

**Insolvency Practice Rules (Corporations) 2016
Rules 70-35 and 75-130**

REMUNERATION APPROVAL REQUEST REPORT

**IUGIS PTY LTD (IN LIQUIDATION)
ACN: 632 882 243
("the Company")**

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the Administration of the Company.

This report has the following information included:

Part 1: Declaration	2
Part 2: Executive Summary	2
Part 3: Remuneration	2
3.1 Remuneration claim resolutions	2
3.2 Details of remuneration	3
3.3 Likely impact on dividends	13
3.4 Remuneration recovered from external sources	13
Part 4: Disbursements	13
4.1 Internal disbursement claim	13
4.2 Future basis of internal disbursements	13
Part 5: Report on Progress of the Administration	14
Part 6: Summary of Receipts and Payments	14
Part 7: Queries	14
Part 8: Approval of remuneration and internal disbursements	14

Creditors' requirements for meeting of creditors

You should read this report and the other documentation that have been sent to you and attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, should you be unable to attend the meeting, you may also appoint a representative to attend on your behalf by lodging a proxy form (i.e the Chairperson). Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised. Creditors should direct all forms and queries in respect to the meeting to McGrathNicol's office.

Part 1: Declaration

We, Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward, of Mackay Goodwin, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. 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: Executive Summary

On 8 July 2012, we, Domenic Calabretta, Thyge Trafford-Jones, and Grahame Ward, of Mackay Goodwin were appointed joint and several Administrators of the Company.

On 21 July 2021, at the reconvened initial meeting of creditors, Jason Preston, Jason Ireland and Katherine Sozou of McGrathNicol replaced us as Administrators of the Company. This report has been prepared as a part of McGrathNicol's Statutory Report to Creditors.

Creditors are advised that Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward of Mackay Goodwin are herein commonly referred to as 'the Administrators' throughout this remuneration report which is in respect to our time costs incurred during the Administration period.

Creditors should note that any queries in respect to the Meeting of Creditors are to be directed to McGrathNicol. Any queries in respect to this remuneration report prepared by us is to be directed to Thanatorn Phadermchit of Mackay Goodwin at tphadermchit@mackaygoodwin.com.au.

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (\$) (excluding GST)
Voluntary Administration		
Resolution 1 - 8 July 2021 to 21 July 2021	3.1.1	\$62,916.30
Total - Voluntary Administration		\$62,916.30

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

Part 3. Remuneration

3.1 Remuneration claim resolutions

3.1.1 Resolution 1 – 8 July 2021 to 21 July 2021

That the remuneration of the Administrators, their partners and staff from 8 July 2021 to 21 July 2021 be approved up to a maximum amount of \$62,916.30 plus GST, calculated in accordance with the Mackay Goodwin hourly rates attached and that the Administrators be authorised to draw the remuneration as required."

3.2 Details of remuneration

The basis of calculating the remuneration claims, the details of the major tasks performed, and the costs associated with each of those major tasks are contained below.

3.2.1 Resolution 1 – 8 July 2021 to 21 July 2021

The below table sets out time charged to each major task area by staff members working on the Administration for the periods 8 July 2021 to 21 July 2021 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are detailed below.

Task Area	General Description	Includes
Assets: Hours: 29.60 Cost: \$15,045	Cash at Bank	Liaising with financial institutions regarding freezing of pre-appointment bank accounts and obtaining bank statements. Liaising with banking institutions in relation to any balance of funds held in the Company's pre-appointment bank accounts
	Plant and Equipment	Liaising with the Directors in relation to the Company's plant and equipment
	Motor Vehicle	Liaising with the Roads and Maritime Services ("RMS") and VicRoads with respect to current and historical motor vehicle searches.
	Assets subject to specific charges	All tasks associated with identifying assets which are subject to specific charges. Review of PPSR searches conducted.
	Other Assets	All tasks associated with identifying other assets.
Creditors Hours: 43.01 Cost: \$15,989.90	Creditor Enquiries	Receiving and following up creditor enquiries via telephone and email. Reviewing and prepare correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Preparing initial report to creditors, including annexures.
	Dealing with claims, lodgements and proofs of debts	Receipting and filing Proof of Debt ("POD") when not related to a dividend. Reviewing the PODs and the supporting documents. Corresponding with creditors regarding POD when not related to a dividend. Review of related entity claims including shareholder claims and the nature of same.

Task Area	General Description	Includes
	Meeting of Creditors	<p>Preparation meeting notices, proxies and advertisements.</p> <p>Forwarding notice of meeting to all known creditors.</p> <p>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.</p> <p>Attendance at initial meeting of creditors.</p>
	Secured Creditors	Liaising with secured creditors regarding status of appointment and ongoing correspondence.
<p>Employees</p> <p>Hours 19.90</p> <p>Cost: \$8,461.00</p>	Employee Enquiry	<p>Receive and follow up employee enquiries via telephone</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p>
	Employee Claims	Liaising with Director and former employees in relation to outstanding employee entitlements and PODs received.
<p>Trade On</p> <p>Hours: 17.80</p> <p>Cost: \$11,739.00</p>	Trade on Management	<p>Liaising with Management and Staff.</p> <p>Attendance on site.</p> <p>Issue correspondence to all utility providers advising of the Administrators appointment and continuing trade.</p> <p>Liaising with suppliers to facilitate the setup of new accounts.</p> <p>Attend to the payment of wages as required.</p> <p>Internal meetings regarding ongoing trade of the Company.</p> <p>Preparing trading statement.</p> <p>Liaising with superannuation funds regarding contributions and reconciliation of liabilities.</p> <p>Discussions in respect to the Company's trading position.</p> <p>Prepare cash flows and exposure statement as required.</p>

