor queries</p>
	Meeting of Creditors	<p>Preparation of meeting documents and notices and forwarding these to all known creditors</p> <p>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>advertisements, recording details of proxies received and draft minutes/agenda preparation</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the meeting of creditors</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting</p>
	Extension of convening period	<p>Preparing and submitting application to court for the extension to convening period</p> <p>Liaising with solicitors regarding the application</p>
	Dealing with proofs of debts and claims	<p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p> <p>Review and consideration of debts and claims for reporting and meeting purposes.</p>
Investigation Number of hours: 81.83 Cost: \$39,508.00	Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>background and history</p> <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p>
	Deed of Company Arrangement	<p>Reviewing DOCA proposals received</p> <p>Liaising with solicitors concerning the proposals and assessing the return to creditors generally</p>
Employees Number of hours: 8.10 Cost: \$3,878.00	Enquiries and correspondence	<p>Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls</p>
	Entitlements	<p>Reviewing employee files, payroll details, records and calculations of employee entitlements</p> <p>Reviewing and considering contracts, awards and other relevant agreements</p> <p>Liaising with solicitors concerning payroll queries</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Number of hours: 135.40 Cost: \$76,663.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Collection of assets from terminated staff Seeking legal advice regarding payroll matters Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial

Administration Type: Voluntary Administration

Resolution 1: 12 April 2023 to 18 June 2023

Task Area	General Description	Includes
		position and performance Meetings and reviews around financial results and estimated outcomes
Administration Number of hours: 57.70 Cost: \$30,679.00	General correspondence	Other on-appointment notices and administrative set up tasks for the administration Other general correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Initial notifications and liaison with insolvency brokers Determining insurance needs Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration – 19 June 2023 to the finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$1,000.00
Creditors	\$5,000.00
Employees	\$2,000.00
Trade On	\$12,000.00
Investigation	\$3,000.00
Administration	\$2,000.00
Total	\$25,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the Administration**

Task Area	General Description	Includes
Assets Cost: \$1,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Sale of business	Further meetings with the successful bidder, AHSG Drafting necessary legal documents to affect the transition of the business to AHSG
Creditors Cost: \$5,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the Administration**

Task Area	General Description	Includes
		Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Employees Cost: \$2,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Cost: \$12,000.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Liaising with the directors and management concerning operations Employee manpower plans and requirements

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the Administration**

Task Area	General Description	Includes
		Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Investigation Cost: \$3,000.00	Deed of Company Arrangement	Reviewing final deed Dealing with any conditions precedent Attending to execution
Administration Cost: \$2,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the Administration**

Task Area	General Description	Includes
		Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Deed Administrators' / Creditors' Trustees' Future Remuneration - from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$500.00
Creditors	\$33,000.00
Employees	\$3,000.00
Trade On	\$4,000.00
Dividend	\$50,000.00
Administration	\$9,500.00
Total	\$100,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
Assets Cost: \$500.00	Cash at bank	Liaising with financial institutions concerning transfers of funds from pre-appointment accounts (for period up to DOCA execution)

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
Creditors Cost: \$33,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing and distributing updates and circulars to creditors
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Employees Cost: \$3,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records Reviewing / determining status of superannuation claims
	Dividend	Dividend process for priority (employee) claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debts and claims Assessing SGC and ATO claims Payment of priority (employee) dividend
Trade On Cost: \$4,000.00	Trade on management	All tasks required to finalise trade-on matters and to facilitate the handover to the purchaser Management and staff liaison, including attendance on site and site visits as

Administration Type: Deed Administration / Creditors' Trust

Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust

Task Area	General Description	Includes
		required Completing accounting tasks and finalising employee / payroll matters
Dividend Cost: \$50,000.00	Proofs of debts and claims	Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes Receiving and recording proofs of debt Review and adjudication of debts and claims and requesting further particulars from creditors Updating registers Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes
	Process and procedure	Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims Instructing with external accountants to bring up to date the company's financial statements and management accounts for the purposes of finalising inter-company loans and tax liabilities Obtaining ATO clearance Issuing all notices, advertisements, acceptance/rejection of claims to creditors Performing final dividend calculations Calculating ATO dividend adjustments Dividend payments and notices to creditors

Administration Type: Deed Administration / Creditors' Trust**Resolution 6: from commencement of the DOCA until finalisation of the Deed of Company Arrangement / Creditors' Trust**

Task Area	General Description	Includes
Administration Cost: \$9,500.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 9: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$500.00
Creditors	\$25,000.00
Employees	\$15,000.00
Trade On	\$5,000.00
Investigation	\$51,000.00
Administration	\$3,500.00
Total	\$100,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation		
Resolution 9: From commencement to the end of the liquidation		
Task Area	General Description	Includes
Assets Cost: \$500.00	Cash at bank	Liaising with financial institutions concerning transfers of funds from pre-appointment accounts
Creditors Cost: \$25,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Secured creditor reporting	General PPSA creditor correspondence and property matters

