2 May 2024

# BWX Limited ACN 163 488 631 and certain subsidiaries (Administrators Appointed)

Report to creditors – Section 75-225 of the Insolvency Practice Rules (Corporations) 2016

EXPERTS WITH IMPACT™

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# 1. About this report: a guide for creditors

## 1.1. Purpose of this report

- Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell were appointed as Voluntary Administrators of the BWX Group) on 3 April 2023.
- We are required to prepare this report under the Act and provide creditors with information about the BWX Group's business, property, affairs and financial circumstances.
- This report contains the information we are required by law to include, plus other information considered materially relevant to creditors to enable them to make an informed decision about the Companies' future.
- This report and its attachments contain details about the forthcoming second meeting of creditors to be held at **10:00AM (AEST) on Friday, 10 May 2024** and our opinion and recommendation about the future of the BWX Group and what is considered to be in the creditors' interests. Creditors are required to decide whether:
  - the BWX Group should execute a DOCA or
  - the administration of the BWX Group should end, or
  - the BWX Group should be wound up.
- Alternatively, creditors can vote to adjourn the meeting for up to 45 business days to allow more time to make their decision.
- All details, forms and instructions relating to the meeting have been included with the covering letter and other documents attached to this report.

## 1.2. Key messages and recommendations

- Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell were appointed as Voluntary Administrators of the BWX Group on 3 April 2023.
- Our preliminary investigations indicate the BWX Group may have become and remained insolvent from October 2022 up until the date of our appointment.
- A DOCA has not been proposed for any entities within the BWX Group.
- **In our opinion it is in the creditors' best interests to place the BWX Group entities into liquidation at the second meeting of creditors to be held at 10:00AM (AEST) on Friday, 10 May 2024.**
- **Section 2.2** of this report summarise the items considered to be the most important for creditors.

## 1.3. Meeting registration

**PLEASE READ CAREFULLY**

### Who can attend the Second Meeting of Creditors?

- The following parties may attend the second meeting of creditors:
  - Creditors of one (1) or more of the BWX Group; or
  - A person appointed by a creditor to attend the meeting on behalf of the creditor.

### What do I need to do to attend the Second Meeting of Creditors?

*Completion and return of documents*

- If you wish to attend the meeting, you must complete and return specific documents to us by the date and in the manner specified in the section "When and how do I return the completed documents" below.
- The required documents are shown in the below table and are dependent on the class of creditor to which you belong. An explanation of the documents is provided below the following table.

| Creditor Class | Registration Form (Via Link) | Formal Proof of Debt | Appointment of Proxy |
|---|---|---|---|
| Employee | ✓ | ✓ | Refer to note below. |
| Individual / Partnership | ✓ | ✓ | Refer to note below. |
| Company | ✓ | ✓ | ✓ |
| Statutory | ✓ | ✓ | ✓ |

***Note**: Only a company or statutory creditor is required to appoint a proxy. Individuals (including employees) and partnerships may appoint a proxy, but only if they want that proxy to attend the meeting on their behalf.*

*Explanation of documents*

- An explanation of the documents described in the table is set out below.
  - **Meeting Registration.** The Registration Notice, which is accessed via the below link, provides us with your contact details. We will use those contact details to provide you with the necessary access and voting codes for the meeting.

**Registration link**:
https://forms.office.com/r/zHPFnutJ1x

  - **Proxy form (if applicable).** Completing a proxy form allows you to appoint another person (known as a proxy) to attend the meeting on your behalf. It is mandatory for a company or statutory creditor to appoint a proxy to attend the meeting on its behalf, or attorney. If an individual is attending in person, a proxy form is not required. Please note if you are a creditor of more than one (1) company, you must complete a new proxy form for each additional company.
  - **Formal proof of debt.** The formal proof of debt provides us with details of the debt owing by, or your claim against any of the companies. If available, please attach to the proof of debt supporting documents (e.g. invoices) that substantiate your claim.

- Employees do not need to provide a formal proof of debt. Please note if you are a creditor of more than one (1) company, you must complete a new proof of debt for each additional company.

## How do I access the above meeting documents?

- The meeting registration form is an online form and is available via the following link:

  https://forms.office.com/r/zHPFnutJ1x

- Copies of the below meeting documents are located at **Appendix 7 and 8** respectively.
  - Proxy form
  - Proof of debt form

## When and how do I return the completed documents?

- The required completed documents must be returned to us no later than **10:00AM (AEST) on Thursday, 9 May** 2024. Please return your documents via one (1) of the following methods:

  **Email**: BWXGroup@fticonsulting.com

  **Post**: Attn: BWX Limited (Administrators Appointed)
  C/- FTI Consulting
  GPO Box 3127
  Brisbane QLD 4001

- If you are returning the documents via post, please allow sufficient time for the documents to arrive prior to the cut-off time.

## How do I ask a question at the meeting?

- Creditors may submit questions by email sent to BWXGroup@fticonsulting.com prior to the meeting. Alternatively, creditors can use the question-and-answer function during the meeting.
- The Administrators may be unable to answer all questions due to time constraints. If this occurs, the Administrators will select questions that are more relevant to the broader creditor base, ahead of those relevant to specific creditors. Creditors with specific questions may contact us by email after the meeting.

## What happens next?

- Following return of your documents, we will:
  - Email you or your proxy a confidential link to access the meeting online; and
  - Provide a unique code so that you can vote at the meeting.

## What if I can't access the meeting?

- All parties attending the meeting are responsible for ensuring they have the technology and internet connection to attend the meeting online. Unfortunately, we are unable to assist with any technical issues relating to accessing the meeting.

## 1.4. Questions and help

Please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com if you are unsure about any of the matters raised in this report or the impact that any decision about the BWX Group' future may have on you.

# 2. Key messages

## 2.1. Overview of administration strategy

| | | | | | |
|---|---|---|---|---|---|
| **Statutory matters and Investigations** | Attended to all required statutory obligations and requirements. | Attended to all tasks associated with filing an application to extend the convening period twice. | Undertook investigations into the performance and position of the BWX Group leading up to our appointment. | Liaised with key management personnel and the Receivers and Managers to obtain books and records and to assist with investigations. | Formed preliminary opinion on existence of voidable transactions and other claims or breaches of the Act. |
| **Stakeholders** | Circular and correspondence to creditors and suppliers regarding our appointment and the first meeting of creditors. | Facilitation of first meeting of creditors via electronic facilities. | Issued correspondence to all creditors to provide an update on the outcome of the applications to extend the convening period. | Preparation of this report pursuant to Section 75-225 of the IPR. | ***Intentionally left blank.*** |

## 2.2. Key messages for creditors

- Set out below is a summary of the key messages and recommendations that are detailed in this report. Please read this summary in conjunction of the remainder of the report including the terms of reference contained in **Appendix 1** and any other attachments.

| Key areas | Commentary | Analysis |
|---|---|---|
| **Explanations for the Group's difficulties** | Our investigations indicate the following factors played a role in the failure of the BWX Group:<br>■ Ongoing trading losses;<br>■ Ongoing liquidity constraints, exacerbated by the withdrawal of a $5m AMEX facility;<br>■ Withdrawal of continued support from major lender; and<br>■ Key changes in the market, including:<br>— trading conditions became more challenging as a consequence of increasing inflation;<br>— interest rate rises; and<br>— a much more cautious consumer base. | **Section 4** |
| **Estimated date of insolvency** | Our analysis indicates the BWX Group may have been insolvent from October 2022 and remained so up until the time of our appointment on 3 April 2023. | **Section 6 and Appendix 3** |
| **Voidable transactions and offences** | We consider there may be transactions which a liquidator could pursue which might result in property or money being recovered for the benefit of creditors however, further investigations would be required by a liquidator, if appointed. | **Section 6 and Appendix 3** |
| **Offences by directors** | Based on our investigations to date, the following offences under the Act may have been committed by the Directors:<br>■ Section 180 to exercise their duties with care and diligence;<br>■ Section 181 to exercise their duties in good faith;<br>■ Section 182 improper use of position; and<br>■ Section 588G in incurring liabilities while insolvent. | **Appendix 6** |
| **Liability for insolvent trading** | Based on our preliminary investigations, it is our view:<br>Whilst there may be a claim for insolvent trading against the Directors, they may be protected by the safe harbour provisions in Section 588GA of the Act. The | **Section 6 and Appendix 3** |

| Key areas | Commentary | Analysis |
|---|---|---|
| | commerciality of an insolvent trading claim also needs to be considered by a liquidator, if appointed.<br>At this time, it is unclear as to the capacity of the Directors to meet a successful insolvent trading claim.<br>The Administrators are considering whether any insurance policy may respond to a claim for insolvent trading. | |
| **Proposal for a deed of company arrangement** | No proposal for a deed of company arrangement has been received. | **N/A** |
| **Estimated outcome for creditors** | The estimates shown are based on the information presently available, our view of the Group's estimated realisable value of assets and estimated claims of creditors:<br>Liquidation<br>■ Secured creditors: Unknown<br>■ Priority employee claims: N/A*<br>■ Unsecured creditors: Nil to 2.1c/$<br>**The Receivers have advised all known priority creditors have been paid in full.*<br>The above estimated returns are dependent on the following factors:<br>■ Whether, in liquidation, the liquidators would determine an insolvent trading claim against the Directors of the BWX Group could be pursued, and the extent to which such a claim is recovered;<br>■ Whether any further preferential payments or other claims are identified in the liquidation, and whether they are recovered; and<br>■ The remuneration of the liquidators. | **Section 7** |
| **Timing of payments to creditors** | The indicative (estimated) timing of dividends are set out below for each class of creditor under a DOCA and liquidation scenario:<br>Liquidation<br>■ Secured creditors: Unknown<br>■ Priority employee claims: N/A<br>■ Unsecured creditors: 1 – 2 years<br>The above estimated timing is dependent on the following factors: | **Section 7** |

| Key areas | Commentary | Analysis |
|---|---|---|
| | ■ Whether, in liquidation, the liquidators would determine an insolvent trading claim against the Directors of the BWX Group could be pursued, and the time taken to undertake such a claim which may include public examinations and extensive litigation; and<br>■ Whether any further preferential payments or other claims are identified in liquidation, and the time taken to recover these claims. | |
| **Remuneration** | Under Section 449E of the Act, the remuneration of the Administrators (and either the Deed Administrators or liquidators, if appointed) can be fixed at the second meeting of creditors. Details of our proposed remuneration and resolutions are included in our Remuneration Approval Report. | **Appendix 6** |

# 3. Recommendation on the Company’s future

In our opinion it is in the creditors’ interests that the BWX Group be wound up and a liquidator appointed. Details about the estimated return to creditors and other information about what creditors can decide at the meeting are provided at **sections 1.1** and **7** of this report.

| Options available to creditors | Option 1: Execute a DOCA | Option 2: Administration end | Option 3: Liquidation |
|---|---|---|---|
| **Description** | Whether it would be in the creditors’ interests for the BWX Group to execute a DOCA | Whether it would be in the creditors’ interests for the administration to end | Whether it would be in the creditors’ interests for the BWX Group to be wound up |
| **Key factors to considers** | As no DOCA has been proposed, creditors cannot resolve to accept a DOCA at this time | The BWX Group is insolvent with no cash to pay all due debts and no confirmed prospects of obtaining external funding | We have not been provided with a proposal for a DOCA for consideration and it is not appropriate that the administration ends as the BWX Group is insolvent |
| **Our opinion** | **Not** in the creditors’ interests that the BWX Group execute a DOCA | **Not** in the creditors’ interests that the administration should end | **Is** in the creditors’ interests that the BWX Group be wound up |
| **Recommended option** | Not recommended | Not recommended | **Recommended** |
| **Potential to adjourn the meeting to a future date** | Creditors may wish to adjourn the second meeting for up to 45 business days to allow time for a DOCA proposal to be submitted.<br>It is a matter for creditors to decide if they wish to adjourn the meeting | | |

# 4. Background information

## 4.1. Appointment of Administrators

- On 3 April 2023, we Kate Warwick, Joseph Hansell and Kelly-Anne Trenfield, were appointed joint and several Administrators of the BWX Group in accordance with a resolution passed at a meeting of the BWX Groups' directors pursuant to Section 436A of the Act.
- Subsequently, on the morning of 4 April 2023, Gayle Dickerson, James Stewart, James Dampney and David Hardy of KPMG were appointed as Receivers and Managers of the BWX Group other than LHS No. 2 Pty Ltd and Sapu Corporation Pty Ltd (formerly Upsa Corporation Pty Ltd.)
- In a voluntary administration, the Administrators take control of a company and its affairs, superseding the powers of the directors and officers to make decisions and perform management functions.
- We also have a duty to investigate the company's business, property, affairs and financial circumstances.

## 4.2. Outcome of the first meeting of creditors

- The first meeting of creditors was held on 17 April 2023 at 11:00am (AEST) to consider the formation of a COI and whether or not to appoint different persons to be the Administrators of the BWX Group.
- Creditors resolved to form a COI for BWX Limited and the following representatives were appointed to the committee:
  - Unique Health Products Pty Ltd represented by Tanya Mc Jannett;
  - EY represented by Stewart McCallum; and
  - CBA represented by Scott Taplin or the alternate, Angie Matti.
- Creditors resolved to form a COI for Beautiworx Pty Ltd and the following representatives were appointed to the committee:
  - Semal Pty Ltd ATF Semal Unit Trust represented by Mark Henricks;
  - CBA represented by Scott Taplin or the alternate, Angie Matti;
  - Carst & Walker Australia Pty Ltd represented by Ryan Murphy; and
  - Pharmabroker Sales Pty Ltd represented by Lancy Thomas Loba.
- No creditors expressed an interest in the formation of a COI for the remaining entities.

## 4.3. Administrators' prior involvement and independence

- There is no change to our assessment regarding our independence or to the information disclosed in our DIRRI provided to creditors in our first report dated 5 April 2023.

## 4.4. The Companies' information and historical performance

- **Appendix 2** includes statutory information about the BWX Group, a summary of the historical performance and our preliminary analysis and comments about the existence and form of financial statements prepared by the BWX Group.

## 4.5. History of the Companies and events leading to our appointment

### 4.5.1. Short form timeline of major events leading to Voluntary Administration

BWX Limited incorporated 26 April 2013

2013

BWX Limited asset purchase for Sukin business and associated brands

2015

BWX Limited listed on ASX 11 November 2015

Acquisition of Lightning Brokers on 30 June 2016

2016

Acquisition of Mineral Fusion National Brands LLC on 30 June 2017

2017

Acquisition of Nourished Life on 15 September 2017

Acquisition of Andalou Natural Inc. on 2 November 2017

Acquisition of Flora & Fauna on 2 July 2021

2021

Acquisition of controlling stake in Go-To skincare on 24 December 2021

Capital raise for c$23m in June 2022

2022

Voluntary trading halt from 29 August 2022 to 20 December 2022

Safe Harbour advisers engaged around October 2022

FY22 full year results released to market on 19 December 2022

2022

$10.5m extended to the Group by CBA for 'critical liabilities' on 16 December 2022

Sale of "Goodness Me" on 9 December 2022

Sale of "USPA" on 22 December 2022

Sale of "Naked Sundays" completed on 6 February 2023

2023

ASX trading halt on 24 March 2023

Statutory Demand issued by unsecured creditor on 28 March 2023

Legal proceedings forewarned by Sigma Company Ltd alleging misleading and deceptive conduct on 30 March 2023

2023

**Appointment of Voluntary Administrators on 3 April 2023.**

**Appointment of Receivers and Managers on 4 April 2023**

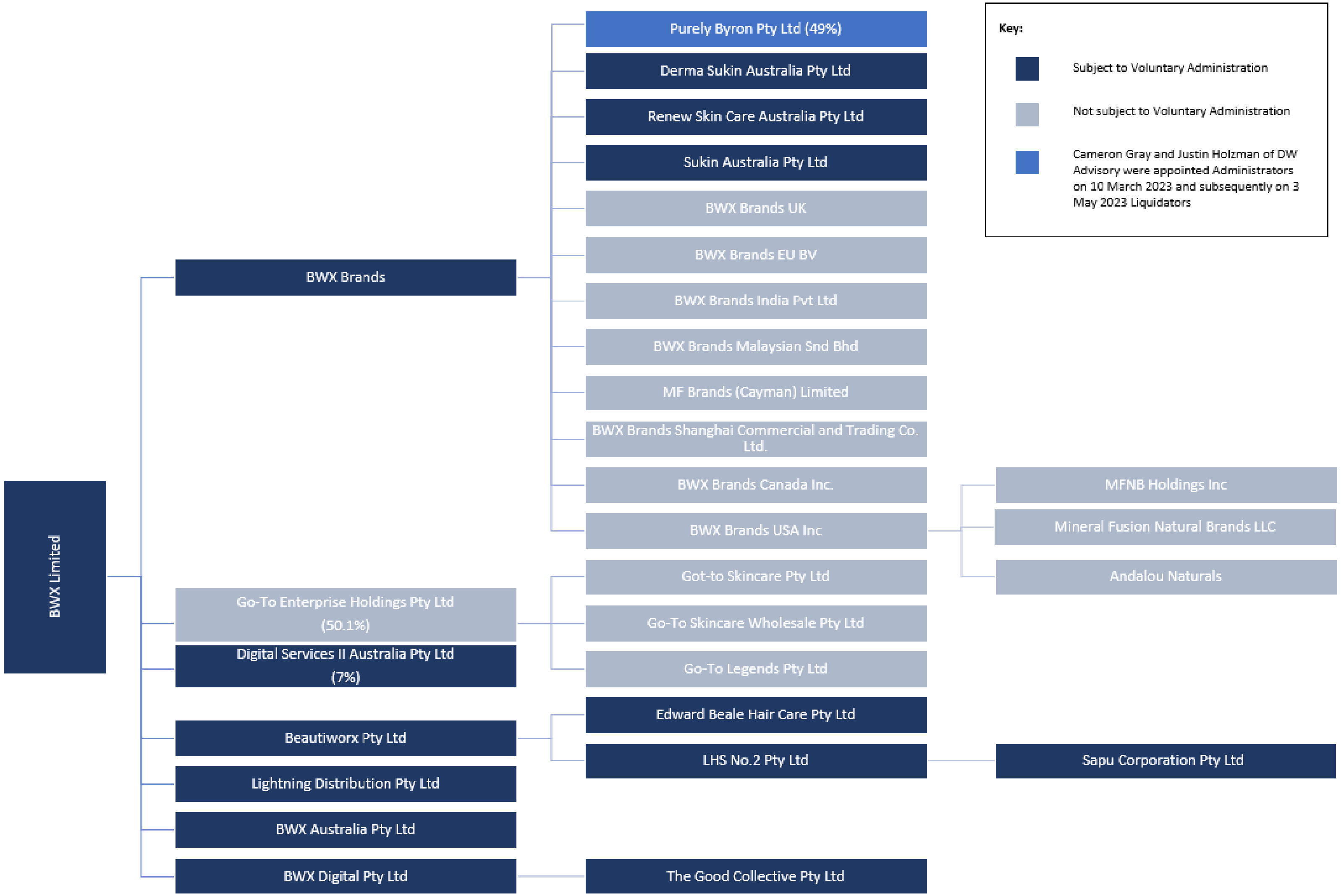
### 4.5.2. Divestments

- Due to ongoing liquidity pressures and its unprofitable underlying trading performance, the BWX Group divested three (3) business units to provide short term liquidity relief, improve its working capital position and fund ongoing trading losses.
- These divestments are considered in further detail in **Appendix 3** and are summarised in the table below.