Task Area	General Description	Includes
	Budgeting and Financial Reporting	Reviewing Company's budgets and financial statements. Preparing cash flow spreadsheet and discussions with Directors and accountants. Maintaining cash flow spreadsheet.
Investigation Hours: 15.70 Cost: \$7,510.00	Conducting investigations	Collection of company books and records. Reviewing the Company's books and records. Review and preparation of Company nature and history. Conducting and summarising statutory searches. Preparation of investigation file.
Administration Hours: 10.06 Cost: \$4,171.40	General matters	Client setup
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists. Correspondence with Insurer regarding initial and ongoing insurance requirements.
	ASIC forms	Preparing and lodging ASIC forms including forms 505 and 531. Preparing and lodging ASIC advertisements.
	ATO & other statutory reporting	Notification of appointment. Correspondence with ATO to collect RFD information.
	Planning / Review	Internal communication concerning administration. Discussions regarding status of administration.
	Bank account administration	Preparing correspondence opening accounts. Liaising with banking institutions Requesting bank statements.

3.3 Likely impact on dividends

We note the following with respect to the dividend:

- Pursuant to Section 556 of the Corporations Act 2001 (“the Act”), the Administrators/Deed Administrators/Liquidators have priority over all claims of creditors with respect to their remuneration incurred.
- The work the Administrators are entitled to be remunerated for in accordance with the Act is necessary to ensure the greatest possible return to creditors.
- Creditors should refer to details of a likelihood of dividend as detailed in the statutory report to creditors issued by McGrathNicol.

3.4 Remuneration recovered from external sources

We have not been provided with any upfront payments or indemnity for the conduct of this Voluntary Administration.

Part 4: Disbursements

Disbursements are divided into three (3) types:

- A Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- B1 Externally provided non-professional costs - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation, and search fees.
- B2 Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

We are required to seek creditor approval for disbursement types A and B1, but must provide a full summary of account of disbursements to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to seek creditor approval prior to the payment of internal disbursements (B2) where there may be a profit or advantage. Creditors will be asking to approve our internal disbursements where there is a profit or advantage prior to these disbursements being paid in the Administration.

Part 5: Report on Progress of the Administration

This remuneration report should be read in conjunction with the McGrathNicol's Statutory Report to Creditors which outlines the progress of the external administration.

Part 6: Summary of Receipts and Payments

A Summary of the Administrators' receipts and payments made up to 21 July 2021 is attached as Annexure.

Part 7: Queries

If you have any queries in relation to the information in this report, please contact Thanatorn Phadermchit of Mackay Goodwin via email at tphadermchit@mackaygoodwin.com.au.

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

- ARITA at www.arita.com.au/creditors; and
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

Part 8: Approval of remuneration and internal disbursements

As previously mentioned throughout this report, the resolutions will be put forward at the meeting of creditors. Please refer to the notice of meeting enclosed with McGrath Nicol's Statutory Report to Creditors for information regarding the meeting to be convened and the resolutions which will be put forward for creditor approval.

Dated this 26th day of September 2021



DOMENIC CALABRETTA
FORMER JOINT AND SEVERAL ADMINISTRATOR

IUGIS PTY LTD
(Administrators Appointed)
Joint and Several Administrators' Summary of Receipts and Payments
To 21 July 2021

RECEIPTS	Total (AUD)
	<hr/> 0.00 <hr/>
PAYMENTS	
	<hr/> 0.00 <hr/>
Balances in Hand	0.00
	<hr/> 0.00 <hr/> <hr/>

Title	Description	Hourly Rate (excl GST)
Appointee	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$750
Director / Consultant	Typically CA/CPA or ARITA qualified with significant restructuring experience.	\$675
Senior Manager	Typically 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.	\$620
Manager	Typically 6-7 years, qualified accountant, with well-developed technical and commercial skills.	\$525
Supervisor	Typically 4-6 years, CA/CPA or ARITA complete. Assists planning and control of medium to larger jobs.	\$480
Senior Analyst 1	Typically completed or near completion of CA, CPA or ARITA qualifications with 3-5 years insolvency experience. Assists in planning and control of smaller matters as well as performing more difficult tasks on larger matters.	\$375
Senior Analyst 2	Typically CA/CPA would normally be commenced during this period, with 1-2 years insolvency experience. Required to control the fieldwork on small jobs and is responsible for assisting complete fieldwork on medium to large jobs.	\$350
Analyst 1	Typically, would have qualifications with insolvency experience. Works under supervision of more senior staff in performing day-to-day field work. 0-2 years insolvency experience.	\$290
Analyst 2	Trainee undertaking a business related degree or newly qualified graduate. Required to assist in day-to-day fieldwork under supervision of more senior staff. 0-1 years insolvency experience.	\$270
Clerical Assistant	Administration staff supporting professional staff	\$290
Junior Analyst	Junior staff member who has completed or near completion of a university degree. Works under supervision of more senior staff in performing Day-to-day field work	\$240
Secretary	Appropriate secretarial skills	\$190