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
		Responding to secured creditor queries
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$51,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct
Employees Cost: \$15,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
	FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
Trade On Cost: \$5,000.00	Trade on management	All tasks required to finalise trade-on matters Management and staff liaison, including attendance on site and site visits as required Dealing with staff terminations and resignations Completing accounting tasks and finalising employee / payroll matters
Administration Cost: \$3,500.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs

Administration Type: Liquidation**Resolution 9: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates

4.3.1 Previous approval requests

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company executes a deed of company arrangement, we estimate our total remuneration for acting as deed administrators and creditors' trustees to be \$100,000.00 (ex GST).

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$100,000 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent deed administration or liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

If the Company is placed into liquidation, the Attorney-General's Department (**Department**) may request our assistance with matters relating to the verification of employee entitlements under the Fair Entitlements Guarantee Act 2012 (**FEG**). We are entitled to remuneration from the Department for performing this work. This form of remuneration is not subject to creditor approval.

There is no other remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** – such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 7: Deed Administrators' / Creditors' Trustees' Disbursements (as required)

"That the internal disbursements of the Deed Administrators (when aggregated with the total internal disbursements of the Trustees of the Creditors' Trust) are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Deed Administrators / Creditors' Trustees' may pay the internal disbursements on a monthly basis or as required".

Resolution 10: Liquidators' Disbursements (as required)

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel / out of pocket costs	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 22 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023



Glenn Livingstone & Alan Walker

Joint and Several Administrators

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd (Administrators Appointed)
ACN 639 243 360 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$29,090.00
19 June 2023 to the end of the voluntary administration	\$10,000.00
Total voluntary administration	\$39,090.00
Liquidation	
Commencement to the end of the liquidation	\$25,000.00
Total liquidation	\$25,000.00

Period	Amount (ex GST)
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Liquidation	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$39,090.00 (ex GST). This estimate is less than the estimated remuneration of \$50,000.00 to \$70,000.00 (ex GST) provided in the Initial Remuneration Notice.

We estimate that our remuneration for any future liquidation will total \$25,000.00 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$29,090.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate (ex GST) \$/Hour	Task Area									
			Total		Assets		Creditors		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	18.30	12,535.50	6.40	4,384.00	8.40	5,754.00	2.50	1,712.50	1.00	685.00
Glen Livingstone	Appointee	685	0.90	616.50	-	-	0.50	342.50	-	-	0.40	274.00
John Thompson	Director	635	0.20	127.00	-	-	-	-	-	-	0.20	127.00
Neil Smail	Director	635	2.00	1,270.00	-	-	0.80	508.00	0.70	444.50	0.50	317.50
Matthew Kelly	Senior Manager	575	1.50	862.50	-	-	-	-	-	-	1.50	862.50
Alison Walker	Senior Manager	575	0.10	57.50	-	-	-	-	-	-	0.10	57.50
Teresa Zhang	Manager	500	6.60	3,300.00	-	-	4.40	2,200.00	1.40	700.00	0.80	400.00
Billy Batbileg	Assistant Manager	450	3.70	1,665.00	0.20	90.00	0.40	180.00	1.90	855.00	1.20	540.00
Susan Zou	Assistant Manager	450	10.90	4,905.00	-	-	3.60	1,620.00	7.30	3,285.00	-	-
Viendya Karman	Senior Accountant	415	1.90	788.50	-	-	1.00	415.00	0.80	332.00	0.10	41.50
Deanne Lee	Intermediate	375	4.20	1,575.00	-	-	2.70	1,012.50	0.90	337.50	0.60	225.00
Jody Kwee	Intermediate	375	2.50	937.50	-	-	-	-	2.30	862.50	0.20	75.00
Ryan Pascoe	Junior Accountant	250	0.50	125.00	-	-	-	-	0.30	75.00	0.20	50.00
Oscar Bush	Junior Accountant	250	1.30	325.00	-	-	0.10	25.00	-	-	1.20	300.00
Total (excluding GST)			54.60	29,090.00	6.60	4,474.00	21.90	12,057.00	18.10	8,604.00	8.00	3,955.00
GST				2,909.00		447.40		1,205.70		860.40		395.50
Total (including GST)				31,999.00		4,921.40		13,262.70		9,464.40		4,350.50
Average Hourly Rate (exc GST)				586.06		745.67		605.60		522.90		543.81