**BWX Group (Administrators Appointed) (Receivers and Managers Appointed) – Business Sale Summary**

| Date | Seller | Purchaser | Business Unit | Business Operations | Sale Type | Valuation (AUD $) | Purchase Price (AUD $) | Assumed Liability ($) |
|---|---|---|---|---|---|---|---|---|
| 9 December 2022 | BWX Brands Pty Ltd | Baryl Superannuation Pty Limited ATF The Baryl Superannuation Fund;<br>Baobab Nominees 2 Pty Ltd ATF the Baobab Special Opportunities Trust;<br>Columbus Investment Services ATF the Kelly+Partners Investment Office Special Opportunities Fund #2; &<br>Palam Holdings Pty Limited ATF the Shufman Family Trust | PS Health Pty Limited | Health, wellness and fitness services | Share Sale Agreement | Unknown | 180,000 | N/A |
| 22 December 2022 | USPA Corporation Pty Ltd;<br>Beautiworx Pty Ltd;<br>BWX Brands Pty Ltd; &<br>BWX Limited | Advangen Pty Limited | USPA Corporation Pty Ltd | Natural skincare | Business & Asset Sale | Unknown | 155,000 | Nil |
| 6 February 2023 | BWX Brands Pty Ltd | Naked Sundays Hold Co Pty Ltd | Naked Sundays Pty Ltd | Skincare | Share Sale Agreement | Unknown | 1,295,000 | N/A |

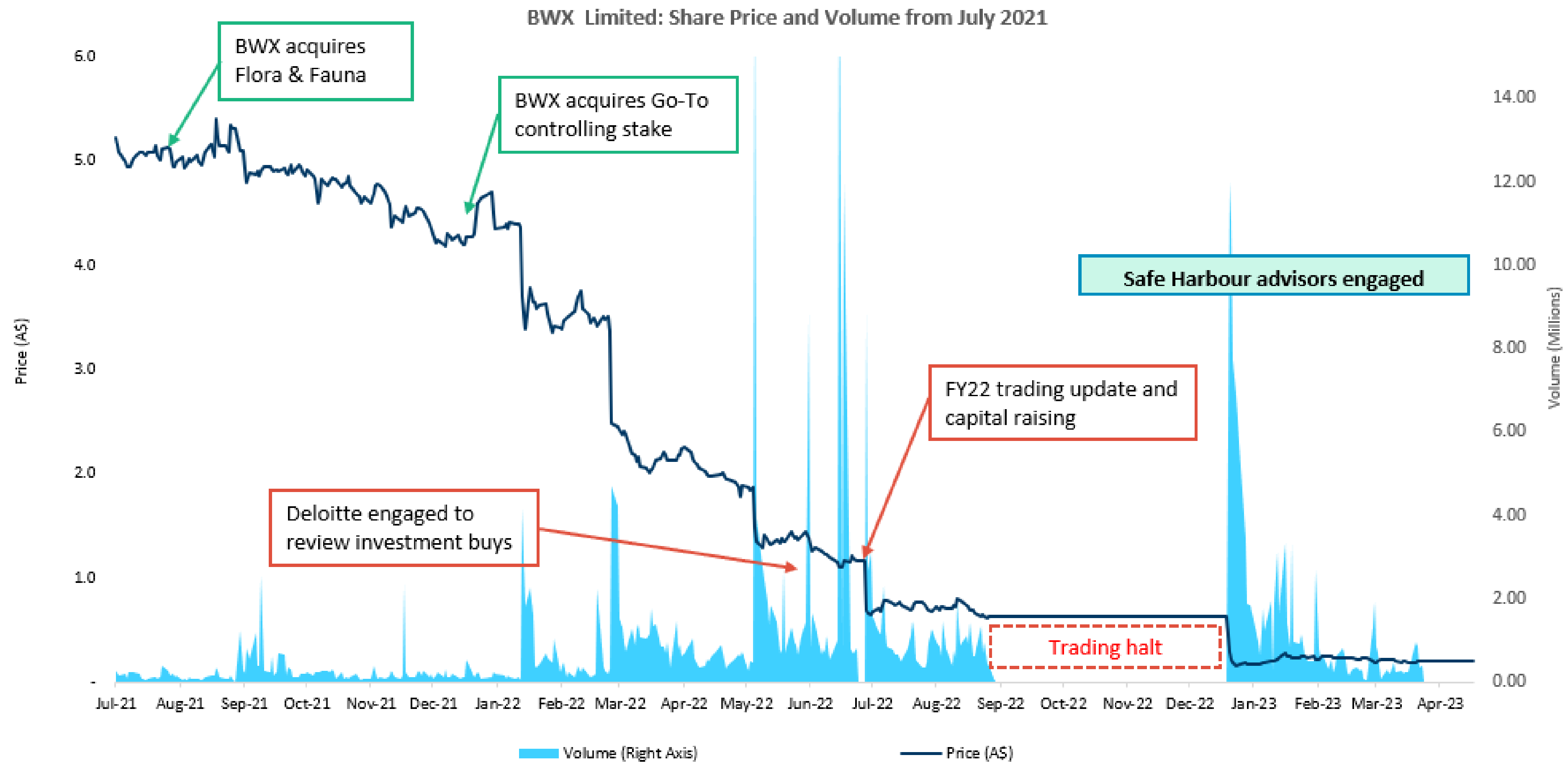
## 4.6. Corporate structure



- The broader BWX group comprises of 30 corporate entities; 13 of which are subject to the Australia Voluntary Administration regime.

## 4.7. Historical share price

- The share price data is best considered in conjunction with the detailed timeline of major events above and ASX announcements at **Appendix 2.**


BWX Limited: Share Price and Volume from July 2021
BWX acquires Flora & Fauna
BWX acquires Go-To controlling stake
Safe Harbour advisors engaged
FY22 trading update and capital raising
Deloitte engaged to review investment buys
Trading halt
Price (A$)
Volume (Millions)
6.0
5.0
4.0
3.0
2.0
1.0
-
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Jul-21 Aug-21 Sep-21 Oct-21 Nov-21 Dec-21 Jan-22 Feb-22 Mar-22 Apr-22 May-22 Jun-22 Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23
Volume (Right Axis)
Price (A$)

## 4.8. Directors' explanation for the BWX Groups' difficulties

- The directors of the BWX Group have indicated the current circumstances faced by the BWX Group are a result of an inability to obtain short-term funding.

## 4.9. Administrators' observations of the BWX Groups' difficulties

- From our investigations to date, we have identified the following possible causes for the BWX Groups' failure:
  - Ongoing trading losses;
  - Ongoing liquidity constraints, exacerbated by the withdrawal of a $5m AMEX facility;
  - Withdrawal of continued support from major lender; and
  - Key changes in the market, including:
    - trading conditions became more challenging as a consequence of increasing inflation;
    - interest rate rises; and
    - a much more cautious consumer base.

## 4.10. Opinion about books and records

- Section 286(1) of the Act requires a company to keep written financial records that correctly record and explain its transactions and financial position and performance, and would enable true and fair financial statements to be prepared and audited.
- In considering compliance with this section, since our appointment we have:
  - reviewed various financial reports to help us understand the asset and liability position for the BWX Group;
  - reviewed various correspondence files and documents relevant to the financial position and performance of the BWX Group;
  - undertaken investigations and reviews incorporating financial records and data;
  - discussed the BWX Group finance function, processes and record keeping practices with its directors and management.
- In our view, as at the date of our appointment the financial records of all entities within the BWX Group appear to have been maintained in accordance with Section 286 of the Act.

## 4.11. Outstanding winding up applications

- Based on searches performed at the time of our appointment, no winding up applications appear to have been lodged with a Court against the Companies.

# 5. Strategy and financial position

## 5.1. Actions and strategy to date

- As mentioned previously, the Administrators were appointed to the BWX Group on the afternoon of 3 April 2023. The following morning the Receivers were appointed to the Receivership Group.
- Accordingly, the Administrators held operational control for a very short period of time before that was superseded by the appointment of the Receivers.
- Our key actions have therefore been largely limited to statutory and investigative workstreams.

### 5.1.1. Trading and customers

- Issuing notification of our appointment to creditors and suppliers.
- Issuing notification of our appointment to the landlord of BWX's Clayton facility.
- Dealings with the Receivers following their appointment to hand over operational control of the Receivership Group, and directing suppliers to the appropriate point of contact as concerned ongoing trade.

### 5.1.2. Statutory

- Notified applicable statutory and Government bodies of our appointment.
- Prepared and issued our Initial Information for Creditors and Suppliers, including our DIRRI.
- Held the first meeting of creditors of the BWX Group on 17 April 2023.
- Prepared and lodged the required ASIC forms.
- Prepared this report pursuant to Section 75-225 of the IPR.

### 5.1.3. Court applications – extension to convening period

- Applied to the Court to obtain an extension of the convening period to hold the second meeting of creditors to Monday, 13 November 2023 for the BWX Group. The application was made in order to provide the Receivers with an extended timeframe to facilitate a sale campaign of the Receivership Group's businesses.
- A second application to the Court was subsequently made in order to obtain a further extension of the convening period to Monday, 13 May 2024 in order to provide the Receivers with additional time to undertaken and complete optimal sale processes for the Receivership Group.

### 5.1.4. Investigations

- Conducted and reviewed searches in relation to the BWX Group and their officers.
- Obtained relevant books and records of the BWX Group and access to information systems.
- Reviewed and analysed the BWX Group financial books and records.

- Reviewed all available books and records and other information concerning the BWX Group to form a preliminary view on any potential breaches of the Act or potential voidable transactions where money or property may be recoverable for the benefit of creditors in a liquidation scenario.

## 5.2. Receivers Statement – Trading during appointment

- The following information has been provided by the Receivers in order to provide an update on trading as well as the outcome of the sales process undertaken by the Receivers for the BWX Group.
- In the period leading up to the Receivers' appointment, BWX's Sukin business was suffering from a shortage of working capital which led to insufficient raw materials and inventory which was evident in high levels of SKUs out-of-stock. The inability to pay suppliers and supply customers resulted in reduced sales and challenging relationships with customer and suppliers.
- The Receivers' strategy was to trade BWX's three (3) businesses (Sukin, US and Digital) while running sale processes for each business. In Sukin's case, this included a short period of stabilisation to restock the business and return manufacturing operations to sustainable levels prior to marketing the business. In parallel, the Receivers ran a sale process for its 50.1% stake in Go-To.
- On appointment, the Receivers assumed control of BWX's operations and notified employees, creditors and other stakeholders of their appointment. The Receivers conducted an urgent financial and commercial review of BWX with the assistance of key personnel and communication with key stakeholders, including customers and suppliers, and determined stabilising the Sukin business would maximise valuation in a sale process.
- Actions taken by the Receivers include:

### 5.2.1. Stakeholder management

- Obtaining supplier and creditor support to trade in a "business as normal" manner.
- Negotiations and regular updates to customers, ensuring all major customers were retained.
- Negotiated required transitional services agreements.
- Reporting to the secured creditor.
- Townhalls and other updates to BWX staff.

### 5.2.2. General trading

- Oversight of operations including attendance at all operational meetings.
- Reconciliation of customer accounts and deductions and proactive debtor management.
- Implementing and oversight of purchase order system.
- Detailed cash flow forecasting and monitoring.
- Retaining critical employees.
- Working with the BWX finance team to assist in the preparation of the FY24 budget.
- Supporting accounts payable including review and processing of payments.

### 5.2.3. Secure assets of the business

- Implementing ongoing cash control processes.
- Undertaking detailed stocktake.

- Reviewing inventory holdings and implementing efficiencies.
- Maintaining required registrations and IP.
- Valuations and assessments of property plant and equipment.
- Working with brokers to extend insurance policies.
- Dealing with PPSR creditors.

### 5.2.4. Shareholdings

- Supervising trading and interests in overseas entities.
- Arranging suitable directors for overseas entities.
- Extension of insurance policies.

### 5.2.5. Administrative and statutory requirements

- Attended to ASIC, ASX and other statutory lodgements and notifications.

### 5.2.6. Sukin stabilisation

- The Receivers have invested $14.5 million in raw materials as at 5 April 2024 to replenish levels of stock and address Sukin's previously high out-of-stock levels. This investment resulted in:
  - Production at Sukin's manufacturing at the Clayton Facility increasing from 1.9 million units in the three (3) months to 30 April 2023 to 3.4 million units in the three (3) months to 31 August 2023 (most recently 3.3 million units to 31 March 2024).
  - Increased reliability of customer order fulfilment. Orders delivered in full increased from less than 50% in March 2023 to 99% in March 2024.
  - Increased revenue with gross sales recovering from $4.2 million in April 2023 to $7.7 million in August 2023 ($7.5m in March 2024).
- In parallel the Receivers realised operating efficiencies including the reduction from two (2) operating shifts to one (1).
- The Receivers launched the following NPD projects to the market with supporting marketing campaigns:
  - Sukin Natural Active Serums
  - Sukin Bond Build Hair Care
  - Sukin Signature Extension
- The Receivers have also extensively invested in marketing relating to NPD and brand awareness from their appointment up to April 2024.

## 5.3. Receivers' Statement - Outcome of sales

- The Receivers' initial assessment identified that the respective BWX business units should be sold in separate parts to realise the highest value for the following reasons:
  - The operations of Sukin, US, Digital and Go-To businesses were not significantly integrated and each had separate management teams.

  - Interested parties had the opportunity to purchase the BWX business in-one-line prior to the appointment of Receivers given:
    - BWX was a publicly listed company with a declining market capitalisation with a lot of attention from the financial press. If a party was interested in the entire business it could have launched a takeover bid for BWX's stock; and
    - BWX engaged EY to run a recapitalisation process between November 2022 and February 2023 which was ultimately unsuccessful in finding a capital partner for the BWX business as a whole.
- Each of the respective processes are summarised below.

### 5.3.1. Sukin

- Following a competitive tender process, the Receivers engaged (Greenhill) to market the Sukin business.
- The initial indicative sale timetable is summarised below:
  - May 2023: Greenhill appointed
  - June 2023: Launch of information memorandum
  - July 2023: Shortlisting of Non-Binding Indicative Offers
  - September 2023: Final bids and negotiations followed by signing a sale contract and announcement to the market
- The Receivers received 17 indicative offers and 12 bidders were shortlisted to proceed to a confirmatory due diligence phase.
- Following the confirmatory due diligence phase, three (3) parties submitted final offers for the Sukin business. The Receivers negotiated with each of these parties before agreeing a contract and announcing a sale to PNB consolidated in early January 2024.
- Settlement of the transaction is subject to a limited number of completion conditions, which includes assignment of the lease of the Clayton facility operated by BWX.
- The Receivers have confirmed completion and settlement occurred on 30 April 2024.

### 5.3.2. Digital

- The Digital business operated two (2) stand-alone e-commerce platforms (Flora & Fauna, Nourished Life) and a state-of-the-art automated warehousing asset (AutoStore).
- The Digital business was incurring ongoing cash losses and had restricted trading due to suppliers putting the business on stop supply. Accordingly, the Receivers conducted an expedited sale process for the Digital assets.
- Flyers were sent to 90 interested parties and the assets were advertised in the AFR. This resulted in 30 parties expressing interest and gaining access to the VDR. 11 parties submitted NBIOs which indicated limited interest for the purchase of both the AutoStore and Digital business combined. The Receivers commenced negotiations with separate interested parties for each asset.
- The sale of the Digital business was completed in two (2) stages, on 5 May 2023 and 2 June 2023 and the sale of AutoStore system was completed on 6 July 2023.

### 5.3.3. Go-To Enterprise Holdings Pty Ltd

- At appointment, the Receivers commenced a sale process for the sale of BWX's 50.1% (notional) controlling interest in Go-To Enterprise Holdings Pty Ltd, which operates the Go-To Skincare business. At the time of appointment, ZFB and associated interests held 49.9%.
- The Receivers formally engaged Grant Samuel to conduct the sale campaign after a competitive tender process. Grant Samuel contacted 67 prospective purchasers, following which 32 parties executed NDAs and received a confidential information memorandum. Four (4) NBIOs were received for the purchase of BWX's shares in Go-To.
- In June 2023, ZFB and associated interests acquired 0.2% of BWX's shareholding in Go-To Enterprise Holdings Pty Ltd after exercising a right under the existing shareholder agreement. As a result, BWX's shareholding was reduced to that of a minority shareholder and the stake available for sale by the Receivers reduced to 49.9%.
- After receipt of initial offers from the sale campaign, three (3) parties were taken through to the next round of due diligence where bidders were provided with access to additional information, management presentations were held, and negotiations continued. Final offers were received in September 2023.
- The Receivers agreed to pursue a transaction with one (1) of the three (3) parties. Following various negotiations, a revised final offer was agreed, and the preferred party entered into an exclusivity arrangement. During this period, ZFB advised she wished to acquire a material portion of the shares on offer by exercising a right under the existing shareholder agreement. This would have the effect of materially reducing the shares on offer to third party bidders. The preferred party advised that they were not willing to transact on this basis and as a result, withdrew from the process.
- In October 2023, ZFB made an informal offer to purchase BWX's stake in Go-To Enterprise Holdings Pty Ltd and in December 2023, the Receivers executed a sale agreement with ZFB for BWX's 49.9% stake in Go-To Enterprise Holdings Pty ltd at a price which was at or above the highest offer received from third party bidders, which resulted in control of Go-To Skincare business returning to its co-founders.

