



Remuneration Approval Report

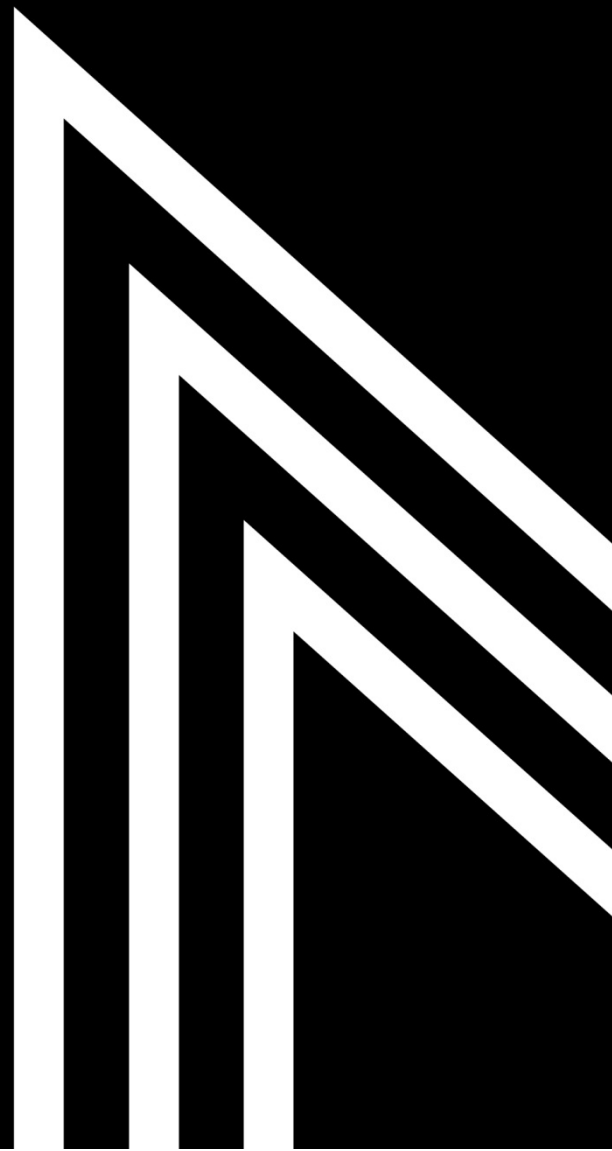
IFISH Finance Pty Ltd (In Liquidation)

ACN 118 683 542

3 June 2022



McGrathNicol



This remuneration approval report provides you with information to assist you to make an informed decision regarding the approval of our proposed remuneration for undertaking the Liquidation of IFish Finance Pty Ltd (In Liquidation).

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1 Executive Summary

We are seeking creditor approval for the following remuneration in relation to iFish Finance Pty Ltd (In Liquidation) (**iFish** or **the Company**):

Remuneration Sought	
Remuneration	Amount \$ (ex GST)
Retrospective Liquidation	57,421
Future Liquidation	42,470
Total	99,891

Details of remuneration and disbursements can be found in sections 3 and 4 of this report.

Creditors will be asked to approve our retrospective remuneration for the 12-week period from 3 March 2022 to 27 May 2022 and our future remuneration for the period 28 May 2022 to completion of the liquidation via a proposal without a meeting, pursuant to section 75-40 of the Insolvency Practice Schedule (IPS) in order to reduce costs.

The combination of the retrospective and future remuneration brings the total estimated cost of the liquidation (**the Appointment**) to c.\$100,000. This is consistent with our previous estimate provided to you.

This is our final remuneration approval request for the Company assuming there will not be a dividend to creditors.

Please note that any defined terms in this report have the same meaning as those contained in the main body of the report to creditors dated 3 June 2022.

2 Declaration

We, Jason Preston and Jason Ireland of McGrathNicol have undertaken a proper 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 are necessary and proper.