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 6.60 Cost: \$4,474.00	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties Engaging marketing experts to place advertisements Liaising with interested parties Data room, preparing due diligence materials and associated matters Meetings, offers, sale documentation Issuing circulars to interested parties regarding destroying confidential information
Creditors Number of hours: 21.90 Cost: \$12,057.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post
	Creditor reports	Preparing and distributing an initial circular to creditors Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Meeting of Creditors	Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the meeting of creditors</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to stakeholder queries and questions immediately following meeting</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting</p>
	Extension of convening period	<p>Preparing and submitting application to court for the extension to convening period</p> <p>Liaising with solicitors regarding the application</p>
	Dealing with proofs of debts and claims	<p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p> <p>Review and consideration of debts and claims for reporting and meeting purposes.</p>
Investigation Number of hours: 18.10 Cost: \$8,604.00	Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p>
Administration Number of hours: 8.00 Cost: \$3,955.00	General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>
	Document maintenance/file review/checklists	<p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>
	Insurance	<p>Initial notifications and liaison with insolvency brokers</p> <p>Determining insurance needs</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration - 19 June 2023 to finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Creditors	\$5,000.00
Investigation	\$2,000.00
Administration	\$3,000.00
Total	\$10,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the voluntary administration**

Task Area	General Description	Includes
Creditors Cost: \$5,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Investigation Cost: \$2,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to the finalisation of the voluntary administration**

Task Area	General Description	Includes
		additional review and investigation
Administration Cost: \$3,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Creditors	\$5,000.00
Investigation	\$18,000.00
Administration	\$2,000.00
Total	\$25,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
Creditors Cost: \$5,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$18,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
		Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct
Administration Cost: \$2,000.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as

Administration Type: Liquidation		
Resolution 6: From commencement to the end of the liquidation		
Task Area	General Description	Includes
		applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates

4.3.1 Previous approval requests

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$25,000 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

There is no remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** – such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to Creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 7: Liquidators' Disbursements

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost

Disbursement type	Charges (excl GST)
Searches	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 22 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023



Glenn Livingstone & Alan Walker

Joint and Several Administrators

E – Remuneration approval report

Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45

Plumbfirst Pty Ltd (Administrators Appointed)
ACN 606 165 173 (“the Company”)

Remuneration Approval Report

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 22 June 2023 for details as to how you can participate in the meeting.

Part 1 Declaration

We, Alan Walker and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is necessary and proper. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

Part 2 Approval of remuneration

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

1. Time based / hourly rates

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

2. Fixed Fee

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

3. Percentage

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

4. Contingency

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

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

Hourly rates

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

Position title	Hourly rate	Description of role
Appointee	\$685.00	Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.
Director	\$635.00	More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.
Senior Manager	\$575.00	More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training.
Manager	\$500.00	6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.
Assistant Manager	\$450.00	4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and

Position title	Hourly rate	Description of role
		experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.
Senior Accountant	\$415.00	Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	\$375.00	Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision.
Junior Accountant	\$250.00	Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.
Administration	\$250.00	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

Part 3 Executive Summary

3.1 Summary of remuneration approval sought for the Company

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

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to 18 June 2023	\$322,061.50
19 June 2023 to the end of the voluntary administration	\$25,000.00
Total voluntary administration	\$347,061.50
Liquidation	
Commencement to the end of the liquidation	\$150,000.00
Total liquidation	\$150,000.00

Period	Amount (ex GST)
<p><i>* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.</i></p>	

Please refer to **Part 4.2** for full details of the calculation and composition of the remuneration approval being sought.

3.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

Period	Amount (ex GST)
Voluntary administration	
12 April 2023 to the end of the voluntary administration	\$1,000.00
Liquidation	
From commencement to the end of the liquidation	\$1,000.00

3.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$347,061.50 (ex GST).

This estimate differs to the estimated remuneration of \$200,000.00 to \$250,000.00 (ex GST) provided in the Initial Remuneration Notice due to further than anticipated time costs performing the following key tasks:

- attending to the sale of the Company's business and assets, including the preparation of advertisements and due diligence materials, liaising with interested parties, assessing offers and liaising with the successful bidder concerning a Corporation and Indemnity Deed
- reviewing and calculating employee entitlements, including liaising with solicitors concerning payroll matters
- attending to all trade-on matters, including attending to the payment of trade-on costs, dealing with employee matters, liaising with staff / management, and overseeing operations, and
- conducting investigations into the Company's affairs, including identifying the existence of any voidable transactions, determining the estimated date of the Company's insolvency, and other potential claims for insolvent trading and breaches of duties.

We estimate that our remuneration for any future liquidation will total \$150,000.00 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests will be required (in addition to the proposed resolutions in this report) for the voluntary administration or any subsequent liquidation.

Part 4 Remuneration

4.1 Remuneration claim resolutions

Resolution 1: Administrators' Current Remuneration

"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$322,061.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration

"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 6: Proposed Liquidators' Future Remuneration (as required)

"That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$150,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."

4.2 Details of remuneration

The basis of calculating the remuneration claims is set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

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Resolution 1: Administrators' Current Remuneration - 12 April 2023 to 18 June 2023

The table below set outs time charged to each major task area performed by me and my staff for the above period, which is the basis of the above claim.