### 5.3.4. US

- On appointment, the Receivers commenced a process for the sale of the US Business, which includes the Andalou and Mineral Fusion brands. The Receivers appointed KPMG CF following a competitive tender process.
- The sale process is ongoing and has involved pre-market preparation, marketing, management presentations, receipt of proposals and negotiations with potential buyers.
- Since the commencement of the US Business sale process, KPMG CF has contacted over 150 potential buyers of which 50 parties executed NDAs and received a confidential information memorandum. This has resulted in several non-binding offers being received.
- The Receivers are continuing discussions with multiple parties at present with the aim of entering into a sale agreement for the sale of the US Business in the near future. Due to the confidential nature of those discussion, no further details can be provided at this stage. A further update will be provided in due course.

## 5.4. The BWX Groups' financial position at appointment

### 5.4.1. Report on Company Activities and Property by the Directors

- Under Section 438B of the Act, directors are required to provide a ROCAP within five (5) business days of receipt of request from the administrators or such longer period as the administrators reasonably allow.

- Shortly after appointment, we requested the Directors of the BWX Group to provide a statement about the BWX Groups' business, property, affairs and financial circumstances in the form of a ROCAP.
- A ROCAP is primarily comprised of two (2) parts being:
  - Part A: a form which details the assets and liabilities of the relevant company
  - Part B: a questionnaire about the history, operations, books and records of the relevant company
- Part A is lodged with ASIC and is publicly available, whereas Part B is a confidential document used by the Administrators to assist in the performance their duties.
- The ROCAP represents the Directors' views of the Group's assets and liability position as at the date of our appointment as Voluntary Administrators.

### 5.4.2. ROCAP Part A by the Directors

- A ROCAP Part A was provided by the respective Directors for the BWX Group (refer to **Appendix 2** concerning the directorship of each company) on 19 May 2023 and lodged with ASIC on 26 May 2023.
- A summary of the information contained within the BWX Groups' ROCAP Part A is provided in **Appendix 5** along with comments from the Administrators.

### 5.4.3. ROCAP Part B by the Directors

- A ROCAP Part B was provided by Alistair Grant, a former director of all entities within the BWX Group (excluding BWX Limited) up to 8 March 2023, on 23 May 2023.

### 5.4.4. Related party creditors and claims

- In addition to information contained in the ROCAP Parts A and B, we have reviewed the Groups' records (creditor listings, financial statements and other available documentation and correspondence) and spoke with staff to determine the existence and amount of related party claims.
- The following related party intercompany loans have been identified (we note we have excluded all instances where a related party, subject to our appointment, owes money to another entity subject to our appointment as it is assumed there will be no recoveries):

| Company | Contra Company Name | Subsidiary of | Balance ($) | Estimated Recovery ($) | Comment |
|---|---|---|---|---|---|
| **BWX Limited** | BWX Brands USA, INC. | **BWX Brands Pty Ltd** | 141,040,211.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Beautiworx Pty Ltd** | BWX Brands USA, INC. | **BWX Brands Pty Ltd** | 7,423,145.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Brands Pty Ltd** | BWX Brands UK Limited | **BWX Brands Pty Ltd** | 4,823,799.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Beautiworx Pty Ltd** | Mineral Fusion Natural Brands LLC | **BWX Brands USA, INC.** | 3,465,394.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Beautiworx Pty Ltd** | BWX Brands Canada INC | **BWX Brands Pty Ltd** | 2,528,045.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | BWX Brands Canada INC | **BWX Brands Pty Ltd** | 2,027,695.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Brands Pty Ltd** | BWX Brands Shanghai Commercial and Trading | **BWX Brands Pty Ltd** | 510,993.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Beautiworx Pty Ltd** | European Trading Beautiworx Brands | **Not listed** | 510,554.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Beautiworx Pty Ltd** | ATBE eCommerce Company | **Not listed** | 263,480.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Brands Pty Ltd** | MF Brands (Cayman) Limited | **BWX Brands Pty Ltd** | 210,875.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | BWX Brands Malaysia Sdn Bhd | **BWX Brands Pty Ltd** | 133,492.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Brands Pty Ltd** | BWX Brands India Private Limited | **BWX Brands Pty Ltd** | 69,237.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Sukin Australia Pty Ltd** | ATBE eCommerce Company | **Not listed** | 59,032.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | Mineral Fusion Natural Brands LLC | **BWX Brands USA, INC.** | 43,533.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | Andalou Naturals, INC. | **BWX Brands USA, INC.** | 43,533.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Brands Pty Ltd** | BWX Brands Canada INC | **BWX Brands Pty Ltd** | 30,493.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | BWX Brands India Private Limited | **BWX Brands Pty Ltd** | 19,666.00 | Nil | Receivers selling assets and/or company or winding up company |

| Company | Contra Company Name | Subsidiary of | Balance ($) | Estimated Recovery ($) | Comment |
|---|---|---|---|---|---|
| **Lightning Distribution Pty Ltd** | BWX Brands UK Limited | **BWX Brands Pty Ltd** | 15,000.00 | Nil | Receivers selling assets and/or company or winding up company |
| **RAS Pty Ltd - (BWX Australia Pty Ltd)** | BWX Brands USA, INC. | **BWX Brands Pty Ltd** | 4,961.00 | Nil | Receivers selling assets and/or company or winding up company |
| **Sukin Australia Pty Ltd** | BWX Brands Malaysia Sdn Bhd | **BWX Brands Pty Ltd** | 4,736.00 | Nil | Receivers selling assets and/or company or winding up company |
| **BWX Limited** | Regulatory Advisory Services Limited | **Not listed** | 2,113.00 | Nil | Uncommercial to pursue |
| **Derma Sukin Australia Pty Ltd** | BWX Brands UK Limited | **BWX Brands Pty Ltd** | 516.00 | Nil | Receivers selling assets and/or company or winding up company |

# 6. Investigations, offences and voidable transactions

## 6.1. Overview – voidable transactions and insolvency

### 6.1.1. Duty to investigate

- The law requires us to investigate and specify whether there appear to be any voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.
- We have sought to ascertain whether the BWX Group was insolvent at any particular point in time prior to our appointment as Administrators, in order to determine a point in time from which these provisions may apply.

### 6.1.2. Relevance of insolvency and liquidation

- The ability to challenge voidable transactions and recover money/property for creditors is contingent on two (2) elements, being:
  - The BWX Group being placed into liquidation; and
  - A liquidator being able to establish the BWX Group were insolvent at the time it entered into any particular transaction, or that the BWX Group became insolvent as a consequence of that transaction.

### 6.1.3. Approach to solvency analysis

- We understand the operations of the BWX Group were treated as a singular business for the purpose of day-to-day operations. The BWX Groups' operations in the USA traded on a standalone basis, although Australian management ran its budgets through the USA, the Australian operations were independent from a financing perspective.
- BWX Limited also owned a controlling stake (50.1%) in Go-To Holdings Pty Ltd which operates the Go-To skincare business. We understand Go-To was not reliant on the BWX Group for funding and operates independently of the Australian and USA operations.
- As the BWX Group operations were treated as a singular business from a financing perspective, our analysis of the BWX Group solvency has been conducted on a consolidated basis, excluding the USA operations and the Go-To business.

### 6.1.4. Work performed

- We have made enquiries into the financial affairs of the BWX Group. In this section, we set out our preliminary views and findings with respect to:
  - offences which may have been committed;
  - the solvency position of the BWX Group;
  - the existence of voidable transactions – including unfair preferences/loans, uncommercial transactions, arrangements to avoid employee entitlements, and unreasonable director related transactions;
  - any charges which may be voidable; and
  - the prospect of a claim for insolvent trading.

- Please note the investigations undertaken are only indicative of the actions which may be possible in the event of the BWX Group entering liquidation and provide no likelihood of success nor actual quantum of recoverability. In the event of a liquidation, further analysis and investigations would be required before any actions are undertaken.

## 6.2. General information and considerations

### 6.2.1. Date of insolvency

- In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.
- Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions, and insolvent trading.
- Recovery actions require the liquidator to prove the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.
- Our key workings and other analysis are contained in **Appendix 3** with a summary provided for below in **section 6.3.1** of this report.

### 6.2.2. What is insolvency?

- Solvency is defined in Section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.
- Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although the company’s balance sheet position is still relevant). The cash flow test goes to whether a company has sufficient resources available to pay all debts as they become due and payable. The balance sheet test is based on whether a company’s total assets exceed its total liabilities at a point in time.
- An assessment of solvency needs to:
  - determine whether a company’s financial position can be characterised as more than a mere “temporary lack of liquidity” and rather “an endemic shortage of working capital whereby liquidity can only be restored by a successful outcome of business ventures in which the existing working capital has been deployed”, in which case the company is insolvent (Hymix Concrete v Garrity (1977) 13 ALR 321 at 328);
  - address not only the available cash to the company from day-to-day operations but also assets and other resources and opportunities (including the ability to raise debt and equity) that could be converted into cash in time to meet the liabilities; and
  - consider the prevailing circumstances and business practices of the company, as each will be unique.
- As such, consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company’s assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or from alternative sources, such as debt, equity or guarantee is relevant to considering a company’s solvency position.

### 6.2.3. General and commercial considerations

- Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

- Typically, insolvent trading claims are defended, and directors may seek to rely on the statutory defences available to them.
- Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.
- The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.
- Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

### 6.2.4. Creditors' information sheet and other explanations

- Provided at **Appendix 4** is an information sheet to assist creditors in understanding potential offences under the Act, recoverable transactions, and insolvent trading.
- Creditors should read this information in conjunction with our comments in this section of the report.

## 6.3. Insolvency and liability for insolvent trading

- Directors have a positive duty to prevent a company from trading whilst it is insolvent (Section 588G of the Act). If a director is found to have contravened Section 588G they may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.
- Information about possible insolvent trading is relevant to creditors when making a decision about the future of the company, as directors of the company can only be pursued for insolvent trading if the company is placed into liquidation.
- It is important to note a director can raise a number of possible defences to a claim for insolvent trading, including (see Section 588H of the Act):
  - The director had reasonable grounds to expect, and did expect, that the company was solvent and would remain solvent;
  - The director:
    - had reasonable grounds to believe, and did believe, that a competent and reliable person was responsible for providing adequate information to the director about the company's solvency and that person was fulfilling that responsibility; and
    - expected, on the basis of that information, that the company was solvent and would remain solvent;
  - The director, because of illness or for some other good reason, did not take part in the management of the company at the relevant time; and
  - The director took all reasonable steps to prevent the company from incurring the debts in question.

- On 19 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives Np. 2) Act 2017 came into effect, which provides protection to directors under the safe harbour amendments made to the existing insolvent trading laws in certain circumstances (see Section 588GA of the Act).
- On 25 March 2020, the Coronavirus Economic Response Package Omnibus Bill 2020 received Royal Assent, which inserted Section 588GAAA into the Act. Section 588GAAA provides relief for directors from potential insolvent trading during a six (6) month period from 25 March 2020. This legislative protection was removed from 1 January 2021 which coincides with the time period analysed by us.

### 6.3.1. Summary of findings and estimated date of insolvency

- Our investigations into the solvency of the Group are preliminary at this stage. We have set out in the following sections our analysis of the various indicators of insolvency, which have led to our conclusions noted in this section.
- From our investigations to date, our preliminary view is the Group may have become insolvent from at least **October 2022** and remained so up until our appointment as Voluntary Administrators on 3 April 2023.
- We summarise the key findings from our investigations into the Group's solvency position as follows:
  - Towards the end of FY22, the Group faced the following key changes in the marketplace:
    - trading conditions became more challenging as a consequence of increasing inflation;
    - interest rate rises; and
    - a much more cautious consumer base.
  - Due to these uncertain market conditions, the Group opted to redirect its focus to sustainable profitability and improvement of their balance sheet in the short and longer term through reduction of net debt and divestment of non-core assets.
  - The Group was reliant on the implementation of various restructuring strategies to relieve short-term liquidity pressures which did not provide a permanent or longer-term solution to the Group's balance sheet stress and continued loss-making position. Numerous external advisors were engaged during the period subject to our review.
  - The Group's quick and current ratio dropped below one (1) in September 2021 and April 2022 respectively with neither recovering to a value above one (1) at any point before our appointment as Voluntary Administrators.
  - Books and records of the Group indicate the Group faced short-term liquidity issues as early as mid-September 2022 and began seeking short-term funding in the form of subordinated debt arrangements with external parties. The Group explored the option of a convertible note or subordinated debt with Macquarie and then EY in October 2022. Ultimately, liquidity in the form of convertible notes or subordinated debt was not extended to the Group by any external party.
  - Options to relieve the cashflow constraints and free-up the short-term liquidity constraints were identified in late September 2022, with payment plans being implemented with certain suppliers and cash receipts being brought forward where possible on or around 29 September 2022.
  - The Group had limited headroom when compared to aged payables from September 2022 onwards, with the overdue creditor balance peaking at 17.32x available cash in February 2023.
  - Aged creditor balance moved from 34% overdue 30+ days in September to 84% in October and remained between circa 80%-90% up to the date of our appointment.
  - Further liquidity constraints were placed on the Group as a result of AMEX withdrawing their $5m facility during September 2022.

- As per board meeting minutes dated 5 October 2022, FY23 EBITDA was budgeted at $47.2m before being adjusted downwards to $10 to$15m and $5 to$12m during later meetings held on 30 January 2023 and 26 February 2023 respectively.
- Board meeting minutes dated 17 October 2022 outline a “temporary liquidity gap of around $15m to $16m” partly as a result of the cancellation of the AMEX facility.
- The release of the Group’s FY22 audited financial statements in December 2022 were significantly delayed, with PwC, according to board minutes, eventually issuing a heavily modified report and noting a material uncertainty with respect to the Group continuing as a going concern.
- ATO PAYG debt increased significantly for BWX Australia Pty Ltd and The Good Collective Pty Ltd from June 2022 onwards, resulting in a Director Penalty Notice being issued to the Directors of the latter. A detailed letter outlining the liquidity issues of the Group and requesting a payment arrangement for the PAYG debt of both entities was issued in March 2023.
- A further indicator of the Group having difficulties selling stock is evidenced by the channel stuffing claims made against BWX by Sigma. The claim being BWX misled Sigma when entering into a buy deal for product which Sigma would have supplied to Chemist Warehouse, and BWX failed to disclose a direct deal between BWX and Chemist Warehouse, thus potentially inflating BWX’s sales and earnings for the FY21 period.
- The BWX Directors engaged McGrath+Nicol to provide Safe Harbour advice from October 2022, a requirement of which is to suspect a company’s financial distress. With Safe Harbour advisors engaged from 12 October 2022 until the date of our appointment and the Board having reviewed the Restructuring Plan dated 18 November 2022, the Directors are likely eligible for Safe Harbour protection from around November 2022, being when the first formal advice was received until the date of our appointment as Voluntary Administrators.
- BWX issued multiple waiver requests to its lender from October 2022 to March 2023, seeking exemptions from specific financial covenant requirements (including maturity dates) under its facility agreement. The lender supported BWX in its effort to restructure through debt refinancing initiatives and asset sales by waiving compliance of the financial covenant clauses and associated maturity dates, with the final extension of time being granted to 31 March 2023.

### 6.3.2. Preliminary view on liability for insolvent trading

- We understand the Directors of the Group engaged with qualified Safe Harbour advisers on or around October 2022 until the date of our appointment. If the Directors of the Group were eligible for Safe Harbour protection at the time of incurring the Group’s debts (which remain unpaid at the time of our appointment), then they could be protected from an insolvent trading claim by a liquidator.
- We have considered the period 1 October 2022 to 31 October 2022, to determine if any debts incurred, prior to receipt of advice from the engaged Safe Harbour advisers, remain unpaid at the date of our appointment and may form part of an insolvent trading claim. Our preliminary review identified a potential claim of c. $1.4m of which c. $1.2m relates to unpaid PAYG liabilities.
- In the event of a liquidation of the Group, further analysis and investigations on the Group’s solvency position would be performed to confirm or update our preliminary investigations (and therefore the potential liability) which could involve a public examination of the Directors and officers of the Group.
- Creditors should refer to **Appendix 3** for additional information on insolvency and pursuing insolvent trading claims generally.