We have reviewed the work in progress (WIP) report for the Appointment to ensure that remuneration is only being claimed for necessary and proper work performed and have made the following adjustments as detailed below:

- Written off a total of \$9,149 from the recorded work in progress (WIP) (being 13.72% of the unreviewed time cost recorded) across the Company including:
 - general administrative matters including training, remuneration preparation and other non-chargeable time; and
 - time incurred by McGrathNicol undergraduate employees to remove any perceived inefficiencies incurred by junior members of the team.

In our capacity as Liquidators of Forum Group Financial Services (FGFS) and the broader Appointment Group, the Liquidators have conducted investigations into the affairs of the Company. These investigations were undertaken prior to our appointment as liquidators of the Company and are detailed in Section 4 of the report to creditors dated 3 June 2022.

3 Remuneration sought

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

Remuneration Sought				
Remuneration	Period	Amount \$ (ex GST)	Rates to apply	When it will be drawn
Work we have already done - Liquidation	3 March 2022 to 27 May 2022	57,421	Provided in my Initial Remuneration Notice dated 30 March 2022	Immediately, when funds are available
Future work - Liquidation (Capped)	28 May 2022 onwards	42,470	Provided in my Initial Remuneration Notice dated 30 March 2022	Monthly, when funds are available
Total		99,891		

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

Schedule B includes a breakdown of time spent by the appointees and staff members on each major task for work we have already done and future work that we intend to do.

We note that the future work resolution is based on our current estimate of work required. In the event that the Liquidators' actual remuneration in the period is below the amount approved, the Liquidators' will only draw the actual amount incurred.

In calculating our future remuneration estimate we have assumed there will not be a dividend to creditors of the Company and that the liquidation will remain ongoing for at least the next 12 months. If circumstances change, enabling a dividend to be paid or there is more work required than we currently estimate with relation to investigations and/or asset recovery, our future remuneration estimate would increase and we would make a further approval request of creditors setting out the reasons and applicable time costs for the increase.

Actual resolutions to be put to the creditors are detailed below for your information. These resolutions also appear in the proposal form provided to you.

Resolution 1: Retrospective remuneration during the liquidation of iFish for the period 3 March 2022 to 27 May 2022:

"That the remuneration of the liquidators for the period 3 March 2022 to 27 May 2022, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 30 March 2022, is determined in the sum of \$57,421, exclusive of GST."

Resolution 2: Future remuneration for the liquidation of iFish for the period 28 May 2022 to completion:

"That the future remuneration of the liquidators from 28 May 2022 to completion, is determined at a sum equal to the cost of time spent by the liquidators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 30 March 2022, up to a capped amount of \$42,470, exclusive of GST."

4 Disbursements sought

Pursuant to section 7.7.1 of the ARITA Practice Statement 7, we are not required to seek creditor approval for costs paid to third parties, or where we are recovering a cost incurred on behalf of the administration, but we must provide details to creditors. Details of the categories and these amounts are included in Schedule C.

5 Likely impact on dividends

It is both reasonable and appropriate for a professional service provider to be remunerated for their services. An external administrator is entitled to be remunerated for necessary work that is properly performed. That work generates the funds that may be recovered for the benefit of creditors and other stakeholders.

The impact of the approval of the external administrator's remuneration is that the remuneration will then be paid provided sufficient funds are generated to enable it to be paid. The remuneration will be paid from those funds that are generated prior to the payment of most creditors in the external administration.

It is noted that funds would only be available to any stakeholder as a consequence of the work necessarily undertaken by the Liquidators.

If a dividend or distribution is to be paid to stakeholders, there is also necessary work that must be undertaken by the Liquidators to properly adjudicate on claims and distribute any available funds. As noted above our future remuneration estimate/approval request does not include any time for such work.

6 Summary of receipts and payments

A summary of the receipts and payments for the Liquidation for the period 3 March 2022 to 31 May 2022 is included at Schedule 5 of the report to creditors dated 3 June 2022.

7 Queries

If you have any queries regarding the information in this report, please contact Allison Shepherd on (02) 9248 9926.