Employee	Position	Rate	Total		Assets		Creditors		Employees		Trade On		Investigation		Administration	
		(ex GST) \$/Hour	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Alan Walker	Appointee	685	83.50	57,197.50	14.70	10,069.50	21.90	15,001.50	6.60	4,521.00	31.60	21,646.00	2.70	1,849.50	6.00	4,110.00
Glen Livingstone	Appointee	685	12.30	8,425.50	4.70	3,219.50	1.20	822.00	-	-	3.00	2,055.00	1.00	685.00	2.40	1,644.00
John Thompson	Director	635	146.60	93,091.00	21.40	13,589.00	3.60	2,286.00	3.70	2,349.50	114.70	72,834.50	1.10	698.50	2.10	1,333.50
Neil Smail	Director	635	99.50	63,182.50	18.50	11,747.50	7.60	4,826.00	2.90	1,841.50	62.40	39,624.00	7.60	4,826.00	0.50	317.50
Matthew Kelly	Senior Manager	575	5.50	3,162.50	1.10	632.50	-	-	-	-	-	-	2.90	1,667.50	1.50	862.50
Alison Walker	Senior Manager	575	6.80	3,910.00	-	-	-	-	-	-	6.30	3,622.50	-	-	0.50	287.50
Teresa Zhang	Manager	500	21.50	10,750.00	0.20	100.00	9.80	4,900.00	4.30	2,150.00	3.80	1,900.00	1.50	750.00	1.90	950.00
Billy Batbileg	Assistant Manager	450	97.40	43,830.00	3.50	1,575.00	3.00	1,350.00	20.70	9,315.00	63.40	28,530.00	2.40	1,080.00	4.40	1,980.00
Susan Zou	Assistant Manager	450	29.60	13,320.00	10.20	4,590.00	4.10	1,845.00	-	-	2.00	900.00	10.80	4,860.00	2.50	1,125.00
Viendya Karman	Senior Accountant	415	4.50	1,867.50	0.40	166.00	2.10	871.50	-	-	-	-	1.10	456.50	0.90	373.50
Deanne Lee	Intermediate	375	27.20	10,200.00	1.40	525.00	13.90	5,212.50	2.40	900.00	0.20	75.00	8.30	3,112.50	1.00	375.00
Jody Kwee	Intermediate	375	15.40	5,775.00	-	-	1.00	375.00	7.10	2,662.50	2.10	787.50	4.90	1,837.50	0.30	112.50
Ryan Pascoe	Junior Accountant	250	7.10	1,775.00	-	-	2.40	600.00	-	-	-	-	2.00	500.00	2.70	675.00
Oscar Bush	Junior Accountant	250	22.30	5,575.00	-	-	0.20	50.00	-	-	19.80	4,950.00	-	-	2.30	575.00
Total (excluding GST)			579.20	322,061.50	76.10	46,214.00	70.80	38,139.50	47.70	23,739.50	309.30	176,924.50	46.30	22,323.00	29.00	14,721.00
GST				32,206.15		4,621.40		3,813.95		2,373.95		17,692.45		2,232.30		1,472.10
Total (including GST)				354,267.65		50,835.40		41,953.45		26,113.45		194,616.95		24,555.30		16,193.10
Average Hourly Rate (exc GST)				611.65		668.01		592.56		0.00		0.00		530.35		558.38

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff. The amounts below are exclusive of GST.

Administration Type: Voluntary Administration		
Resolution 1: 12 April 2023 to 18 June 2023		
Task Area	General Description	Includes
Assets Number of hours: 76.10 Cost: \$46,214.00	Leasing	Liaising with owners/lessors Reviewing lease documents
	Cash at bank	Liaising with financial institutions concerning pre-appointment accounts
	Debtors	Correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Determining sale process Preparing information memorandum, due diligence materials and associated information Drafting confidentiality agreement and executing with interested parties Engaging marketing experts to place advertisements Liaising with interested parties Data room, preparation of due diligence materials and associated matters Meetings, offers, sale documentation Issuing circulars to interested parties regarding destroying confidential information Liaising with the successful bidder concerning a Corporation and Indemnity Deed
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Number of hours: 70.80 Cost: \$38,139.50		creditors and their representatives via email and post
	Creditor reports	Preparing and distributing an initial circular to creditors Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	Initial notifications including to PPSR registrants about their security interest and property General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	Preparation of meeting documents and notices and forwarding these to all known creditors All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting
	Meeting of committee of inspection	Preparation of meeting documents and notices and forwarding these to members of the committee of inspection