## 6.4. Safe Harbour

- Directors have a duty to prevent a company trading whilst insolvent and may be found personally liable for debts the company incurs when there were reasonable grounds to suspect the company was insolvent.
- Directors can, however, be availed of personal liability for insolvent trading if the company is undertaking a restructuring plan which is reasonably likely to result in a better outcome than immediately placing the Company into external administration. This process and protection is referred to as Safe Harbour.
- We understand the Directors of the BWX Group engaged with qualified Safe Harbour advisers on or around October 2022 to assist in developing and overseeing the implementation of a Safe Harbour plan for the BWX Group pursuant to Section 588GA of the Act. Consequently, it is possible the Directors have the ability to avail themselves of protection from any insolvent trading claim from this time.
- An assessment has not been undertaken whether the BWX Group and Directors met the eligibility requirements of the Safe Harbour regime. Further, we have not been privy to the Better Outcome Plan as part of any Safe Harbour engagement to assess the reasonableness of its assumptions. In the event of liquidation of the BWX Group, if an insolvent trading claim was pursued against the Directors, they may wish to waive legal professional privilege and provide a copy of any relevant Safe Harbour plan. The appointed liquidator would then undertake an assessment and make a decision as to whether there is a benefit in proceeding with any insolvent trading claim.
- The eligibility requirements for Safe Harbour are set out in the below table:

| Safe Harbour eligibility criteria | Section Reference |
|---|---|
| **Are the directors properly informing themselves of the Group's financial position?** | 588GA(2)(a) |
| **Are the directors taking appropriate steps to prevent any misconduct by officers or employees of the Group that could adversely affect the Group's ability to pay all its debt?** | 588GA(2)(b) |
| **Are the directors taking appropriate steps to ensure the Group is keeping appropriate financial records consistent with the size and nature of the Group?** | 588GA(2)(c) |
| **Are the directors obtaining advice from an appropriately qualified entity who was given sufficient information to give appropriate advice?** | 588GA(2)(d) |
| **Are the directors developing or implementing a plan for restructuring the Group to improve its financial position?** | 588GA(2)(e) |
| **Has the Group met and continues to meet its employee entitlement obligations? This includes wages, leave entitlements and superannuation** | 588GA(4)(a)(i) |
| **Has the Group complied and continues to comply with its tax reporting obligations?**<br>**Includes returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the *Income Tax Assessment Act 1997* (Cth)** | 588GA(4)(a)(ii) |

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### 6.4.1. Directors’ capacity to pay claims by a liquidator

- We have not received information from the current Directors in relation to their personal financial position. However, we have undertaken title and property searches on RP Data to identify any assets held solely or directly by the Directors in Australian states and territories which indicate at least some of the Directors own real property assets.
- With respect to any insurance policies, we are unable to definitively comment at this time as to whether any directors’ and officers’ insurance policies would potentially respond to a claim for insolvent trading. We note, to preserve the position, on 30 June 2023 the Receivers formally put the insurers on notice of potentially claimable events prior to the policy expiring.
- Further investigations will be required to determine both the quantum of any possible insolvent trading claim and the commerciality of pursuing such a claim, which will include an assessment of the defences to the insolvent trading claim which may be available to the Directors.
- We note any claim of this nature is likely to be vigorously defended by the Directors, particularly given the protection they sought with regard to Safe Harbour from October 2022 onwards.

## 6.5. Voidable transactions

- We set out below our preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario including our view on the likelihood of there being substantiated and supportable claims. Where applicable, we have included our estimate of possible recoveries along with any other pertinent information.
- For general information explaining these matters, including a list of applicable offences, please refer to **Appendix 3**.

| Area | Our view | Comments |
|---|---|---|
| Unfair preferences | Potential claims | We have reviewed the payments made by the BWX Group during the period leading up to appointment, considering the potential date of insolvency of the Group.<br>Based on our investigations to date, we consider there may be preferential payments statutory creditors of up to $701,842 and preferential payments to trade creditors of up to $807,997. However, this is subject to further investigations should the BWX Group be placed into liquidation to determine if the payments to suppliers were made in good faith, or if the trade creditors were aware of the insolvency of the BWX Group at the time payments were made. |
| Uncommercial transactions | No claims | We are not aware of any potential uncommercial transactions that would likely result in property being recovered for the benefit of creditors. |
| Unfair loans | No claims | We are not aware of any potential unfair loans that would likely result in property being recovered for the benefit of creditors. |
| Unreasonable payments to directors | No claims | Our investigations to date have not found any evidence of unreasonable payments to directors. |

| Area | Our view | Comments |
| --- | --- | --- |
| Related entity benefit | No claims | Our investigations to date have not revealed any transactions with related entities that would likely result in property being recovered for the benefit of creditors. |
| Arrangements to avoid employee entitlements | No claims | Our investigations to date have not revealed the existence of any such arrangements. |
| Voidable charges | None | Our investigations have not revealed any charges or registered security interests that would be void against a liquidator. |
| Offences by directors | Potential claims | As outlined in the above section, based on our preliminary investigations, the Directors may have breached their duties with regard to:<br>Section 588G – Duty to prevent insolvent trading<br>Section 180 – Act with care and diligence<br>Section 181 – Act in good faith |

## 6.6. Disclosures: effect on employees

### 6.6.1. Effect on employees – liquidation

*Position as priority creditors*

- Employees are afforded a priority in the winding up of a company compared to ordinary unsecured creditors. The order of priority for typical employee claims is as follows:
  - Amounts due in respect of wages, superannuation and superannuation guarantee charge outstanding as at the date of the appointment of Administrators, followed by
  - Amounts due in respect of leave of absence and other amounts due under the terms of an industrial instrument, followed by
  - Retrenchment payments.

*Return to employees if the BWX Group is wound up*

- **Section 7** includes details about the estimated return to creditors if the BWX Group are wound up and a liquidator appointed. We note the Receivers have advised all known priority claims as at the date of this report have been paid in full.

*Government assistance available if the BWX Group is wound up*

- If there are insufficient funds available to employees from the Group's property, eligible employees may be entitled to lodge a claim for their unpaid entitlements under the Federal Government's FEG Scheme.
- Details about FEG can be read at: https://www.employment.gov.au/fair-entitlements-guarantee-feg.
- The FEG Scheme will not contribute for outstanding superannuation.

# 7. Estimated return to creditors

## 7.1. Administrators' estimated statement of position

| AUD$ | Notes | Liquidation Scenario<br>Low return | <br>High return |
|---|---|---|---|
| **Total Non-Circulating Assets** | | **(Shortfall)** | **(Shortfall)** |
| **Circulating Assets** | 1 | Refer to note 1 | |
| **Claims available to Liquidator** | | | |
| Voidable transactions | 2 | Nil | 754,920 |
| Insolvent trading claims | 3 | Nil | 711,115 |
| **Available funds before costs** | | **Nil** | **1,466,035** |
| **Costs** | | | |
| Legal fees | 4 | 20,000 | 250,000 |
| Administrators' remuneration and disbursements | 5 | Refer to note 5 | |
| Liquidators' remuneration and disbursements | 6 | 125,000 | 500,000 |
| **Estimated costs** | | **145,000** | **750,000** |
| **Available to priority creditors** | | **Nil** | **716,035** |
| **Priority Creditors** | 1 | Refer to note 1 | |
| **Surplus assets available to unsecured creditors** | | **Nil** | **716,035** |
| **Unsecured Creditors** | 7 | **Nil** | **2.1 c/$** |
| Secured creditor shortfall | 8 | Unknown | Unknown |
| Unsecured creditors | 9 | 35,927,232 | 33,594,790 |
| **Total unsecured claims** | | **22,958,989** | **33,594,790** |

## 7.2. Notes

1. Circulating Assets and Priority Creditors

We have been advised by the Receivers all known priority creditors have been paid in full with any surplus in circulating assets applied to reduce the secured creditors claim.

### 2. Voidable transactions

All voidable transactions identified relate to unfair preference claims, which require the BWX Group to be insolvent at the time of entering into the transaction or as a result of the transaction. Given further investigations are required into the potential voidable transactions identified, the high scenario amount includes the total value of the potential claims less an applied discount factor of 50% to take into account the likely reduction in claims as a result of settlements,  and commerciality in pursuing, with the low scenario showing no likely recoveries. Please refer to **Section 6.5** for further details.

### 3. Insolvent trading claims

As detailed in **Section 6** and **Appendix 3** of this report, our preliminary investigations have determined it was likely the BWX Group traded insolvent from October 2022. We note any claim of this nature is likely to be vigorously defended by the Directors, particularly given the protection they sought with regard to Safe Harbour from October 2022 onwards. As a result, the high scenario amount is the total potential claim less an applied discount factor of 50% to take into account the commercial reality of pursuing a claim of this nature. In addition, the liquidation of the BWX Group is currently unfunded and the liquidators would need to consider potential avenues for funding should a claim be pursued.

### 4. Legal fees

Anticipated legal fees which may be incurred in the liquidation of the BWX Group. The high scenario considers additional anticipated work to pursue claims in respect to insolvent trading and voidable transactions should the liquidators form the view it is commercial to do so.

### 5. Administrators' remuneration and disbursements

The Administrators' remuneration and disbursements will be funded separately by the secured creditor up to a capped amount and subject to creditor approval. Please refer to **Appendix 6** of this report which details these fees.

### 6. Liquidators' remuneration and disbursements

Estimated remuneration of the liquidators to undertake the liquidation of the BWX Group. Liquidation fee approval for the BWX Group will not be sought at the second meeting of creditors. Fee approval will be sought from the COI, or the general creditor body, at a later point in time. However, for the purposes of providing and estimated return to creditors, we have provided a preliminary estimate of the liquidators' remuneration for the BWX Group. We note the liquidators' fees shown is an estimate only and may be materially different due to, inter alia, the time required to pursue additional recoveries for the benefit of creditors.

### 7. Return to unsecured creditors

This is an estimate only and currently excludes any potential shortfall for the secured creditor, which we anticipate being significant and will have a material impact on the value of any potential dividend to unsecured creditors.

### 8. Secured creditor shortfall

Any outstanding amounts owed to the secured creditor after the realisations of assets subject to their security form an unsecured claim against the BWX Group. At this stage, we have not been provided with the details of any potential shortfall.

9. Unsecured creditors

The low scenario presents estimated unsecured creditor claims based on company records and proofs of debt received to date. The high scenario only takes into account proof of debts received to date.

## 7.3. Summary of estimated returns

Below is a summary of the estimated returns to priority creditors and unsecured creditors in a liquidation scenario. Estimated returns are presented on a cents in the dollar basis. We note the estimated return for unsecured creditors has been presented on a group level, and any potential return may vary by entity depending on recoveries made within each entity. Additionally, we note at this stage, it does not include the potential shortfall to the secured creditor, which we anticipate to be significant.

| Cents/$ | Liquidation | |
|---|---|---|
| | Low Return | High Return |
| Priority Creditors: Wages & Superannuation | N/A | N/A |
| Priority Creditors: Leave Entitlements | N/A | N/A |
| Priority Creditors: Redundancy & PILN | N/A | N/A |
| Unsecured Creditors | Nil | 2.1c/$ |

## 7.4. Administrators receipts and payments

A summary of receipts and payments since the date of our appointment to 28 April 2024 is included in the relevant Remuneration Approval Reports located **Appendix 6**. With respect to the Receivers receipts and payments these were requested but not received as at the date of this report.

## 7.5. Impact of related entity claims on dividend prospects

There are no related entity claims which will have an impact on dividend prospects.

## 7.6. Estimated timing of payments to creditors

An indicative range of the estimated timing of dividends under a liquidation scenario (and to each class of creditor) is set out below:

- Secured creditors: Unknown
- Employee priority creditors: N/A
- Ordinary unsecured creditors: 1 -2 years

The key factors and variables impacting the estimated timing in the liquidation scenario includes the time it would take to realise the assets, including initiating and resolving any proceedings for the recovery of voidable transactions and the timing of the winding down of the business operations.

# 8. Administrators' opinion and recommendation

## 8.1. Opinion and recommendation to creditors

### 8.1.1. What creditors can decide at the meeting

- At the second meeting of creditors, creditors are required to decide whether:
  - The BWX Group should execute a DOCA
  - The administration of the BWX Group should end; or
  - The BWX Group should be wound up.
- In accordance with the requirements of Section 75-225 of the IPR, the Administrators must provide an opinion on each of the above options, and whether the option is in the creditors' interests.

### 8.1.2. Administrators' opinions on the options available to creditors

*Execution of a deed of company arrangement*

- As no DOCA has been proposed, creditors cannot resolve to accept a DOCA at this time. Therefore, we do not consider it would be in the creditors' interests for the BWX Group to execute a DOCA.
- It remains an option for creditors to consider whether they may wish to adjourn the forthcoming meeting of creditors to allow time for a DOCA proposal to be submitted.

*The Administration comes to an end*

- If the creditors vote for this alternative, control of the BWX Group would revert to the directors following the forthcoming meeting of creditors.
- The BWX Group is insolvent with no cash to pay their debts and no confirmed prospects of obtaining external funding. Therefore we do not consider that it would be in the creditors' interests for the administration to end.

*The BWX Group is wound up*

- Absent the other options being viable alternatives, we consider that it would be in the creditors' interests for the BWX Group to be wound up. The BWX Group is insolvent. We have not been provided with a proposal for a DOCA for consideration and it is not appropriate that the administration ends for the reasons noted above.

### 8.1.3. Administrators' opinion on voidable transactions

It is the opinion of the Administrators there are payments made by the BWX Group which could be considered voidable as against the liquidators. Refer to **Appendix 3**.

Dated 2 May 2024

Kelly-Anne Trenfield

Administrator

# 9. Appendix 1 – Glossary and terms of reference

| Item | Definition |
|---|---|
| 1HFY22 | First Half Financial Year 2022 |
| ($) | Currency in Australian Dollars unless otherwise stated |
| Act | Corporations Act 2001 (Cth ) |
| Administrators or Voluntary Administrators | Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell of FTI Consulting |
| AEST | Australian Eastern Standard Time |
| AFR | Australian Financial Review |
| All PAAP | All Present and After Acquired Property |
| AMEX | American Express Australia Limited |
| ARITA | Australian Restructuring Insolvency & Turnaround Association |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange Limited |
| ATO | Australian Taxation Office (incorporating the Deputy Commissioner of Taxation, as applicable) |
| BNPL | Buy Now Pay Later |
| BWX | BWX Limited |
| BWX Entities | BWX Limited, Beautiworx Pty Ltd, LHS No.2 Pty Ltd, Sapu Corporation Pty Ltd (formerly Uspa Corporation Pty Ltd), Edward Beal Hair Care Pty Ltd, BWX Brands Pty Ltd, BWX Australia Pty Ltd, Sukin Australia Pty Ltd, Renew Skin Care Australia Pty Ltd, Derma Sukin Australia Pty Ltd, Lightning Distribution Pty Ltd, BWX Digital Pty Ltd, The Good Collective Pty Ltd |
| c. | Circa or approximately |
| CBA | Commonwealth Bank of Australia |
| CBA facilities | A number of funding and banking facilities provided by Commonwealth Bank of Australia including loans, trade, corporate credit card and bank guarantee facilities. |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| Clayton Facility | Clayton Autostore facility located at Unit 1, 45-49 McNaughton Road, Clayton VIC 3168 |
| COGS | Cost of Goods Sold |
| COI | Committee of Inspection |
| Court | Federal Court of Australia |
| COVID-19 | An infectious disease caused by the SARS-CoV-2 virus |
| Directors | Steven Fisher, Marcus Derwin, Lisa Ronson and Luka Keeve |
| DIRRI | Declaration of independence, relevant relationships and indemnities |
| DOCA | Deed of company arrangement |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EBT | Earnings before tax |
| ERP | Enterprise Resource Planning |
| ERV | Estimated Realisable Value |
| EY | Ernst & Young |

| Item | Definition |
|---|---|
| **FEG** | Fair Entitlements Guarantee Scheme |
| **FY20, FY21, FY22, FY23** | Financial years ended 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023 |
| **Greenhill** | Greenhill & Co Australia Pty Ltd |
| **GST** | Goods and Services Tax, as applicable in Australia |
| **IPR** | Insolvency Practice Rules (Corporations) 2016 |
| **k** | Thousand |
| **KPMG CF** | KPMG Corporate Finance LLC |
| **m** | Million |
| **Macquarie** | Macquarie Bank Limited |
| **Management** | The senior officers, employees, and advisors of the Companies |
| **MD** | Managing Director |
| **NBIOs** | Non-binding indicative offers |
| **NDAs** | Non-disclosure agreement |
| **NED** | Non-Executive Director |
| **NPAT** | Net profit after tax |
| **NPD** | New Product Development |
| **PAYG** | Pay As You Go withholding tax |
| **PCP** | Prior comparative period |
| **PILN** | Pay In Lieu of Notice |
| **PMSI** | Purchase Money Security Interest |
| **PPE** | Property, Plant & Equipment |
| **PPSR** | Personal Property Securities Register |
| **PwC** | PriceWaterhouseCoopers |
| **Q3FY22** | Quarter 3 Financial Year 2022 |
| **ROCAP** | Report on Company Activities and Property |
| **S 560 Loan Agreement** | Loan agreement between Commonwealth Bank of Australia, BWX Limited and BWX Australia Pty Ltd |
| **Sigma** | Sigma Healthcare Limited |
| **SKU** | Stock Keeping Unit |
| **Tattarang** | Tattarang Pty Ltd; Tattarang Capital Pty Ltd; Tattarang Ventures Pty Ltd and Tattarang Ventures No 2 Pty Ltd |
| **The Companies, the Group, or the BWX Group** | BWX Limited, Beautiworx Pty Ltd, LHS No.2 Pty Ltd, Sapu Corporation Pty Ltd (formerly Uspa Corporation Pty Ltd), Edward Beal Hair Care Pty Ltd, BWX Brands Pty Ltd, BWX Australia Pty Ltd, Sukin Australia Pty Ltd, Renew Skin Care Australia Pty Ltd, Derma Sukin Australia Pty Ltd, Lightning Distribution Pty Ltd, BWX Digital Pty Ltd and The Good Collective Pty Ltd |
| **The Receivers or the Receivers and Managers** | David Hardy, James Dampney, Gayle Dickerson and James Stewart of KPMG |
| **The Receivership Group** | BWX Limited, Beautiworx Pty Ltd, Edward Beal Hair Care Pty Ltd, BWX Brands Pty Ltd, BWX Australia Pty Ltd, Sukin Australia Pty Ltd, Renew Skin Care Australia Pty Ltd, Derma Sukin Australia Pty Ltd, Lightning Distribution Pty Ltd, BWX Digital Pty Ltd, The Good Collective Pty Ltd |
| **US$** | American Dollars |
| **USA / US** | United States of America |
| **VDR** | Virtual data room |
| **YOY** | Year-on-year |
| **WIP** | Work in Progress |
| **ZFB** | Zoe Foster Blake |

## Terms of reference

This report has been prepared for the creditors of the BWX Group to assist them in evaluating their position as creditors and in deciding on the BWX Group's future. None of the Administrators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.