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

- ARITA at www.arita.com.au/creditors
- ASIC at www.asic.gov.au (search for "INFO 85").

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

Dated: 3 June 2022



Jason Ireland
Joint and Several Liquidator

Attachments:

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Disbursements

Schedule D – Schedule of hourly rates

Schedule A – Details of work

Resolution 1: Retrospective remuneration for the liquidation		
Period	3 March 2022 to 27 May 2022	
Amount (ex GST)	\$57,421	
Task Area	General Description	Tasks
Assets 10.2 hours \$5,944	Circulating and non-circulating	<ul style="list-style-type: none"> ▪ Review balance sheet to determine if any assets can be realised ▪ Investigations into assets based on financial and other information available ▪ Consider realisation options which may be available ▪ Secure bank account and sweep pre-appointment balance to liquidation post-appointment account
Creditors 40.7 hours \$21,335	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ▪ Monitoring functional mailbox, attending to inbound creditor queries ▪ Dealings with customers
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Notify PPSR registered creditors of appointment
	Creditor Report	<ul style="list-style-type: none"> ▪ Prepare initial correspondence to creditors and their representatives ▪ Prepare Statutory Report by Liquidator
Employees Nil	n/a	n/a
Trade on Nil	n/a	n/a
Investigation 3.9 hours \$2,032	n/a	<ul style="list-style-type: none"> ▪ Review company's books and records
Dividend Nil	n/a	n/a
Administration 55.3 hours \$28,110	Correspondence	<ul style="list-style-type: none"> ▪ Attend to statutory obligations in connection with appointment including notifying various stakeholders of appointment ▪ Liaise with lawyers in relation to appointment matters ▪ Prepare correspondence to transfer the pre-appointment Xero account to the liquidators ▪ Send initial and follow up request to directors for Report on Company Activities & Property (ROCAP) and books and records
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Maintain project task lists
	Insurance	<ul style="list-style-type: none"> ▪ Correspond with insurer regarding initial requirements
	Bank account administration	<ul style="list-style-type: none"> ▪ Correspond with bank regarding pre-appointment account ▪ Prepare correspondence to open account ▪ Request bank statements ▪ Perform bank account reconciliations
	ASIC forms	<ul style="list-style-type: none"> ▪ Prepare and lodge ASIC forms ▪ Correspond with ASIC regarding statutory forms ▪ Seek assistance from ASIC to obtain ROCAP from director
	ATO and other statutory reporting	<ul style="list-style-type: none"> ▪ Notify of appointment ▪ Monitor ATO portal in relation to correspondence
	Planning/Review	<ul style="list-style-type: none"> ▪ Discuss status of external administration
	Books and records/storage	<ul style="list-style-type: none"> ▪ Correspondence regarding access to company books and records ▪ Obtain access to the books and records ▪ Review the books and records ▪ Maintain backups of key information