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>All applicable meeting preparation including documents, registers, circulars and mailing, meeting advertisements, draft minutes/agenda preparation</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the committee of inspection meeting</p> <p>Preparation and lodgement of minutes of meetings with ASIC</p> <p>Responding to member queries and questions immediately following meeting</p>
	Extension of convening period	<p>Preparing and submitting application to court for the extension to convening period</p> <p>Liaising with solicitors regarding the application</p>
	Dealing with proofs of debts and claims	<p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p> <p>Review and consideration of debts and claims for reporting and meeting purposes.</p>
Investigation Number of hours: 46.30 Cost: \$22,323.00	Conducting investigation	<p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		statements Meetings and/or discussions with officers, employees and/or other parties on general company matters Reviewing management accounts, financial statements and associated information Reviewing and determining the date of insolvency Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
Employees Number of hours: 47.70 Cost: \$23,739.50	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Reviewing employee files, payroll details, records and calculations of employee entitlements Reviewing and considering contracts, awards and other relevant agreements Liaising with solicitors concerning payroll queries
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Number of hours: 309.30 Cost: \$176,924.50	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
		<p>oversight</p> <p>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration</p> <p>Process matters including authorisations of payments and receipts</p> <p>Dealing with staff terminations and resignations</p> <p>Seeking legal advice regarding payroll matters</p> <p>Liaising with the directors and management concerning operations</p> <p>Employee manpower plans and requirements</p> <p>Employee trade on matters including wages and payroll</p>
	General accounting	All applicable accounting tasks and processes supporting continued operations
	Budgets and reporting	<p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>
	General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>

Administration Type: Voluntary Administration**Resolution 1: 12 April 2023 to 18 June 2023**

Task Area	General Description	Includes
Administration Number of hours: 29 Cost: \$14,721.00	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Initial notifications and liaison with insolvency brokers Determining insurance needs Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Correspondence for opening accounts Requesting bank statements and associated information Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment, administration specific lodgements and periodic receipts and payments Attending to necessary ATO notices and reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration
	Books and records / storage	All aspects of recording and listing company books and records

Resolution 2: Administrators' Future Remuneration – 19 June 2023 to finalisation of the Administration

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$2,000.00
Creditors	\$5,000.00
Employees	\$2,000.00
Trade On	\$13,000.00
Investigation	\$1,000.00
Administration	\$2,000.00
Total	\$25,000.00

Below is a summary of the expected further tasks that are required to be undertaken. The amounts below are exclusive of GST and are estimates at this stage.

Administration Type: Voluntary Administration		
Resolution 2: 19 June 2023 to finalisation of the Administration		
Task Area	General Description	Includes
Assets Cost: \$2,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
	Sale of business	Further meetings with the successful bidder, AHSG Drafting necessary legal documents to affect the transition of the business to AHSG
Creditors	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Administration**

Task Area	General Description	Includes
Cost: \$5,000.00		Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Finalising and issuing the report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Meeting of Creditors	All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged Review and consideration of debts and claims for reporting and meeting purposes.
Investigation Cost: \$1,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Administration**

Task Area	General Description	Includes
		additional review and investigation
Employees Cost: \$2,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
Trade On Cost: \$13,000.00	Trade on management	Decisions and strategy Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Process matters including authorisations of payments and receipts Dealing with staff terminations and resignations Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll
	General accounting	All applicable accounting tasks and processes supporting continued

Administration Type: Voluntary Administration**Resolution 2: 19 June 2023 to finalisation of the Administration**

Task Area	General Description	Includes
		operations
	Budgets and reporting	Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes
Administration Cost: \$2,000.00	General correspondence	General correspondence with respect to the conduct and furtherance of the administration
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
	Insurance	Providing information to/discussions with our brokers Ongoing monitoring and review of insurance needs
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms Attending to necessary ATO reporting Other company / industry specific reports and statutory requirements
	Planning / Review	Discussions regarding status of administration

Resolution 6: Proposed Liquidators' Future Remuneration - Commencement to finalisation of Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by us and our staff for the above period.

Task	Amount (ex GST)
Assets	\$5,000.00
Creditors	\$50,000.00
Employees	\$15,000.00
Trade On	\$5,000.00
Investigation	\$70,000.00
Administration	\$5,000.00
Total	\$150,000.00

Below is a summary of the expected further tasks that are required to be undertaken. Creditors should note that this is an estimate at this stage and could change depending on the outcome of our investigations. The amounts below are exclusive of GST.

Administration Type: Liquidation		
Resolution 6: From commencement to the end of the liquidation		
Task Area	General Description	Includes
Assets Cost: \$5,000.00	Cash at bank	Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts
	Debtors	Further correspondence with debtors about amounts owed Reviewing and assessing debtor correspondence and information Debt collection processes
Creditors Cost: \$50,000.00	Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email and post.