This report is based on information obtained from the Companies' records, the directors and Management of the Companies, the Receivers and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis that the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.

This report may contain prospective financial information, including estimated outcomes for creditors, and other forward looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.

We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors.

Creditors should seek their own advice if they are unsure how any matter in this report affects them.

# 10. Appendix 2 – Company information

## 10.1. Schedule of entities subject to Administration

Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell were appointed as Voluntary Administrators of BWX Limited and certain subsidiaries detailed below, BWX Group on
3 April 2023.

| Company name | ACN |
|---|---|
| BWX Limited | 163 488 631 |
| Beautiworx Pty Ltd | 163 847 916 |
| LHS No.2 Pty Ltd | 165 455 201 |
| Sapu Corporation Pty Ltd | 163 273 514 |
| Edward Beale Hair Care Pty Ltd | 167 891 161 |
| BWX Brands Pty Ltd | 602 062 117 |
| BWX Australia Pty Ltd | 601 062 199 |
| Sukin Australia Pty Ltd | 602 062 199 |
| Renew Skin Care Australia Pty Ltd | 606 139 315 |
| Derma Sukin Australia Pty Ltd | 606 140 818 |
| Lightning Distribution Pty Ltd | 610 861 455 |
| BWX Digital Pty Ltd | 621 403 370 |
| The Good Collective Pty Ltd | 169 556 398 |

## 10.2. Statutory information

**BWX Limited (ACN 163 488 631)**

| | | | | | |
|---|---|---|---|---|---|
| **Incorporation Date** | 26 April 2013 | | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 19/12/2022 | |
| | Director | Marcus Anthony Derwin | 10/02/2023 | |
| | Director | Lisa Doreen Ronson | 26/02/2023 | |
| | Director | Luka Marthinus Keeve | 27/02/2023 | |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 15/05/2015 | 10/02/2023 |
| | Director | Fiona Rosalyn Vivienne Bennette | 01/12/2018 | 19/12/2022 |
| | Director | Rodney Howard Walker | 01/10/2019 | 19/12/2022 |
| | Director | Michelle Casey Hepworth | 11/08/2022 | 17/11/2022 |
| | Director | Denis Shelley | 26/07/2013 | 11/08/2022 |
| | Director | David John Fenlon | 16/04/2018 | 30/03/2022 |
| | Director | Jodie Lee Leonard | 01/12/2018 | 30/04/2021 |
| | Director | Myles Anceschi | 17/09/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 26/04/2013 | 27/09/2018 |
| | Director | John Humble | 26/04/2013 | 25/09/2018 |
| | Director | Abigail Pip Cleland | 17/08/2017 | 06/12/2017 |
| | Director | Craig Stephen Bottomley | 26/04/2013 | 2/03/2017 |
| | Director | Geoffrey Ronald Pearce | 15/01/2014 | 13/05/2015 |
| | Secretary | Alistair Ian Grant | 30/09/2019 | |
| | Secretary | Vinod Somani | 31/08/2018 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 26/04/2013 | 27/09/2018 |
| **Shareholders** | ***Class Type*** | ***Shares Issued*** | ***Amount Paid*** | |
| | Ordinary Shares | 161,391,902 | $438,824,586.26 | |

**Beautiworx Pty Ltd (ACN 163 847 916)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 20 May 2013 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | John Humble | 20/05/2013 | 01/10/2018 |
| | Director | Aaron John Finlay | 28/06/2017 | 01/10/2018 |
| | Director | Craig Stephen Bottomley | 20/05/2013 | 02/03/2017 |
| | Director | Geoffrey Ronald Pearce | 15/01/2014 | 13/05/2015 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 20/05/2013 | 01/10/2018 |
| **Shareholders** | BWX Limited | | | |

**LHS No.2 Pty Ltd (ACN 165 455 201)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 12 April 2013 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | John Humble | 23/08/2013 | 01/10/2018 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 23/08/2013 | 01/10/2018 |
| **Shareholders** | ***Class Type*** | ***Shares Issued*** | ***Amount Paid*** | |
| | ORD | 75,184,724 | $75,184,724.00 | |

**Sapu Corporation Pty Ltd (ACN 163 273 514) (formerly Uspa Corporation Pty Ltd)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 22 December 2022 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | John Humble | 14/03/2014 | 01/10/2018 |
| | Director | Aaron John Finlay | 22/09/2014 | 01/10/2018 |
| | Director | Adrian Alexander Aloysius Cester | 12/04/2013 | 14/03/2014 |
| | Director | Eugene Paul Cester | 12/04/2013 | 14/03/2014 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | John Humble | 14/03/2014 | 01/10/2018 |
| | Secretary | Aaron John Finlay | 22/09/2014 | 01/10/2018 |
| **Shareholders** | ***Class Type*** | ***Shares Issued*** | ***Amount Paid*** | |
| | ORD | 12 | $12.00 | |

**Edward Beale Hair Care Pty Ltd (ACN 167 891 161)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 5 February 2014 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron Jogn Finlay | 05/02/2014 | 01/10/2018 |
| | Director | John Humble | 5/02/2014 | 01/10/2018 |
| | Director | Geoffrey Ronald Pearce | 05/02/2014 | 13/05/2015 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 05/02/2014 | 01/10/2018 |
| **Shareholders** | Beautiworx Pty Ltd | | | |

### BWX Brands Pty Ltd (ACN 602 062 117)

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 29 September 2014 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | *Title* | *Name* | *Appointment Date* | *Cease Date* |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 29/09/2014 | 01/10/2018 |
| | Director | John Humble | 23/08/2013 | 01/10/2018 |
| | Director | Geoffrey Ronald Pearce | 29/09/2014 | 13/05/2015 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| **Shareholders** | BWX Limited | | | |

### BWX Australia Pty Ltd (ACN 601 966 170)

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 23 September 2014 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | *Title* | *Name* | *Appointment Date* | *Cease Date* |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 23/09/2014 | 01/10/2018 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 23/09/2014 | 01/10/2018 |
| **Shareholders** | BWX Limited | | | |

### Sukin Australia Pty Ltd (ACN 602 062 199)

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 29 September 2014 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 29/09/2014 | 01/10/2018 |
| | Director | John Humble | 29/09/2014 | 01/10/2018 |
| | Director | Geoffrey Ronald Pearce | 29/09/2014 | 13/05/2015 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| **Shareholders** | BWX Brands Pty Ltd | | | |

### Renew Skin Care Australia Pty Ltd (ACN 606 139 315)

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 29 May 2015 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 29/05/2014 | 01/10/2018 |
| | Director | John Humble | 29/05/2014 | 01/10/2018 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 29/05/2015 | 01/10/2018 |
| **Shareholders** | BWX Brands Pty Ltd | | | |

**Derma Sukin Australia Pty Ltd (ACN 606 140 818)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 29 May 2015 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 29/05/2015 | 01/10/2018 |
| | Director | John Humble | 29/05/2015 | 01/10/2018 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 29/05/2015 | 01/10/2018 |
| **Shareholders** | BWX Brands Pty Ltd | | | |

**Lightning Distribution Pty Ltd (ACN 610 861 455)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 19 February 2016 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 24/10/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 01/10/2018 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 19/02/2016 | 01/10/2018 |
| | Director | John Humble | 19/02/2016 | 01/10/2018 |
| | Secretary | Vinod Somani | 21/04/2017 | 21/02/2020 |
| | Secretary | Aaron John Finlay | 19/02/2016 | 01/10/2018 |
| **Shareholders** | BWX Limited | | | |

**BWX Digital Pty Ltd (ACN 621 403 370)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 30 August 2017 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 04/11/2019 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/10/2018 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2020 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 06/06/2019 | 28/02/2022 |
| | Director | Vinod Somani | 30/08/2017 | 21/02/2020 |
| | Director | Myles Anceschi | 01/10/2018 | 16/05/2019 |
| | Director | Aaron John Finlay | 30/08/2017 | 01/10/2018 |
| | Director | John Humble | 30/08/2017 | 01/10/2018 |
| | Secretary | Vinod Somani | 30/08/2017 | 21/02/2020 |
| **Shareholders** | BWX Limited | | | |

**The Good Collective Pty Ltd (ACN 169 556 398)**

| | | | | |
|---|---|---|---|---|
| **Incorporation Date** | 15 May 2014 | | | |
| **Registered Address** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Principal Place of Business** | Unit 1, 45-49 McNaughton Road, Clayton, 3168, VIC | | | |
| **Directors and Officers** | ***Title*** | ***Name*** | ***Appointment Date*** | ***Cease Date*** |
| | Director | Steven Brian Fisher | 08/03/2023 | |
| | Director | Alistair Ian Grant | 01/07/2021 | 08/03/2023 |
| | Director | Rory Graeme Paul Gration | 01/03/2022 | 26/02/2023 |
| | Director | Ian Alistair Campbell | 01/07/2021 | 10/02/2023 |
| | Director | Efee Peel | 01/07/2021 | 28/11/2022 |
| | Director | Mustafa Birol Akdogan | 28/11/2022 | 28/11/2022 |
| | Director | David John Fenlon | 01/07/2021 | 28/02/2022 |
| | Director | Julie Barbara Mathers | 15/05/2014 | 01/07/2021 |
| | Director | Thomas Michael Abraham | 11/05/2015 | 1/07/2021 |
| **Shareholders** | BWX Limited & Julie Mathers | | | |

## 10.3. Details of security interests and charges

Below are details the security interests registered on the PPSR, plus any other prima facie valid charges the Administrators are aware of.

| | | Collateral Class | | | | |
|---|---|---|---|---|---|---|
| | ACN | All PAAP | Trademark | Motor Vehicle | Other Goods | Grand Total |
| BWX Limited | 163 488 631 | 1 | | 2 | 8 | 11 |
| Beautiworx Pty Ltd | 163 847 916 | 1 | 2 | 32 | 53 | 88 |
| Sapu Corporation Pty Ltd | 163 273 514 | 1 | | | | 1 |
| Edward Beale Hair Care Pty Ltd | 167 891 161 | 1 | | | | 1 |
| BWX Brands Pty Ltd | 602 062 117 | 1 | 17 | | | 18 |
| Sukin Australia Pty Ltd | 602 062 199 | 1 | | 1 | 5 | 7 |
| Renew Skin Care Australia Pty Ltd | 606 139 315 | 1 | | | | 1 |
| Derma Sukin Australia Pty Ltd | 606 140 818 | 1 | | | | 1 |
| Lightning Distribution Pty Ltd | 610 861 455 | 1 | 1 | | | 2 |
| BWX Digital Pty Ltd | 621 403 370 | 1 | 10 | | 3 | 14 |
| The Good Collective Pty Ltd | 169 556 398 | 1 | 5 | 1 | 9 | 16 |
| **Total** | | **11** | **35** | **36** | **78** | **160** |

A complete listing of PPSR registrations are below:

| Entity | ACN | Registration number | Secured Party Group | Collateral class | Registration start |
|---|---|---|---|---|---|
| BeautiWorx Pty Ltd | 163847916 | 202204260067222 | DKSH AUSTRALIA PTY. LTD. | Other Goods | 26 Apr 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 202211040024580 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009346 | DE LAGE LANDEN PTY LIMITED | Other Goods | 11 Aug 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202204260084362 | DKSH PERFORMANCE MATERIALS AUSTRALIA PTY LIMITED | Other Goods | 26 Apr 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201803260049338 | INGREDIENTS PLUS PTY. LIMITED | Other Goods | 26 Mar 2018 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077567 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202209200012291 | FOODMACH PTY. LTD. | Other Goods | 20 Sep 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077700 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 201606170064417 | UNITED RENTALS AUSTRALIA PTY LTD | Other Goods | 17 Jun 2016 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077666 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 202101150019096 | SCOTT CHEMICALS AUSTRALIA PTY. LTD. | Other Goods | 15 Jan 2021 |
| BeautiWorx Pty Ltd | 163847916 | 201806010042097 | QUALITY BLOW MOULDERS (AUST) PTY LTD | Other Goods | 01 Jun 2018 |
| Renew Skin Care Australia Pty Ltd | 606139315 | 201506190021983 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| The Good Collective Pty Ltd | 169 556 398 | 201705180028065 | The Trustee for Lateral Food Corporation Unit Trust; INTERNATIONAL PRODUCT DEVELOPMENT CORPORATION PTY LTD; LATERAL FOOD CORPORATION PTY. LTD.; I P D C UNIT TRUST | Other Goods | 18 May 2017 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040024863 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201506170021505 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 17 Jun 2015 |
| BWX Digital Pty Ltd | 621403370 | 201712110025954 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 11 Dec 2017 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040026887 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025677 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009351 | DE LAGE LANDEN PTY LIMITED | Other Goods | 11 Aug 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202002210046138 | JCSM PTY LTD | Other Goods | 21 Feb 2020 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077551 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 202204260067591 | DKSH AUSTRALIA PTY. LTD. | Other Goods | 26 Apr 2022 |
| BWX Digital Pty Ltd | 621403370 | 201709200024350 | I P D C UNIT TRUST; INTERNATIONAL PRODUCT DEVELOPMENT CORPORATION PTY LTD; The Trustee for Lateral Food Corporation Unit Trust; LATERAL FOOD CORPORATION PTY. LTD. | Other Goods | 20 Sep 2017 |
| BeautiWorx Pty Ltd | 163847916 | 201904100018183 | PENGUIN RANDOM HOUSE AUSTRALIA PTY LTD | Other Goods | 10 Apr 2019 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077678 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BWX Digital Pty Ltd | 621403370 | 201710250066146 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 25 Oct 2017 |
| BeautiWorx Pty Ltd | 163847916 | 202110290023314 | CROWN EQUIPMENT PTY. LIMITED | Other Goods | 29 Oct 2021 |
| BeautiWorx Pty Ltd | 163847916 | 201807120025692 | INTERNATIONAL PRODUCT DEVELOPMENT CORPORATION PTY LTD; I P D C UNIT TRUST; LATERAL FOOD CORPORATION PTY. LTD.; The Trustee for Lateral Food Corporation Unit Trust | Other Goods | 12 Jul 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201505270073086 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 27 May 2015 |
| BeautiWorx Pty Ltd | 163847916 | 201810190047699 | AUSTRALIAN PHARMACEUTICAL INDUSTRIES LTD | Other Goods | 19 Oct 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077716 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BWX Digital Pty Ltd | 601966170 | 201506190021879 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |

| Entity | ACN | Registration number | Secured Party Group | Collateral class | Registration start |
|---|---|---|---|---|---|
| BeautiWorx Pty Ltd | 163847916 | 202110050030689 | CROWN EQUIPMENT PTY. LIMITED | Other Goods | 05 Oct 2021 |
| BeautiWorx Pty Ltd | 163847916 | 201506170021514 | DE LAGE LANDEN PTY LIMITED | Other Goods | 17 Jun 2015 |
| Lightning Distribution Pty Ltd | 610861455 | 201606060048774 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP, Except | 06 Jun 2016 |
| BeautiWorx Pty Ltd | 163847916 | 201505270073126 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 27 May 2015 |
| The Good Collective Pty Ltd | 169 556 398 | 202211040024364 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025450 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Digital Pty Ltd | 621403370 | 202211040027193 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Digital Pty Ltd | 621403370 | 201712110026185 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 11 Dec 2017 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077546 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202201130054626 | ATLAS COPCO (TEMP) AUSTRALIA PTY LTD | Other Goods | 13 Jan 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201502100049249 | CHEMSUPPLY AUSTRALIA PTY LTD | Other Goods | 10 Feb 2015 |
| BeautiWorx Pty Ltd | 163847916 | 202206300114646 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 30 Jun 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 202210140011491 | CENTRAL PET AUSTRALIA PTY LTD | Other Goods | 14 Oct 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 201912310035757 | DKSH AUSTRALIA PTY. LTD. | Other Goods | 31 Dec 2019 |
| BeautiWorx Pty Ltd | 163847916 | 201908010057471 | PACKSERV PTY LIMITED | Other Goods | 01 Aug 2019 |
| The Good Collective Pty Ltd | 169 556 398 | 201911260066868 | GLOBAL BY NATURE PTY LTD | Other Goods | 26 Nov 2019 |
| BeautiWorx Pty Ltd | 163847916 | 202201130054062 | ATLAS COPCO (TEMP) AUSTRALIA PTY LTD | Motor Vehicle | 13 Jan 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201808210042981 | MCPHERSON'S CONSUMER PRODUCTS PTY LTD | Other Goods | 21 Aug 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201805090041419 | PACKSERV PTY LIMITED | Other Goods | 09 May 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201706230042499 | PRO-PAC PACKAGING (AUST) PTY. LIMITED | Other Goods | 23 Jun 2017 |
| BeautiWorx Pty Ltd | 163847916 | 201406160006670 | REDOX LIMITED | Other Goods | 16 Jun 2014 |
| BeautiWorx Pty Ltd | 163847916 | 202001230058802 | ABBE CORRUGATED PTY. LTD. | Other Goods | 23 Jan 2020 |
| The Good Collective Pty Ltd | 169 556 398 | 202211040024099 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040026031 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202206300114651 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 30 Jun 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040026390 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077533 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| Derma Sukin Australia Pty Ltd | 606140818 | 201506190021456 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 201506190021851 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| The Good Collective Pty Ltd | 169 556 398 | 201809030001811 | FORK FORCE AUSTRALIA PTY LTD | Motor Vehicle | 03 Sep 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077650 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 202207200040934 | ORGANIC TRADER PTY. LIMITED | Other Goods | 20 Jul 2022 |
| Sukin Australia Pty Ltd | 602 062 199 | 201712200021400 | INTERNATIONAL CARGO EXPRESS PTY. LIMITED | Other Goods | 20 Dec 2017 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040027129 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201712200021056 | INTERNATIONAL CARGO EXPRESS PTY. LIMITED | Other Goods | 20 Dec 2017 |
| Sukin Australia Pty Ltd | 602 062 199 | 201611180035522 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 18 Nov 2016 |
| The Good Collective Pty Ltd | 169 556 398 | 202012100048695 | CENTRAL PET AUSTRALIA PTY LTD | Other Goods | 10 Dec 2020 |
| BeautiWorx Pty Ltd | 163847916 | 202001230058818 | ABBE CORRUGATED PTY. LTD. | Other Goods | 23 Jan 2020 |
| BWX Digital Pty Ltd | 621403370 | 202211040027494 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |

| Entity | ACN | Registration number | Secured Party Group | Collateral class | Registration start |
|---|---|---|---|---|---|
| BeautiWorx Pty Ltd | 163847916 | 201409170051899 | ECODIRECT PTY. LIMITED | Other Goods | 17 Sep 2014 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009305 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 11 Aug 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202103250074154 | HERBS OF GOLD PTY. LIMITED | Other Goods | 25 Mar 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202110290023187 | CROWN EQUIPMENT PTY. LIMITED | Other Goods | 29 Oct 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202109100049337 | ORORA LIMITED | Other Goods | 10 Sep 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077522 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202202280093013 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 28 Feb 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202210100055218 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 10 Oct 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 201809030001824 | FORK FORCE AUSTRALIA PTY LTD | Other Goods | 03 Sep 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201810020013502 | DKSH AUSTRALIA PTY. LTD. | Other Goods | 02 Oct 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201810190047702 | AUSTRALIAN PHARMACEUTICAL INDUSTRIES LTD | Other Goods | 19 Oct 2018 |
| BeautiWorx Pty Ltd | 163847916 | 202207220066816 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 22 Jul 2022 |
| Sapu Corporation Pty Ltd | 163273514 | 201506190021822 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 201809180023379 | BURKERT CONTROMATIC AUSTRALIA PTY LTD | Other Goods | 18 Sep 2018 |
| BWX Digital Pty Ltd | 621403370 | 202211040027814 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202011090063787 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 09 Nov 2020 |
| BWX Brands Pty Ltd | 602 062 117 | 201506190021949 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| Sukin Australia Pty Ltd | 602 062 199 | 201803290038256 | SALVAGE PAPER PTY LTD; VISY CDL SERVICES PTY LTD; VISY LOGISTICS PTY LTD; VISY LEASING PTY LTD; VISY INDUSTRIES AUSTRALIA PTY LTD; VISY WEST COAST PTY LTD; SOUTHERN PAPER PTY LTD; VISY AUTOMATION INTERNATIONAL PTY LTD; The Trustee for SOUTHERN PAPER CONVERTERS TRUST; ACE PRINT AND DISPLAY PTY LIMITED; MPC QUIKPAK PTY LTD; VISY TECH SYSTEMS PTY. LTD.; VISY TECHNOLOGY SYSTEMS PTY LTD; VISY RECYCLING AUSTRALIA PTY LTD; P & I PTY. LTD.; MASON DUFLEX DISPLAYS PTY. LIMITED; VISY GLASS OPERATIONS (AUSTRALIA) PTY LTD; VISY BOARD PROPRIETARY LIMITED; VISY GLAMA PTY LTD; VISY PULP AND PAPER PTY. LTD.; VISY PACKAGING PTY. LTD.; VISYPET PTY. LTD.; BUILD RUN REPAIR (AUSTRALIA) PTY LTD; VISY PAPER PTY. LTD.; REGIONAL RECYCLERS PTY LTD; VISY LOGISTICS NO 2 PTY LTD | Other Goods | 29 Mar 2018 |
| BeautiWorx Pty Ltd | 163847916 | 201704040032178 | A.S. HARRISON & CO PROPRIETARY LIMITED | Other Goods | 04 Apr 2017 |
| BeautiWorx Pty Ltd | 163847916 | 202003250040407 | AMAZONIA (AUST) PTY. LTD. | Other Goods | 25 Mar 2020 |
| BeautiWorx Pty Ltd | 163847916 | 201704010102107 | ELGAS LIMITED | Other Goods | 01 Apr 2017 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025122 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077514 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201607150064883 | CHEMIPLAS AUSTRALIA PTY LTD | Other Goods | 15 Jul 2016 |
| BeautiWorx Pty Ltd | 163847916 | 201902130052306 | EMJAY PRODUCTS PTY LTD | Other Goods | 13 Feb 2019 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009314 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 11 Aug 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202202210041912 | CROWN EQUIPMENT PTY. LIMITED | Other Goods | 21 Feb 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201411130035677 | AMTRADE INTERNATIONAL PTY LTD | Other Goods | 13 Nov 2014 |

| Entity | ACN | Registration number | Secured Party Group | Collateral class | Registration start |
|---|---|---|---|---|---|
| BWX Digital Pty Ltd | 621403370 | 201712180069074 | GLOBAL THERAPEUTICS PTY. LTD. | Other Goods | 18 Dec 2017 |
| BeautiWorx Pty Ltd | 163847916 | 202108160015493 | LABELMAKERS GROUP PTY. LTD. | Other Goods | 16 Aug 2021 |
| BeautiWorx Pty Ltd | 163847916 | 202211040023749 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202210100055202 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 10 Oct 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202202210041908 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 21 Feb 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202209290042970 | FOODMACH PTY. LTD. | Other Goods | 29 Sep 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025801 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| Sukin Australia Pty Ltd | 602 062 199 | 201902280065645 | EMJAY PRODUCTS PTY LTD | Other Goods | 28 Feb 2019 |
| BWX Brands Pty Ltd | 602 062 117 | 202211080022099 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 08 Nov 2022 |
| Lightning Distribution Pty Ltd | 610 861 455 | 202211040023984 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025893 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025373 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009322 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 11 Aug 2021 |
| BWX Digital Pty Ltd | 621403370 | 202211040027397 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025011 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Digital Pty Ltd | 621403370 | 201712110026144 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 11 Dec 2017 |
| BWX Digital Pty Ltd | 621403370 | 202211040027275 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202007020071052 | SEW-EURODRIVE PTY. LTD. | Other Goods | 02 Jul 2020 |
| BeautiWorx Pty Ltd | 163847916 | 201709270043791 | IMCD AUSTRALIA LIMITED | Other Goods | 27 Sep 2017 |
| Sukin Australia Pty Ltd | 602 062 199 | 201809110034994 | POPCORN DISPLAYS AUSTRALIA PTY. LTD. | Other Goods | 11 Sep 2018 |
| BeautiWorx Pty Ltd | 163847916 | 202003250075647 | VISY CDL SERVICES PTY LTD; SALVAGE PAPER PTY LTD; MASON DUFLEX DISPLAYS PTY. LIMITED; P & I PTY. LTD.; VISY WEST COAST PTY LTD; VISY INDUSTRIES AUSTRALIA PTY LTD; VISY LEASING PTY LTD; VISY LOGISTICS PTY LTD; VISY LOGISTICS NO 2 PTY LTD; REGIONAL RECYCLERS PTY LTD; VISY AUTOMATION INTERNATIONAL PTY LTD; SOUTHERN PAPER PTY LTD; VISY GLASS OPERATIONS (AUSTRALIA) PTY LTD; VISY BOARD PROPRIETARY LIMITED; VISY PACKAGING PTY. LTD.; VISYPET PTY. LTD.; VISY GLAMA PTY LTD; VISY PULP AND PAPER PTY. LTD.; The Trustee for SOUTHERN PAPER CONVERTERS TRUST; ACE PRINT AND DISPLAY PTY LIMITED; BUILD RUN REPAIR (AUSTRALIA) PTY LTD; VISY PAPER PTY. LTD.; VISY RECYCLING AUSTRALIA PTY LTD; VISY TECHNOLOGY SYSTEMS PTY LTD; VISY TECH SYSTEMS PTY. LTD.; MPC QUIKPAK PTY LTD | Other Goods | 25 Mar 2020 |
| BeautiWorx Pty Ltd | 163847916 | 201405120007334 | IXOM OPERATIONS PTY LTD; BRONSON & JACOBS PTY LTD | Other Goods | 12 May 2014 |
| BeautiWorx Pty Ltd | 163847916 | 201401240058611 | BRONSON & JACOBS PTY LTD; IXOM OPERATIONS PTY LTD | Other Goods | 24 Jan 2014 |
| Sukin Australia Pty Ltd | 602062199 | 201506190021880 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077728 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 202209290042962 | FOODMACH PTY. LTD. | Other Goods | 29 Sep 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 202003260055438 | AMAZONIA (AUST) PTY. LTD. | Other Goods | 26 Mar 2020 |

| Entity | ACN | Registration number | Secured Party Group | Collateral class | Registration start |
|---|---|---|---|---|---|
| Edward Beale Hair Care Pty Ltd | 167891161 | 201506190021920 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| BWX Digital Pty Ltd | 621403370 | 201712110026308 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 11 Dec 2017 |
| The Good Collective Pty Ltd | 169 556 398 | 202204280006404 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 28 Apr 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077684 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BeautiWorx Pty Ltd | 163847916 | 202210100055195 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 10 Oct 2022 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025534 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| Sukin Australia Pty Ltd | 602 062 199 | 201611180035533 | CROWN EQUIPMENT PTY. LIMITED | Other Goods | 18 Nov 2016 |
| The Good Collective Pty Ltd | 169 556 398 | 202211040024454 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202007270053996 | FESTO PTY. LIMITED | Other Goods | 27 Jul 2020 |
| BeautiWorx Pty Ltd | 163847916 | 202108110009333 | DE LAGE LANDEN PTY LIMITED | Other Goods | 11 Aug 2021 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040026991 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202109070000715 | JB HI-FI GROUP PTY LTD; CLIVE ANTHONYS PTY LTD | Other Goods | 07 Sep 2021 |
| BWX Digital Pty Ltd | 621403370 | 201712110026251 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 11 Dec 2017 |
| BeautiWorx Pty Ltd | 163847916 | 202212010077579 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 01 Dec 2022 |
| BWX Digital Pty Ltd | 621403370 | 201712110047172 | SIGNET PTY LTD | Other Goods | 11 Dec 2017 |
| The Good Collective Pty Ltd | 169 556 398 | 202002180010628 | UNIQUE HEALTH PRODUCTS PTY LTD | Other Goods | 18 Feb 2020 |
| BeautiWorx Pty Ltd | 163847916 | 202210100055225 | DE LAGE LANDEN PTY LIMITED | Motor Vehicle | 10 Oct 2022 |
| BeautiWorx Pty Ltd | 163847916 | 202211040023921 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BWX Brands Pty Ltd | 163847916 | 202211040024735 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201809200014619 | MM PLASTICS PTY LIMITED | Other Goods | 20 Sep 2018 |
| BWX Brands Pty Ltd | 602 062 117 | 202211040025302 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| The Good Collective Pty Ltd | 169 556 398 | 202211040024215 | COMMONWEALTH BANK OF AUSTRALIA | Trademark | 04 Nov 2022 |
| BeautiWorx Pty Ltd | 163847916 | 201506170077697 | CROWN EQUIPMENT PTY. LIMITED | Motor Vehicle | 17 Jun 2015 |
| BWX Limited | 163 488 631 | 202102050028739 | WAVERLEY FORKLIFTS PTY LTD | Motor Vehicle | 05 Feb 2021 |
| BWX Limited | 163 488 631 | 202102240030156 | CLIVE ANTHONYS PTY LTD; JB HI-FI GROUP PTY LTD | Other Goods | 24 Feb 2021 |
| BWX Limited | 163 488 631 | 201506190021908 | COMMONWEALTH BANK OF AUSTRALIA | All PAAP | 19 Jun 2015 |
| BWX Limited | 163 488 631 | 201811120044849 | CHEMSUPPLY AUSTRALIA PTY LTD | Other Goods | 12 Nov 2018 |
| BWX Limited | 163 488 631 | 202205090016661 | COMSCENTRE PTY LTD | Other Goods | 09 May 2022 |
| BWX Limited | 163 488 631 | 202102050028741 | WAVERLEY FORKLIFTS PTY LTD | Other Goods | 05 Feb 2021 |
| BWX Limited | 163 488 631 | 201701160027152 | FUJIFILM BUSINESS INNOVATION AUSTRALIA PTY LTD; FUJIFILM LEASING AUSTRALIA LTD | Other Goods | 16 Jan 2017 |
| BWX Limited | 163 488 631 | 202209010038436 | UNIQUE HEALTH PRODUCTS PTY LTD | Other Goods | 01 Sep 2022 |
| BWX Limited | 163 488 631 | 201907230037914 | WAVERLEY FORKLIFTS PTY LTD | Other Goods | 23 Jul 2019 |
| BWX Limited | 163 488 631 | 201907230037905 | WAVERLEY FORKLIFTS PTY LTD | Motor Vehicle | 23 Jul 2019 |
| BWX Limited | 163 488 631 | 202102240030207 | CLIVE ANTHONYS PTY LTD; JB HI-FI GROUP PTY LTD | Other Goods | 24 Feb 2021 |

## 10.4. History of the Companies and events leading to our appointment

### 10.4.1. Company History

- BWX Limited, formerly known as Beautiworx Limited, was incorporated 26 April 2013 and listed on the ASX on 11 November 2015.
- On 30 April 2015, BWX Limited initiated a formal asset purchase agreement to obtain the Sukin business and its associated brands, including Sukin Organics, DermanSukin, and Renew Skincare. This acquisition was partially financed by utilising a $15m debt facility from the CBA.
- From 2016, BWX Limited initiated a global expansion and began to further diversify their product portfolio through entity acquisitions.
- On 30 June 2016, the Group acquired Lightning Brokers for a total consideration of $11m.
- On 30 June 2017, the Group acquired Mineral Fusion National Brands LLC for a cash consideration of US$38.4m plus a potential earn out of US$4.6m.
- On 15 September 2017, the Group acquired Nourished Life for an initial consideration of $20m.
- On 2 November 2017, the Group acquired Andalou Natural Inc. for a total consideration of $120m.
- On 2 July 2021, the Group acquired Flora & Fauna for a total consideration of $27.9m.
- On 24 December 2021, the Group acquired a controlling stake in the Go-To skincare brand for $89.4m.
- On 25 February 2022, the Group released its 1HFY22 results to the market.
- Around June 2022, the Group engaged Deloitte to undertake a review of certain transactions initiated by the former CEO of BWX Limited during FY21 and FY22 relating to investment buys entered into with major customers and the financial accounting surrounding those transactions.
- In June 2022, the Group provided the market with a trading update and initiated a capital raise for c. $23m. The stated purpose of the capital raise was to provide a $10m debt reduction to the CBA, in addition to general balance sheet and financial ratio improvements.
- On 29 August 2022, BWX Limited initiated a voluntary trading halt due to issues with the FY22 financial reporting being finalised. This trading halt was in place for four (4) months, ending on 20 December 2022.
- Around October 2022, McGrath+Nicol were reportedly engaged to provide Safe Harbour advice to the Directors of the Group to provide protection from any potential claims with respect to trading whilst insolvent.
- In November 2022 the Group engaged EY as its financial advisor to assist with managing a debt finance placement, including short-term working capital funding, and a potential full refinance of the Group's banking facilities.
- On 9 December and 22 December 2022, the Group completed the respective sales of its Goodness Me and USPA businesses for $180k and $155k respectively.
- On 16 December 2022, CBA extended its financing to the Group by a further $10.5m under a facility specifically to be used for 'critical liabilities'.
- On 19 December 2022, the Group released its full year FY22 results to the market, which included a restatement of financial results for FY21 and 1HFY22 results. Due to accounting errors, restated FY21 revenue reduced by $11m, ($194.1m, restated to $183.1m) and restated FY21 EBITDA reduced by a similar factor ($34.5m, restated to $24.7m)

- The release of the FY22 financial results was more than one (1) month past the due date for release of 31 October 2022. The ASX trading halt was lifted the following day which saw the share price halve to approximately $0.30/share.
- On 6 February 2023, the Group completed the sale of its Naked Sundays business for $1.295m.
- On 16 March 2023, the Group wrote to the CBA advising it would shortly receive c. $8.9m from the ATO in respect of its FY22 income tax return. The correspondence sought CBA's approval to use the tax refund for a variety of working capital initiatives; the approval to utilise the funds in this matter was not ultimately approved.
- This correspondence also provided an update on the debt finance process being facilitated by EY, in addition to other potential business sales. Although several options were outlined to the CBA for possible refinances, no options were available to move forward within the timeframes required.
- On 24 March 2023 ASX trading was halted.
- On 28 March 2023 Clayton Utz, acting for EY, issued a statutory demand to the Group in respect to a debt of $501,879.97 on account of unpaid professional services fees incurred between October 2022 and February 2023.
- On 30 March 2023 Corrs Chambers Westgarth, acting for Sigma, wrote to BWX Brands Pty Ltd outlining alleged misleading and deceptive conduct stemming from an investment buy in May 2021. Legal proceedings were forewarned in this correspondence.
- On 3 April 2023 Kate Warwick, Kelly-Anne Trenfield, and Joseph Hansell of FTI Consulting were appointed as Voluntary Administrators to the Group.
- Following the appointment of the Voluntary Administrators, on 4 April 2023, the Group's secured creditor, CBA, appointed David Hardy, James Dampney, Gayle Dickerson and James Stewart of KPMG as Receivers and Managers of the Group (other than LHS No.2 Pty Ltd and Sapu Corporation Pty Ltd).