Resolution 2: Future remuneration for the liquidation		
Period	28 May 2022 to completion	
Amount (ex GST)	\$42,470	
Task Area	General Description	Tasks
Assets 10.0 hours \$5,160	Circulating and non-circulating	<ul style="list-style-type: none"> ▪ Investigate into assets (accounts receivable/tax refunds) based on financial and other information available ▪ Consider realisation options and realise assets where possible
Creditors 26 hours \$14,190	Creditor Enquiries, Requests & Directions	<ul style="list-style-type: none"> ▪ Receive and respond to creditor enquiries ▪ Manage and monitor functional mailbox
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Respond to secured creditor's queries
	Creditor reports	<ul style="list-style-type: none"> ▪ Maintain and review creditor position/lists ▪ Finalise and issue Statutory Report by Liquidator
	Proposals to Creditors	<ul style="list-style-type: none"> ▪ Prepare proposal notices and voting forms ▪ Forward notice of proposal to all known creditors ▪ Review votes and determine outcome of proposal ▪ Prepare and lodge proposal outcome with ASIC
	Deal with proofs of debt (POD)	<ul style="list-style-type: none"> ▪ Receive PODs from claimants ▪ Correspond with claimants regarding PODs
Employees Nil	n/a	n/a
Trade on Nil	n/a	n/a
Dividend Nil	n/a	n/a
Investigation 19.5 hours \$11,415	Conduct investigations	<ul style="list-style-type: none"> ▪ Obtain company books and records ▪ Review specific transactions ▪ Review company's books and records ▪ Prepare investigation analysis
	ASIC reporting	<ul style="list-style-type: none"> ▪ Prepare report to ASIC under s533 ▪ Liaise with ASIC
Administration 23.5 hours \$11,705	Correspondence	<ul style="list-style-type: none"> ▪ Attend to statutory obligations in connection with appointment including notifying various stakeholders of appointment and cessation
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Maintain project task lists ▪ Maintain physical and electronic engagement files ▪ Review of checklists to determine outstanding tasks and timelines
	Bank account administration	<ul style="list-style-type: none"> ▪ Prepare correspondence in relation to accounts ▪ Perform bank account reconciliations ▪ Close accounts
	ASIC	<ul style="list-style-type: none"> ▪ Prepare and lodge ASIC forms ▪ Correspond with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> ▪ Monitor ATO portal in relation to correspondence ▪ Correspondence with ATO ▪ Prepare BAS
	Finalisation	<ul style="list-style-type: none"> ▪ Notify ATO of ceasing to act ▪ Complete checklists
	Planning/Review	<ul style="list-style-type: none"> ▪ Discuss engagement strategy
	Books and records/storage	<ul style="list-style-type: none"> ▪ Send job files to storage ▪ Deal with early destruction of records in storage (if approved)

Schedule B1 – Time spent by staff on each major task (Retrospective: Liquidation)

Resolution 1: from 3 March 2022 to 27 May 2022

iFish Finance Pty Ltd (In Liquidation) - Remuneration for the period 3 March 2022 to 27 May 2022																	
Staff	Position	Total		Assets		Creditors		Employees		Trade on		Investigations		Dividend		Administration	
		Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)
Jason Ireland	Appointee	9.2	7,084	3.4	2,618	1.5	1,155	-	-	-	-	-	-	-	-	4.3	3,311
Jason Preston	Appointee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Partner	0.5	385	-	-	0.5	385	-	-	-	-	-	-	-	-	-	-
	Director	4.0	2,640	0.3	198	2.3	1,518	-	-	-	-	-	-	-	-	1.4	924
	Senior Manager	12.0	7,440	-	-	4.8	2,976	-	-	-	-	-	-	-	-	7.2	4,464
	Manager	7.1	4,118	0.3	174	4.3	2,494	-	-	-	-	2.5	1,450	-	-	-	-
	Assistant Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Senior Accountant	66.1	31,728	6.0	2,880	24.0	11,520	-	-	-	-	0.4	192	-	-	35.7	17,136
	Accountant	8.5	3,315	-	-	3.3	1,287	-	-	-	-	1.0	390	-	-	4.2	1,638
	Senior Client Admin	0.9	333	0.2	74	-	-	-	-	-	-	-	-	-	-	0.7	259
	Administration	1.8	378	-	-	-	-	-	-	-	-	-	-	-	-	1.8	378
Total (ex GST and disbursements)		110.1	57,421	10.2	5,944	40.7	21,335	-	-	-	-	3.9	2,032	-	-	55.3	28,110

Schedule B2 – Time spent by staff on each major task (Future Work: Liquidation)