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Creditor reports	Preparing and distributing further updates and circulars / reports to creditors
	Secured creditor reporting	General PPSA creditor correspondence and property matters Responding to secured creditor queries
	Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration Receiving and recording formal/informal proofs of debt lodged
Investigation Cost: \$70,000.00	Conducting investigation	Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation
	Litigation / recoveries	Decisions and strategy on litigation and recovery matters (where applicable) Liaison, meetings, discussions and reports / briefs for legal advisors Ongoing correspondence and updates with advisors including attending to queries, information requests and evidence Attending to all aspects of negotiations and / or settlement of legal actions or claims
	ASIC reporting	Preparing statutory investigation reports and lodging with ASIC Correspondence and liaison with ASIC on company investigation, lodgements and general director conduct

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
Employees Cost: \$15,000.00	Enquiries and correspondence	Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls
	Entitlements	Further reviewing employee files, payroll details, records and calculations of employee entitlements
	Workers compensation	Correspondence and ongoing insurance coverage requirements for workers compensation
	FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)
Trade On Cost: \$5,000.00	Trade on management	All tasks required to finalise trade-on matters Management and staff liaison, including attendance on site and site visits as required Dealing with staff terminations and resignations Completing accounting tasks and finalising employee / payroll matters
Administration Cost: \$5,000.00	General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
	Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists

Administration Type: Liquidation**Resolution 6: From commencement to the end of the liquidation**

Task Area	General Description	Includes
	Bank accounts and accounting	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
	Statutory matters and lodgements	Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments Other company / industry specific reports and statutory requirements
	Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
	Planning / Review	Discussions regarding status of administration
	Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
	Books and records / storage	All aspects of recording and listing company books and records

4.3 Previous and future approvals and estimates**4.3.1 Previous approval requests**

There have been no prior approvals for remuneration.

4.3.2 Future estimates and expectation of further remuneration approval requests

Where the Company enters liquidation, we estimate our total remuneration for acting as liquidators to be \$150,000 (ex GST).

At this stage, based on the information available, it is not anticipated that any further remuneration approval requests (in addition to the proposed resolutions in this report) will be required for the voluntary administration or any subsequent liquidation. However, should matters not proceed as expected, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

4.4 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

4.5 Remuneration recoverable from external sources

If the Company is placed into liquidation, the Attorney-General's Department (**Department**) may request our assistance with matters relating to the verification of employee entitlements under the Fair Entitlements Guarantee Act 2012 (**FEG**). We are entitled to remuneration from the Department for performing this work. This form of remuneration is not subject to creditor approval.

There is no other remuneration that has been received or is recoverable from external sources for the administration.

Part 5 Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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 expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to Creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

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

5.1 Disbursement claim

No disbursements have been paid in the Administration to date.

5.2 Disbursement resolutions

Resolution 3: Administrators' Disbursements

"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".

Resolution 7: Liquidators' Disbursements

"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".

5.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
eDiscovery services	Variable
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel / out of pocket costs	At cost
Storage and storage transit	At cost
Telephone calls	At cost

Part 6 Report on progress of Administration and Summary of Receipts and Payments

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 22 June 2023.

A summary of receipts and payments for the duration of my appointment is set at **Section 8** of the Report.

Part 7 Queries

For any queries in respect of this remuneration approval request, please contact Billy Batbileg on 1300 760 830 or by email at bbatbileg@wlpr.com.au.

Dated this 22nd day of June 2023



Glenn Livingstone & Alan Walker

Joint and Several Administrators

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Bblautofirst (Administrators Appointed)
 ACN 647 331 262 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
<p>Resolution 1: Administrators' remuneration</p> <p>"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$65,998.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: Administrators' future remuneration</p> <p>"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: Administrators' internal disbursements</p> <p>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions	For	Against	Abstain
<p>Resolution 4: Future of the Company</p> <p>For creditors of the Company to resolve that:</p>			
(a) "The meeting be adjourned"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) "The Company execute a Deed of Company Arrangement"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5: Appointment of alternate Deed Administrator</p> <p>"To appoint someone else, instead of the Company's Administrators, to be Deed Administrator of the Company."</p> <p><i>(Note: if voting 'For', please attach details of any particular alternate deed administrator you wish to vote for)</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6: Deed Administrators' / Creditors' Trustees' future remuneration</p> <p>"That the remuneration of the Deed Administrators (when aggregated with the total remuneration of the Trustees of the Creditors' Trust) for the period from the execution of the Deed of Company Arrangement until the finalisation of the Deed of Company Arrangement / Creditors' Trust is determined at a sum equal to the cost of time spent by the Deed Administrators and the Deed Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Deed Administrators / Creditors' Trustees may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 7: Deed Administrators' / Creditors' Trustees' internal disbursements</p> <p>"That the internal disbursements of the Deed Administrators (when aggregated with the total internal disbursements of the Trustees of the Creditors' Trust) are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Deed Administrators / Creditors' Trustees may pay the internal disbursements on a monthly basis or as required".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8: Appointment of alternate Liquidator</p> <p>"To appoint someone else, instead of the Company's Administrators, to be liquidator of the Company."</p> <p><i>(Note: if voting 'For', please attach details of any particular alternate liquidator you wish to vote for)</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATE OF WITNESS