## 10.5. Historical financial information

### 10.5.1. Profit and loss summary

| BWX Group: Profit and loss summary | | | | |
|---|---|---|---|---|
| **AUD $'m** | **Notes** | **FY21** | **FY22** | **FY23 9 months** |
| *Sales income* | 1 | 198.27 | 174.85 | 77.84 |
| *Other income* | | (0.58) | 2.34 | 0.26 |
| *Other deductions* | 2 | (50.57) | (60.70) | (32.65) |
| **Net revenue** | | **147.12** | **116.49** | **45.45** |
| *Cost of sales* | 3 | (80.00) | (68.08) | (37.21) |
| *Other COGS* | 4 | (2.19) | (5.36) | (1.41) |
| **Gross profit** | | **64.94** | **43.06** | **6.82** |
| ***Gross profit margin*** | | ***44%*** | ***37%*** | ***15%*** |
| *Marketing expenses* | | (18.00) | (21.24) | (7.08) |
| *Employee expenses* | | (22.59) | (22.43) | (15.93) |
| *Other operating expenses* | 5 | (7.95) | (15.92) | (12.95) |
| **EBITDA** | **6** | **16.39** | **(16.53)** | **(29.13)** |
| *Depreciation and amortisation* | | (3.84) | (6.74) | (6.11) |
| *Finance expenses* | | 1.81 | (0.40) | 0.17 |
| *Acquisition and other expenses* | 7 | (0.21) | (131.80) | (18.19) |
| **EBT** | | **14.15** | **(155.47)** | **(53.26)** |
| *Tax expense* | | (5.16) | 9.89 | 0.86 |
| **Net profit after tax** | | **8.99** | **(145.58)** | **(52.40)** |

*1. Sales income*

Represents revenue generated through the sale of the Group's suite of beauty products. As illustrated in the table above, the Group's net sales declined substantially between FY21 and FY22, impacted by several factors including:

- Key SKU's being out of stock across all channels and impacting retail sales;
- Market conditions, including increasing inflation and interest rate rises; and
- Tight liquidity position reducing marketing campaign budgets.

### *2. Other deductions*

Other deductions include credit notes, rebates and discounts and are provided to customers in the normal course of business. These deductions, as a percentage of sales income, experienced YOY growth throughout the period subject to our review, as the Group experienced overstocking , in part due to the Sigma channel stuffing issue, discussed in more detail in **Appendix 3**, exacerbating the effects of already declining sales revenues. Rebates alone grew 118% in FY22 and a further 31% in FY23, with c. $2.8m in rebates recorded in December 2022 on a sales income of c. $8m.

### *3. Cost of sales*

Predominantly relates to the purchase of raw materials and other inputs (packaging and ingredients) associated with manufacturing the Group's products. The Group utilises the absorption costing method, meaning both direct (labour, raw materials etc.) and indirect costs (being fixed overhead costs such as insurance) are included in cost of sales.

Cost of sales fluctuated month to month throughout the observed period, averaging c. $5.6M. We note, with the exception of December 2022, cost of sales were trending lower in the months leading to our appointment, reflecting the reduction in production activity as working capital shortfalls impacted the Group's ability to source raw materials.

### *4. Other COGS*

Other COGS consists of stock take adjustments and outbound freight and cartage costs. The c. $5m increase between FY21 and FY22 is a result of significant increases in both freight and cartage costs as well as stock adjustments.

### *5. Other operating expenses*

Other operating expenses encompass all costs not covered by the other line items. Expenses include, but are not limited to, trade shows, research and development, consultant / professional fees, rent, utilities and storage costs.

Through the periods observed, other operating expenses as a percentage of sales increased from 4% to 9% in FY22 and 16.6% in FY23 as a result of factors including increased audit fees, professional / consultant fees and increased doubtful debts and write-offs.

### *6. EBITDA*

Profitability decreased significantly from c$16.4m in FY21 to losses of c$16.5m in FY22 and c$29.1 for up to Q3FY23.

This is attributable to a substantial decline in sales (particularly FY23) whilst expenses either remained relatively stable or increased.

### *7. Acquisition and Other Expenses*

Significant costs in this line item relate to the Group recognising material non-cash impairments as extraordinary expenses totalling c. $127m (FY22) and c. $16m (FY23). Management attributed these impairments to a slower than expected recovery from the COVID-19 pandemic, reductions to overall trading performance, and increases to the discount rates used in calculations.

## 10.5.2. Balance Sheet Summary

| BWX Group: Balance sheet summary | | | | |
|---|---|---|---|---|
| **AUD $'m** | **Note** | **FY21** | **FY22** | **FY23** |
| **Current assets** | | | | |
| *Cash and cash equivalents* | 1 | 60.98 | 7.23 | 6.82 |
| *Trade and other receivables (net)* | 2 | 10.20 | 14.93 | 12.14 |
| *WIP and finished goods* | 3 | 23.32 | 26.60 | 13.00 |
| *Prepayments* | 4 | 2.72 | 4.92 | 4.53 |
| *Other current assets* | | 0.62 | 0.21 | 0.08 |
| **Total current assets** | | **97.85** | **53.89** | **36.57** |
| **Non-current assets** | | | | |
| *Intercompany loan* | 5 | 113.02 | 86.53 | 103.54 |
| *Intercompany investments* | 6 | 76.86 | 193.29 | 193.29 |
| *Other investments* | | 0.00 | 0.00 | 0.00 |
| *Intangibles* | 7 | 106.68 | 30.42 | 18.42 |
| *Property, plant and equipment* | 8 | 16.79 | 35.55 | 36.23 |
| *Right of use assets* | 9 | 2.53 | 35.30 | 33.59 |
| *Deferred tax assets* | | 0.00 | 0.00 | 0.00 |
| *Other non-current assets* | | 4.27 | 7.06 | 1.00 |
| **Total non-current assets** | | **320.16** | **388.14** | **386.07** |
| **Total assets** | | **418.01** | **442.03** | **422.64** |
| **Current liabilities** | | | | |
| *Accounts and other payables* | | 27.07 | 47.48 | 38.80 |
| *Employee provisions* | | 1.70 | 1.61 | 1.36 |
| *Current lease obligations* | | 1.08 | 1.47 | 1.31 |
| *Current financial instruments* | 10 | 10.74 | 39.98 | 46.36 |
| *Other current liabilities* | | 7.67 | -6.46 | -3.19 |
| **Total current liabilities** | | **48.26** | **84.08** | **84.65** |
| **Non-current liabilities** | | | | |
| *Non-current provisions* | | 0.25 | 0.33 | 0.17 |
| *Deferred tax liabilities* | | 10.20 | 5.40 | 6.46 |
| *Non-current financial instruments* | 11 | 41.66 | 104.60 | 113.94 |
| *Non-current lease obligations* | | 2.35 | 34.52 | 33.77 |
| **Total non-current liabilities** | | **54.47** | **144.85** | **154.35** |
| **Total liabilities** | | **102.73** | **228.93** | **239.00** |

| | | | |
|---|---|---|---|
| **Equity** | | | |
| *Share capital* | 295.62 | 400.58 | 417.15 |
| *Reserves* | 13.14 | (197.77) | (98.20) |
| *Retained earnings* | 6.51 | 10.28 | (135.31) |
| **Net assets** | **315.28** | **213.09** | **183.64** |

| | | | |
|---|---|---|---|
| ***Key metrics*** | | | |
| *Current Ratio* | 2.0 : 1 | 0.6 : 1 | 0.4 : 1 |
| *Quick Ratio* | 1.5 : 1 | 0.3 : 1 | 0.3 : 1 |
| *Debt to Equity* | 0.3 : 1 | 1.1 : 1 | 1.3 : 1 |
| *Net working capital* | 49.6 | (30.2) | (48.1) |

### *1. Cash and cash equivalents*

Cash and cash equivalent amounts varied significantly on a month-to-month basis for the Group. The Group held various accounts with BNPL providers, PayPal, HSBC and CBA. At 31 March 2023, there was c. $6.8m held across the abovementioned accounts, with a majority, being c. $6.5m being held in the CBA AUD transaction account.

### *2. Trade and other receivables*

The value is presented as net trade receivables which includes provision for doubtful debts, trade rebates, credit notes and discounts. The customer base was comprised of a strong mix of blue-chip customers, including major national supermarket chains and retailers as well as smaller retailers.

### *3. WIP and finished goods*

The balance of the Group's stock on hand consists of:

- Production inputs
- Work in progress
- Inventory provisions

FY23 saw a c. 50% reduction from FY22 as the Group faced stock shortages across various sales channels as a result of a combination of popular SKU's selling out at retail partners and cash flow constraints preventing the Group from purchasing additional raw materials. Concurrently, inventory provisions increased by c. $3m (77.1%) during the course of FY23 due to recognition for a potential settlement relating to the Sigma dispute, which is discussed in more detail in **Appendix 3** of this report.

As at 31 March 2023, c. $2m of finished goods were held by third party distributors. It is also important to note some of the Group's key suppliers hold registered PMSI security interests over some of the Group's stock on hand at appointment. Where this stock was not previously paid for by the Group, an administrator or in this case, a receiver, may be required to pay for the portion of the PMSI stock they sell.

### *4. Prepayments*

The balance of c. $4.4m as at March 2023 includes prepayments for insurance and prepaid stock waiting to be received into the Clayton facility. These do not compromise of assets which would be readily available for administrators to realise.

### *5. Intercompany loan*

These are presented as a net amount owed on a consolidated basis, noting the accounts are consolidated for Australian entities only, and include consolidation and elimination values. We note **Section 5.4.4** of this report provides further details on intercompany loans owed by related entities not subject to our appointment.

### *6. Intercompany investments*

The value is predominantly as a result of recognised investments in Flora and Fauna, Go-To and BWX Brands USA with $27.8m, $89.5m and $75.6m attributed respectively. The increase from FY21 to FY22 relates to the Group's investments in Flora and Fauna and Go-To.

### *7. Intangibles*

The value assigned to intangibles declined by 82.8% between January 2021 and March 2023. As discussed in **Section 11.3.3** of this report, the Group recognised material non-cash impairments to both branding (c. $27m) and goodwill (c. $51m) as a result of a slower than expected recovery from the COVID-19 pandemic, reductions to overall trading performance, and increases to the discount rates used in calculations. Further impairments were also recognised in 1H FY23 for similar reasons.

### *8. Property, plant and equipment*

Similar to intangibles, the Group recognised significant non-cash impairments to PPE due to a prolonged recovery following the COVID-19 pandemic.

The PPE is predominantly made up of the capitalised cost base of the Clayton facility (c. $32.4m) together with office equipment, IT infrastructure and low value assets.

### *9. Right of use asset*

Pursuant to AASB16, businesses are required to recognise leases on their balance sheet as a right-of-use asset with a corresponding liability. The right-of-use asset represents the right to use the underlying asset for the lease term, with the finance lease representing the obligations to make lease payments. This line item predominantly accounts for the Group's lease of its Clayton facility.

### *10. Current and non-current financial instruments*

The Group's financial instruments comprised of five (5) facilities provided by CBA, including a trade finance facility, a bank guarantee, an overdraft facility, a US$ denominated facility and several market rate loans. Over the course of FY22 and FY23, these financial instruments grew by c. $27.4m and reached drawing limits as available cash headroom shrunk whilst other working capital facilities were terminated.

# 11. Appendix 3 – Investigations – analysis and information

## 11.1. General information and considerations

### Date of insolvency

- In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.
- Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.
- Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

### What is insolvency?

- Solvency is defined in Section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.
- Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although the company’s balance sheet position is still relevant).
- Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the company’s assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources is relevant to considering a company’s solvency position.

### General and commercial considerations

- Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.
- Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.
- Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.
- The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.

- Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

## 11.2. Indicators of potential insolvency

### 11.2.1. Factors to consider

We have considered the usual indicia of insolvency in our analysis of the Group's solvency. The following relevant indicia are discussed on the following pages:

- The company has a history of continuing trading losses.
- The company is experiencing cash flow difficulties.
- The company is experiencing difficulties selling its stock, or collecting debts owed to it.
- Creditors are not being paid on agreed trading terms and/or are either placing the company on cash-on-delivery terms or requiring special payments on existing debts before they will supply further goods and services.
- The company is not paying its Commonwealth and state taxes when due (e.g. pay-as-you-go instalments are outstanding, goods and services tax (GST) is payable, or superannuation guarantee contributions are payable).
- Cheques are being returned dishonoured.
- Legal action is being threatened or has commenced against the company, or judgements are entered against the company, in relation to outstanding debts.
- The company has reached the limits of its funding facilities and is unable to obtain appropriate further finance to fund operations—for example, through:
  - negotiating a new limit with its current financier; or
  - refinancing or raising money from another party.
- The company is unable to produce accurate financial information on a timely basis that shows the company's trading performance and financial position or that can be used to prepare reliable financial forecasts.
- Company directors have resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.
- The company auditor has qualified their audit opinion on the grounds there is uncertainty that the company can continue as a going concern.
- The company has defaulted, or is likely to default, on its agreements with its financier.
- Employees, or the company's bookkeeper, accountant or financial controller, have raised concerns about the company's ability to meet, and continue to meet, its financial obligations.
- It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.
- The company is holding back cheques for payment or issuing post-dated cheques.

Source: *ASIC Regulatory Guide 217 - Duty to prevent insolvent trading: Guide for directors*

ASIC's view is that these are some of the factors that a reasonable person would consider when determining whether a company is insolvent. The list of factors is not intended to be exhaustive. There may be other factors that would indicate to a reasonable person that a company may be insolvent.

## 11.2.2. Solvency analysis – indicators of insolvency

| Indicator | Apr-22 | May22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Trading losses | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✗ |
| Insufficient cash flow | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Liquidity ratios below one (1) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Safe Harbour Engagement | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Creditors paid outside terms / special arrangements | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Arrears of statutory liabilities | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Difficulties in selling stock or collecting debts | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Legal action threatened or commenced | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Inability to obtain new or alternative funding | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Inability to produce accurate financial information | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| Resignation of directors or other senior management | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✗ | ✓ | ✗ | ✗ | ✓ | ✓ |
| Qualified audit opinion | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ |
| The Company has defaulted, or is likely to default, on its agreements with its financier | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Finance staff raise solvency concerns | ✗ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Inability to sell surplus assets | ? | ? | ? | ? | ? | ? | ? | ? | ? | ? | ? | ? |
| Cheques are being returned dishonoured / payments dishonoured | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Issuing post-dated cheques | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| **Total indicators** | **4** | **4** | **4** | **5** | **6** | **8** | **10** | **10** | **11** | **10** | **13** | **12** |

### Key

| Item | Symbol |
|---|---|
| Indicator present | ✓ |
| Further investigation required | ? |
| Indicator not considered present | ✗ |

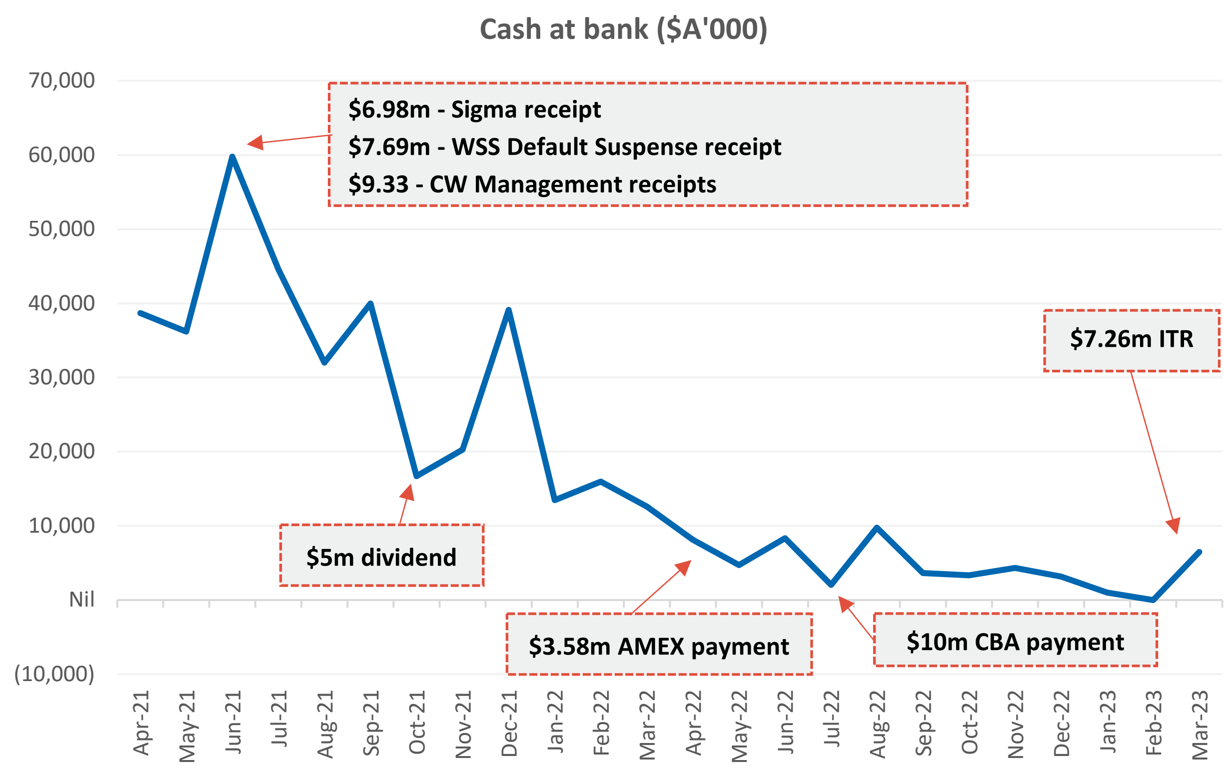
## 11.3. Solvency analysis

### 11.3.1. Solvency analysis – cash flow test

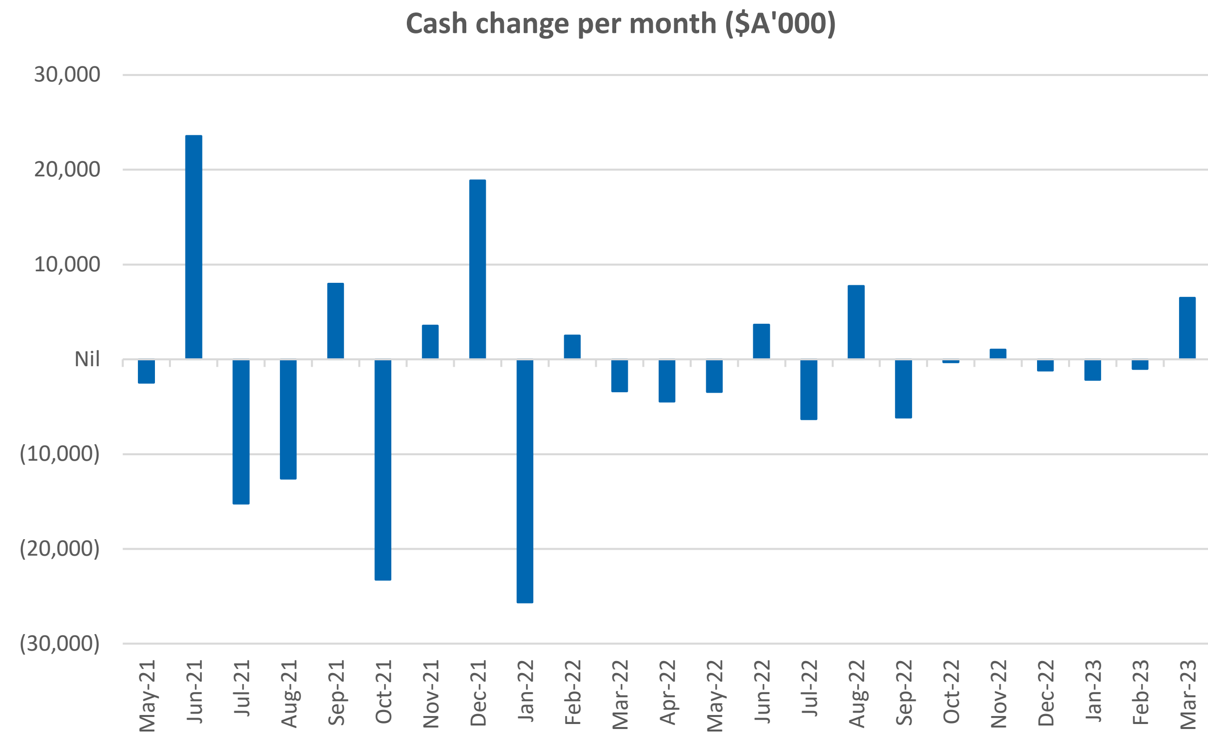
The cash flow test involves assessing the Group's ability to meet its obligations as and when they fall due. There are many elements to consider, and we have considered:

- sources of funding and support by lenders or related parties (i.e. the sources of funding available to the Group outside of those generated from operations);
- EBITDA and profit and loss position as a possible proxy for operating cash flow to assess the Group's ability to generate sufficient cash to meet its obligations;
- trade creditor ledgers and information (including ageing profile) to assess whether the Group had been meeting its payments on time;
- debtor ledgers and ageing profile to determine the extent to which the BWX Group's debtors paid their debts on time;
- statutory liability position – i.e. whether the Group had been meeting its statutory liabilities on time; and
- the existence of other indicia of insolvency.