Resolution 2: from 28 May 2022 and onwards

iFish Finance Pty Ltd (In Liquidation) - Future remuneration from the period 28 May 2022																	
Staff	Position	Total		Assets		Creditors		Employees		Trade on		Investigations		Dividend		Administration	
		Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)	Hours	\$ (AUD)
Jason Ireland	Appointee	5.0	3,850	1.0	770	1.5	1,155	-	-	-	-	1.0	770	-	-	1.5	1,155
Jason Preston	Appointee	1.5	1,155	-	-	0.5	385	-	-	-	-	0.5	385	-	-	0.5	385
	Partner	3.5	2,695	0.5	385	1.0	770	-	-	-	-	1.0	770	-	-	1.0	770
	Director	9.0	5,940	1.0	660	1.0	660	-	-	-	-	6.0	3,960	-	-	1.0	660
	Senior Manager	5.0	3,100	-	-	5.0	3,100	-	-	-	-	-	-	-	-	-	-
	Manager	10.0	5,800	-	-	5.0	2,900	-	-	-	-	-	-	-	-	5.0	2,900
	Assistant Manager	8.0	4,240	3.0	1,590	-	-	-	-	-	-	5.0	2,650	-	-	-	-
	Senior Accountant	18.0	8,640	-	-	6.0	2,880	-	-	-	-	6.0	2,880	-	-	6.0	2,880
	Accountant	17.0	6,630	4.5	1,755	6.0	2,340	-	-	-	-	-	-	-	-	6.5	2,535
	Senior Client Admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Administration	2.0	420	-	-	-	-	-	-	-	-	-	-	-	-	2.0	420
Total (ex GST and disbursements)		79.0	42,470	10.0	5,160	26.0	14,190	-	-	-	-	19.5	11,415	-	-	23.5	11,705

Schedule C – Disbursements

Costs paid to third parties

Costs paid to third parties are recovered at cost. Creditors are not required to approve these types of costs, but details are provided to account to creditors, including the basis of charging for these types of costs. Creditors are entitled to question the incurring of the costs and can challenge the costs in Court.

The Liquidators will not be seeking to recover costs that have been paid by McGrathNicol to third parties and relate to the Appointment over the period 3 March 2022 to 27 May 2022.

Future costs provided by McGrathNicol will be charged to the external administration on the following basis:

Cost type	Rate (GST exclusive)
Postage	At cost
Stationery and other incidental disbursements	At cost
Conference call phone charges	At cost
Searches	At cost
Advertising	At cost
Courier	At cost
Staff per diem travel allowance*	\$89.00 per day**
Staff vehicle use	\$0.72 per km**
ASIC user pays levy***	At cost

* Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight.

** These rates are deemed reasonable by the Australian Taxation Office.

*** This levy is charged by ASIC and is based on the number of notifiable events in a financial year directly related to this Appointment. Notifiable events include notices published on ASIC's published notices website and some documents lodged with ASIC.

Further explanation of data hosting costs

In the conduct of the Appointment we may use McGrathNicol's Forensic Technology team to extract, aggregate, electronically process and/or host electronic data, which could be used for the:

- trade or sale of the business or assets; and/or
- investigations regarding transactions or potential recoveries available to creditors.

If data hosting is required and we choose not to use the services of McGrathNicol's Forensic Technology team, we will otherwise have to purchase those services from an alternative provider and/or use another method to achieve the same end, which will not be as efficient as using these available internal services.

We note that the data hosting rates above are no more than our standard commercial pricing available for the same services when they are provided to external parties.

Schedule D – Schedule of Hourly Rates

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

Title	Description	Hourly rate (excl GST)
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$770
Director 1	Generally Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$710
Director	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$660
Senior Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$620
Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$580
Assistant Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$530
Senior Accountant	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$480
Accountant	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$390
Undergraduate/Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$230

Title	Description	Hourly rate (excl GST)
Practice Services Director	National Practice Service leaders, generally degree qualified with more than ten years of experience and reporting directly to partners. Technical experts in their specific areas and have team management responsibilities.	\$710
Senior Treasury staff	Appropriately experienced and undertakes senior Treasury activities such as oversight of the processing of payment of receipts and banking administration. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$470
Senior Client Administration and Treasury	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$370
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$210

McGrathNicol reviews its hourly rates on either 31 December or 30 June. Creditors will be advised of any change to the hourly rates for this external administration.