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

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Comfyfirst Pty Ltd (Administrators Appointed)
 ACN 152 881 135 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
Resolution 1: Administrators' remuneration "That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$191,355.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Administrators' future remuneration "That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$15,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Administrators' internal disbursements "That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATE OF WITNESS

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I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Elecfirst Pty Ltd (Administrators Appointed)
 ACN 606 391 048 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
<p>Resolution 1: Administrators' remuneration</p> <p>"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$161,281.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: Administrators' future remuneration</p> <p>"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$15,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: Administrators' internal disbursements</p> <p>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions	For	Against	Abstain
Resolution 4: Future of the Company For creditors of the Company to resolve that:			
(a) "The meeting be adjourned"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) "The Company execute a Deed of Company Arrangement"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Appointment of alternate liquidator "To appoint someone else, instead of the Company's Administrators, to be liquidator of the Company." <i>(Note: if voting 'For', please attach details of any particular alternate liquidator you wish to vote for)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Liquidators' future remuneration "That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: Liquidators' internal disbursements "That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8: Committee of inspection "That a Committee of Inspection be appointed."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2023

Signature

CERTIFICATE OF WITNESS

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certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

**Firstaction Group Pty Ltd (Administrators Appointed)
 ACN 139 666 247 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
Resolution 1: Administrators' remuneration "That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$262,188.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Administrators' future remuneration "That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Administrators' internal disbursements "That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions	For	Against	Abstain
<p>Resolution 4: Future of the Company</p> <p>For creditors of the Company to resolve that:</p>			
<p>(a) "The meeting be adjourned"</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(b) "The Company execute a Deed of Company Arrangement"</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(c) "The Administration should end"</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>(d) "The Company be wound up"</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 5: Appointment of alternate Deed Administrator</p> <p>"To appoint someone else, instead of the Company's Administrators, to be Deed Administrator of the Company."</p> <p><i>(Note: if voting 'For', please attach details of any particular alternate deed administrator you wish to vote for)</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6: Deed Administrators' / Creditors' Trustees' future remuneration</p> <p>"That the remuneration of the Deed Administrators (when aggregated with the total remuneration of the Trustees of the Creditors' Trust) for the period from the execution of the Deed of Company Arrangement until the finalisation of the Deed of Company Arrangement / Creditors' Trust is determined at a sum equal to the cost of time spent by the Deed Administrators and the Deed Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$100,000.00 exclusive of GST, and that the Deed Administrators / Creditors' Trustees may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 7: Deed Administrators' / Creditors' Trustees' internal disbursements</p> <p>"That the internal disbursements of the Deed Administrators (when aggregated with the total internal disbursements of the Trustees of the Creditors' Trust) are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Deed Administrators / Creditors' Trustees' may pay the internal disbursements on a monthly basis or as required".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8: Appointment of alternate Liquidator</p> <p>"To appoint someone else, instead of the Company's Administrators, to be liquidator of the Company."</p> <p><i>(Note: if voting 'For', please attach details of any particular alternate liquidator you wish to vote for)</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATE OF WITNESS

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I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
CREDITORS MEETING**

**Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd (Administrators Appointed)
ACN 639 243 360 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
<p>Resolution 1: Administrators' remuneration</p> <p>"That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$29,090.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: Administrators' future remuneration</p> <p>"That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: Administrators' internal disbursements</p> <p>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolutions	For	Against	Abstain
Resolution 4: Future of the Company For creditors of the Company to resolve that:			
(a) "The meeting be adjourned"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) "The Company execute a Deed of Company Arrangement"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Appointment of alternate liquidator "To appoint someone else, instead of the Company's Administrators, to be liquidator of the Company." <i>(Note: if voting 'For', please attach details of any particular alternate liquidator you wish to vote for)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Liquidators' future remuneration "That the remuneration of the Liquidators from appointment to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: Liquidators' internal disbursements "That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8: Committee of inspection "That a Committee of Inspection be appointed."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2023

Signature

CERTIFICATE OF WITNESS

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certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
CREDITORS MEETING**

**Plumbfirst Pty Ltd (Administrators Appointed)
ACN 606 165 173 ("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 29 June 2023, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolutions	For	Against	Abstain
Resolution 1: Administrators' remuneration "That the remuneration of the Administrators from 12 April 2023 to 18 June 2023 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 such sum to be capped at the amount of \$322,061.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Administrators' future remuneration "That the future remuneration of the Administrators from 19 June 2023 to the conclusion of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 22 June 2023 and such sum to be capped at the amount of \$25,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Administrators' internal disbursements "That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATE OF WITNESS

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I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

INFORMAL PROOF OF DEBT OR CLAIM FORM

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

- Firstaction Group Pty Ltd ACN 139 666 247
- Plumbfirst Pty Ltd ACN 606 165 173
- Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd ACN 639 243 360
- Elecfirst Pty Ltd ACN 606 391 048
- Comfyfirst Pty Ltd ACN 152 881 135
- Bblautofirst Pty Ltd ACN 647 331 262

Note: If you are a creditor of more than one company, please submit a separate form for each company

1. This is to state that the Company is justly and truly indebted to: *(add full name and address of the creditor below)*

.....

