

Remuneration Approval Report

The Girl & Bull Pty Ltd (Administrators Appointed)

ACN 620 082 822

(Girl & Bull)

24 February 2023



McGrathNicol

This remuneration approval report provides you with information to assist you to make an informed decision regarding the approval of our proposed remuneration in relation to the administration and liquidation of Girl & Bull.

The report has the following information:

1	Executive Summary	3
2	Declaration	3
3	Remuneration sought	4
4	External disbursements	4
5	Internal disbursements	5
6	Likely impact on dividends	5
7	Summary of receipts and payments.....	5
8	Queries.....	5
	Schedule A – Details of work performed until 17 February 2023	7
	Schedule B – Time spent by staff on each major task for work already performed.....	10
	Schedule C – Details of work expected to be performed from 18 February 2023 to the Second Meeting of Creditors	11
	Schedule D – Time expected to be spent by staff on each major task from 18 February 2023 to the Second Meeting.....	13
	Schedule E – Details of work expected to be performed for the period of the Liquidation.....	14
	Schedule F – Time expected to be spent by staff on each major task for the period of the Liquidation	17
	Schedule G – Schedule of Hourly Rates	18

1 Executive Summary

We are asking creditors to approve the following remuneration:

Current approval requests	Remuneration (ex GST)
Voluntary Administration	\$74,754.00
If Girl & Bull is placed into liquidation (up to)	\$30,000.00

Details of remuneration and disbursements can be found in sections 3 and 4 of this report. Creditors will be asked to approve our remuneration at the Second Meeting of Creditors on Friday, 3 March 2023.

We now estimate that the total cost of the Voluntary Administration will be \$74,754.00 (excluding disbursements and GST). This has increased from our Initial Remuneration Notice dated 1 February 2023, because of the following reasons, which we were unable to determine at the early stages of the Voluntary Administration:

- there has been additional time spent relating to the realisation of assets, including:
 - assessing the likelihood of achieving a sale of Girl & Bull business, including the consideration of various commercial and practical factors;
 - analysing asset realisation strategies internally and with valuers;
 - negotiating the in-situ sale of the plant and equipment to the landlord;
 - liaising with the landlord regarding access to collect the inventory;
 - liaising with consultants regarding the sale of Girl & Bull's liquor licence;
- the Administrators have been required to review third party ownership claims to assets;
- the Administrators have spent additional time liaising with the Director regarding the completion of a ROCAP;
- there has been additional time spent understanding the dispute between the Director and Former Director and whether any recovery options are available to Girl & Bull;
- there has been additional time spent reviewing documentation regarding possible voidable related party transactions, as well as allegations of misappropriation by related parties; and
- there has been additional employee and unsecured creditor queries than initially anticipated.

Please note that any defined terms in this report have the same meaning as those contained in the main body of the Administrators' Report.

2 Declaration

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

We have reviewed the work in progress report for Girl & Bull to ensure that remuneration is only being claimed for necessary and proper work performed and have written off a total of \$21,670 from the recorded WIP (being 27% of the time costs recorded) including:

- general administrative matters including training, remuneration preparation and other non-chargeable time;
- time incurred by McGrathNicol employees who have undertaken less than 5 hours work to remove intermittent time and any perceived inefficiencies incurred; and
- time incurred by McGrathNicol undergraduate employees to remove any perceived inefficiencies incurred by junior members of the team.

3 Remuneration sought

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

Remuneration for	Period	Amount (ex GST)	Rates to apply	When it will be drawn
Work we have already performed	27 January 2023 to 17 February 2023	\$59,754.00	Provided in my Initial Remuneration Notice sent to creditors on 1 February 2023.	Immediately, when funds are available.
Future work to second meeting date	18 February 2023 to 3 March 2023	\$15,000.00	Provided in my Initial Remuneration Notice sent to creditors on 1 February 2023.	Immediately, when funds are available (subject to costs being incurred).
Voluntary Administration total		\$74,754.00		
Future work – Liquidation	For the period of the Liquidation	\$30,000.00	Provided in my Initial Remuneration Notice sent to creditors on 1 February 2023.	Immediately, when funds are available (subject to costs being incurred).
Liquidation total		\$30,000.00		

Details of the work already performed are included at Schedule A and future work expected to be performed are included at Schedules C and E.

Schedule B includes a breakdown of time spent by the appointees and staff members on each major task for work we have already performed. Schedules D and F include breakdowns of time for future work expected to be performed by the appointees and staff members on each major task.

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

Work we have already performed: from 27 January 2023 to 17 February 2023

“That the remuneration of the Administrators for the period 27 January 2023 to 17 February 2023, calculated at hourly rates as detailed in the Initial Remuneration Notice dated 1 February 2023, is determined in the sum of \$59,754, exclusive of GST.”

Future work: from 18 February 2023 to the Second Meeting of Creditors

“That the future remuneration of the Administrators from 18 February 2023 to the Second Meeting of Creditors is determined at a sum equal to the cost of time spent by the Administrators and their partners and staff, calculated at the hourly rates as detailed in the Initial Remuneration Notice dated 1 February 2023, up to a capped amount of \$15,000, exclusive of GST.”

Liquidators’ remuneration (if applicable): for the period of the liquidation

“That the future remuneration of the Liquidators of The Girl & Bull Pty Ltd (to be in liquidation) (if applicable) for the period of the liquidation, 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 1 February 2023 be approved, up to a capped amount of \$30,000, exclusive of GST.”

4 External disbursements

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.

There have been no external disbursements that relate to the administration of Girl & Bull.

5 Internal disbursements

Internal disbursements are paid for by McGrathNicol and are recovered from the administration bank account. Creditors are only required to approve these types of disbursements where there is an element of profit or advantage to the external administrator or a related party of the external administrator.

There have been no internal disbursements processed as at 17 February 2023. We are not seeking to recover any internal disbursements with a profit element in the administration of Girl & Bull.

6 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 external administrator.

If a dividend or distribution is to be paid to stakeholders during a subsequent appointment, there is also necessary work that must be undertaken by the external administrator to properly adjudicate on claims and distribute any available funds.

7 Summary of receipts and payments

A summary of the receipts and payments for the Administration for the period 27 January 2023 to 17 February 2023 is included in section 11 of the Administrators' Report to Creditors dated 24 February 2023.

8 Queries

If you have any queries regarding the information in this report, please contact the Tim Edney via email to tedney@mcgrathnicol.com or via phone to (03) 9038 3146.

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: 24 February 2023



Matthew Hutton
Joint and Several Administrator

Attachments:

Schedule A – Details of work performed until 17 February 2023

Schedule B – Time spent by staff on each major task for work already performed until 17 February 2023

Schedule C – Details of work expected to be performed from 18 February 2023 to the Second Meeting of Creditors

Schedule D – Time expected to be spent by staff on each major task from 18 February 2023 to the Second Meeting of Creditors

Schedule E – Details of work expected to be performed for the period of the liquidation

Schedule F – Time expected to be spent by staff on each major task for the period of the liquidation

Schedule G – Schedule of hourly rates