ABN: for *(insert amount of debt)* \$..... Particulars of the debt are:

Date	Consideration <i>(state how the debt arose)</i>	Amount <i>(incl. GST)</i> \$ c	GST \$ c	Remarks <i>(include details of voucher substantiating payment)</i>
------	--	--------------------------------------	-------------	---

2. Has your debt been assigned to you from another party: No Yes
(If 'Yes', please give evidence in writing in relation to the debt and the consideration given for the assignment of the debt)

3. Is the debt subject to any form of security: No Yes (on PPSR) Yes (other security)
(if 'Yes', describe security below including when and how it arose)

.....

4. * 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, remains unpaid and unsatisfied.

4. * I am the creditor's agent authorised in writing to make this statement in writing. I know the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated:

.....
Name and signature

.....
Name and signature

Occupation:

Occupation:

Address:

Address:

Email:

Email:

Telephone:

Telephone:

My/our nominated electronic address for receiving documents and communications by email is below:

.....

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.

A reference to an annexure includes a document that is with a form

**NOTICE OF SECOND MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

Firstaction Group Pty Ltd ACN 139 666 247
Plumbfirst Pty Ltd ACN 606 165 173
Plumbfirst Elecfirst Comfyfirst NSW Pty Ltd ACN 639 243 360
Elecfirst Pty Ltd ACN 606 391 048
Comfyfirst Pty Ltd ACN 152 881 135
Bblautofirst Pty Ltd ACN 647 331 262
(Administrators appointed) ("the Companies")

1. On 12 April 2023, the Companies under Section 436A of the Corporations Act 2001 appointed Alan Walker and Glenn Livingstone of WLP Restructuring, Suite 21.02, Level 21, Australia Square, 264 George Street, Sydney NSW 2000 as Joint and Several Administrators of the Companies.
2. Notice is now given that a meeting of the creditors of the Companies will be held at the offices of WLP Restructuring, Suite 21.02, Level 21, Australia Square, 264 George Street, Sydney NSW 2000 on **Thursday, 29 June 2023 at 10:00 AM (AEST)**. Additional details and requirements on how to attend by phone and video conference are included in this notice.

A G E N D A

1. To receive the report of the Administrators about the business, property, affairs and financial circumstances of the Companies
2. To receive a statement of the Administrators' opinions and reasons for the opinion:
 - a. whether it would be in the creditors' interests for the Company(ies) to execute a deed of company arrangement
 - b. whether it would be in the creditors' interests for the Administrations to end
 - c. whether it would be in the creditors' interests for the Company(ies) to be wound up
3. To receive a statement of such other information known to the administrator as will enable the creditors to make an informed decision about the matters at paragraphs 2(a) – (c) above
4. To receive details of any transactions that appear to the Administrators to be a voidable transaction in respect of which money, property, or other benefits may be recoverable by a liquidator under part 5.7B of the Corporations Act 2001 (*Cth*)
5. To receive details of any proposed deed of company arrangement
6. For the creditors of the Companies to resolve that:
 - a. the Company(ies) execute a deed of company arrangement
 - b. the Administration(s) should end
 - c. the Company(ies) be wound up
7. To determine the past and future remuneration of the administrators
8. To determine the internal disbursements of the administrators
9. To determine the remuneration of the deed administrators' / creditors' trustees' and / or liquidators' future remuneration (if appointed)
10. To determine the internal disbursements of the deed administrators / creditors' trustees and / or liquidators (if appointed), and

11. Any other business that may be lawfully brought forward.

Telephone and video conferencing facilities via Microsoft Teams will be available at the meeting. Creditors wishing to attend the meeting by electronic facilities are to contact Billy Batbileg of this office on bbatbileg@wlpr.com.au by no later than 4:00 PM on the 28 June 2023 to obtain access details.

Please note under Insolvency Practice Rules (Corporations) (IPR) 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than 4:00 PM on the 28 June 2023:

- (a) A written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

Proxies to be used at the meeting should be given to us as Joint and Several Administrators. A creditor can only be represented by proxy or by an attorney pursuant to IPR 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D.

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

DATED this 22nd day of June 2023.



Glenn Livingstone & Alan Walker
Joint and Several Administrators

WLP Restructuring Pty Ltd
Suite 21.02, Level 21
Australia Square,
264 George Street
Sydney NSW 2000

***Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 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