### 11.3.2. Solvency analysis – cash position and headroom

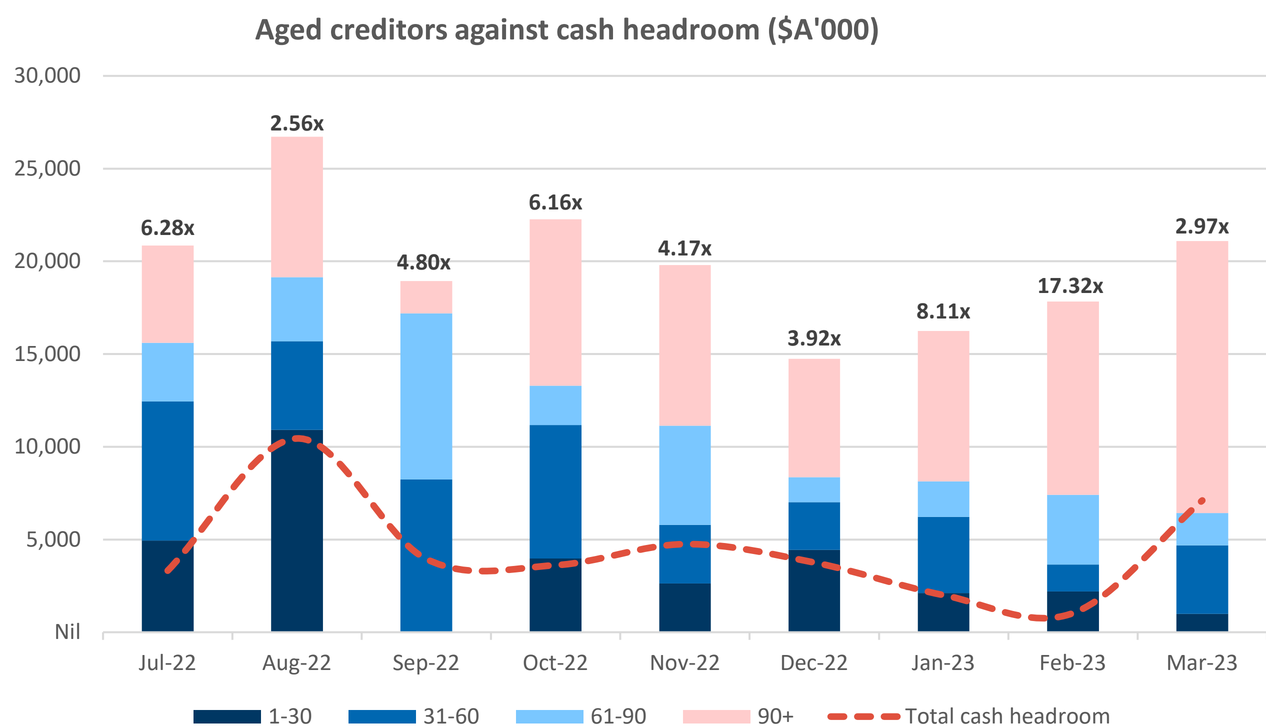



**Excludes Afterpay, PayPal, Amazon Pay, credit card clearing accounts etc.*




**Excludes Afterpay, PayPal, Amazon Pay, credit card clearing accounts etc.*

- The two (2) graphics above outline the inability for the Group to appropriately manage its cash position. Despite numerous divestments, the Group's cash position significantly deteriorated since holding c. $60m in June 2021.



- The Group held various accounts with vendors such as Afterpay, PayPal and Amazon Pay, with the amounts held in these accounts incorporated into the above total cash headroom along with undrawn portions of the Group's CBA facilities (see **Section 11.3.5** of this report for further information).
- As evident from the above graphic, the Group, at no stage from July 2022 onwards, had available cash to meet overdue accounts payables. Overdue payables were 17.32 times the total cash headroom at February 2023.
- The decrease in the aged creditor balance in December 2022 is the result of the $8.5m facility drawdown of further funding provided by the CBA (see **Section 11.3.6** of this report for further information).
- It is evident this paydown provided short-term relief only with the Groups' aged creditor balance steadily increasing from December 2022 through to March 2023 (inclusive) and surpassing the pre-paydown balance in November 2022 in just three (3) months.
- This shows the inability of the Group to generate sufficient operating cash flow to service its aging debts and the consequent reliance on facility drawdowns to meet payment obligations.
- The increase in total cash headroom in March 2023 is attributable to the receipt of the Group's income tax refund of $7.26m on 14 March 2023.
- Despite the significant cash injection, the dollar value of the Group's aged payables increased with respect to the prior month and sat at almost three (3) times the available total cash headroom.
- Overall, this graphic outlines the Group's inability to pay debts as and when they fall due.

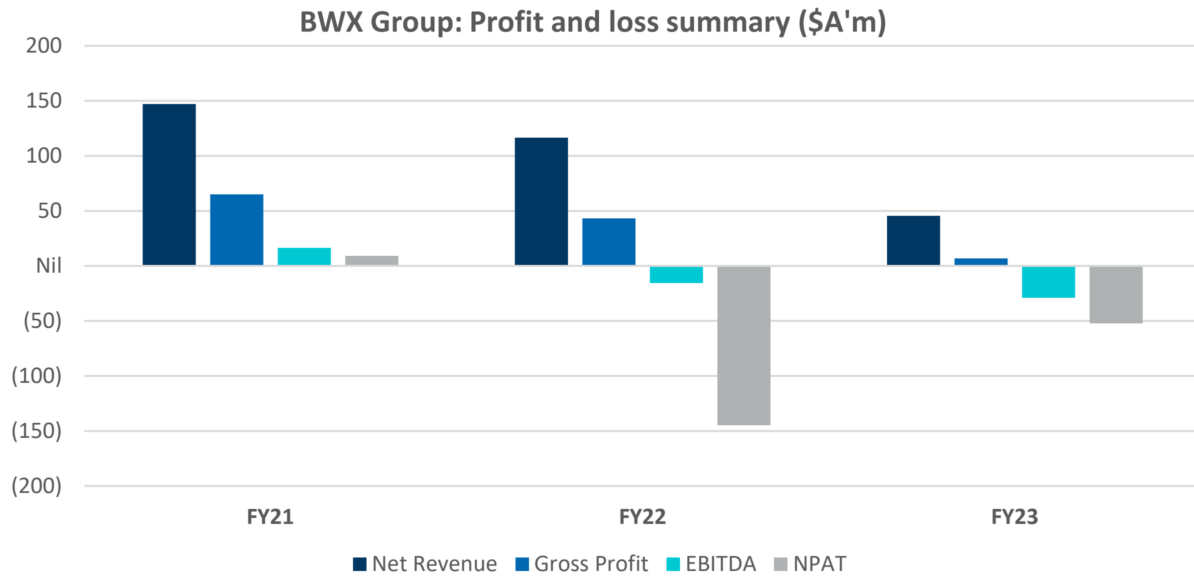
### 11.3.3. Solvency analysis – profitability and continued trading losses

The Group's statement of profit and loss for the 2021, 2022 and 2023 (for the first nine (9) months) financial years are summarised below:

| BWX Group: Profit and loss summary | | | |
|---|---|---|---|
| **$'m** | **FY21** | **FY22** | **FY23 9 months** |
| *Sales income* | 198.27 | 174.85 | 77.84 |
| *Other income* | (0.58) | 2.34 | 0.26 |
| *Other deductions* | (50.57) | (60.70) | (32.65) |
| **Net revenue** | **147.12** | **116.49** | **45.45** |
| *Cost of sales* | (80.0) | (68.08) | (37.21) |
| *Other COGS* | (2.19) | (5.36) | (1.41) |
| **Gross profit** | **64.94** | **43.06** | **6.82** |
| ***Gross profit margin*** | ***44%*** | ***37%*** | ***15%*** |
| *Marketing expenses* | (18.00) | (21.24) | (7.08) |
| *Employee expenses* | (22.59) | (22.43) | (15.93) |
| *Other operating expenses* | (7.95) | (15.92) | (12.95) |
| **EBITDA** | **16.39** | **(16.53)** | **(29.13)** |
| ***Gross EBITDA margin*** | ***11%*** | ***(14%)*** | ***(64%)*** |
| *Depreciation and amortisation* | (3.84) | (6.74) | (6.11) |
| *Finance expenses* | 1.81 | (0.40) | 0.17 |
| *Acquisition and other expenses* | (0.21) | (131.80) | (18.19) |
| **EBT** | **14.15** | **(155.47)** | **(53.26)** |
| *Tax expense* | (5.16) | 9.89 | 0.86 |

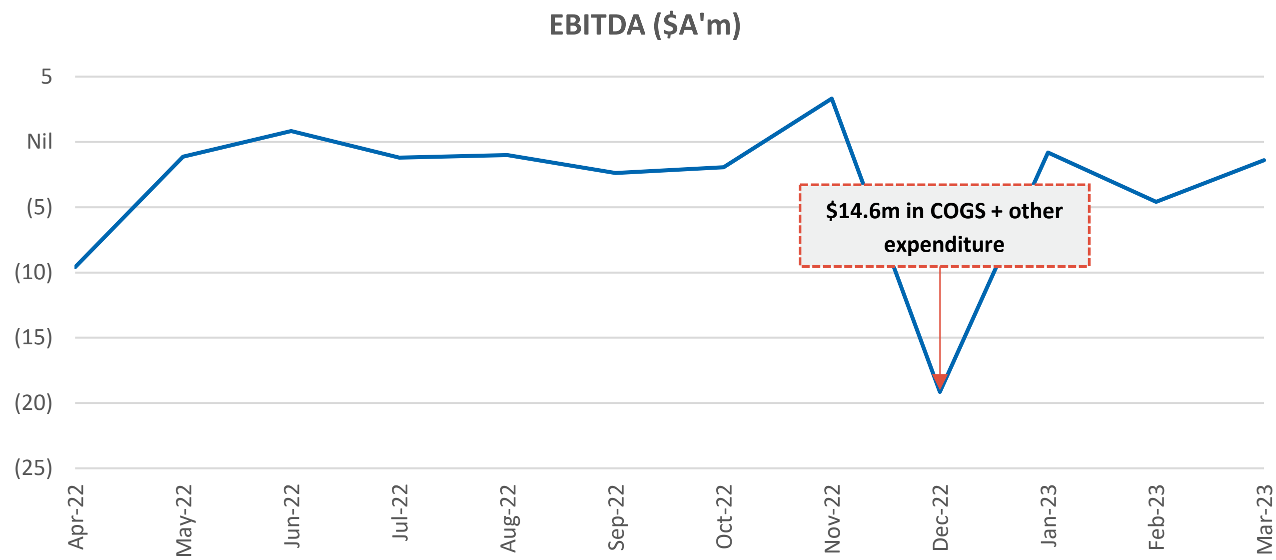
| | | | |
|---|---|---|---|
| **Net profit after tax** | **8.99** | **(145.58)** | **(52.40)** |

The below graphic outlines the net revenue per year along with key profitability values:

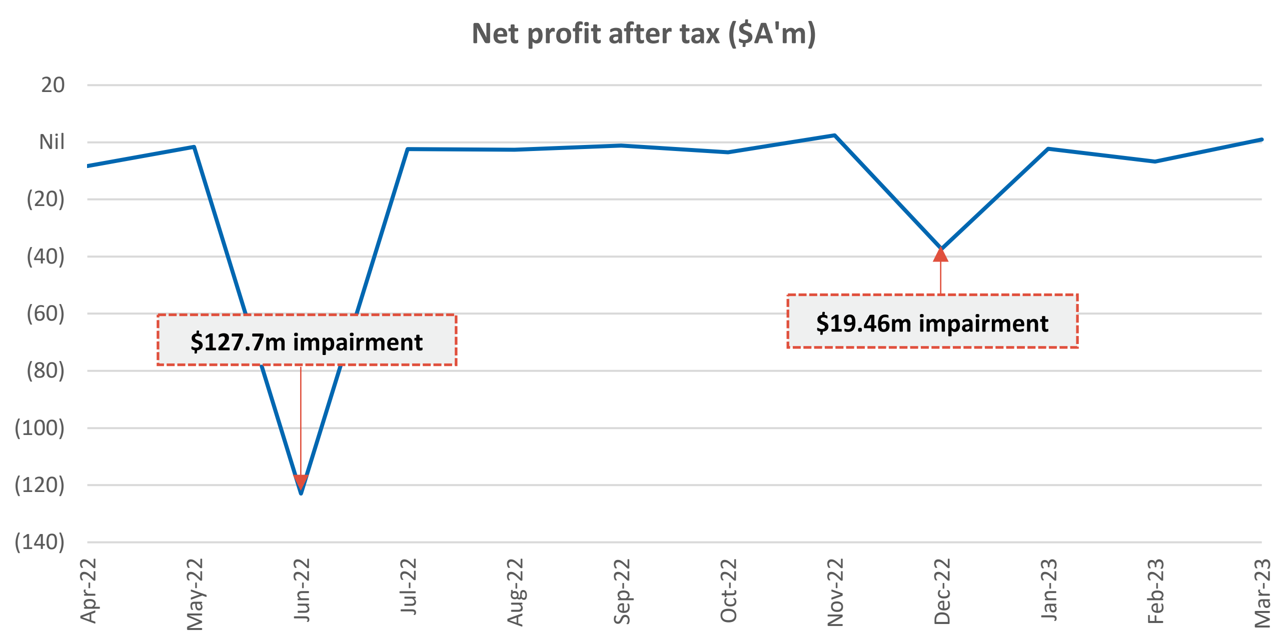



- On a top line net revenue basis, BWX Group experienced a reduction in revenue by c. 20% in FY22, and further reductions to net revenue by c. 48% in FY23 (on a like for like basis).
- FY22 revenue reductions driven by:
  - c. $13m reduction in revenue due to the cancellation of an investment buy (Sukin) late in June quarter and a Chemist Warehouse cost of equity-linked partnership expense of $6.2m (pcp $0.2m); and
  - the movement of manufacturing capabilities to BWX's new Clayton facility in Melbourne.
- FY23 revenue reductions driven by:
  - the overstocking of inventory leading to higher discounting required to move stock; and
  - constrained cash balances due to lower cash receipts and capital commitments to the new Clayton facility contributed to out-of-stock issues for various products, subsequently impacting revenue.
- We observed a decline in BWX Group's gross margin from FY21 YOY to FY23 which is largely attributable to increased promotional spend (i.e. product discounts) required to reduce inventory balances. This issue arose due to significant investment buys entered into by BWX Group from June 2021 to December 2021 summarised below:
  - In June 2021, the former CEO and Managing Director of BWX, David Fenlon, reportedly caused the BWX Group to enter into an agreement with Sigma to execute an $8m investment buy deal (i.e. BWX Group would sell $8m of inventory to Sigma). Sigma reportedly intended to sell c. 90% of the stock purchased from BWX Group to Chemist Warehouse with BWX Group purportedly aware of this intent.
  - The Group separately agreed to supply Chemist Warehouse directly, comprising of $11.5m for June 2021 and $13.5m for December 2021, for stock which was substantially similar to the stock that was part of the investment buy.
  - The resulting effect was stock levels at Chemist Warehouse being elevated to the point where higher levels of promotional spend was required (i.e. discounts of products) in order to reduce inventory.
  - In FY21 the overall discount was 25.6%; by FY23 discounts represented 41.8% of recommended retail pricing.

- Disclosures made to BWX Group's investors in December 2022 also indicate margins were negatively impacted by higher sale levels of certain product categories with low margin contributions.

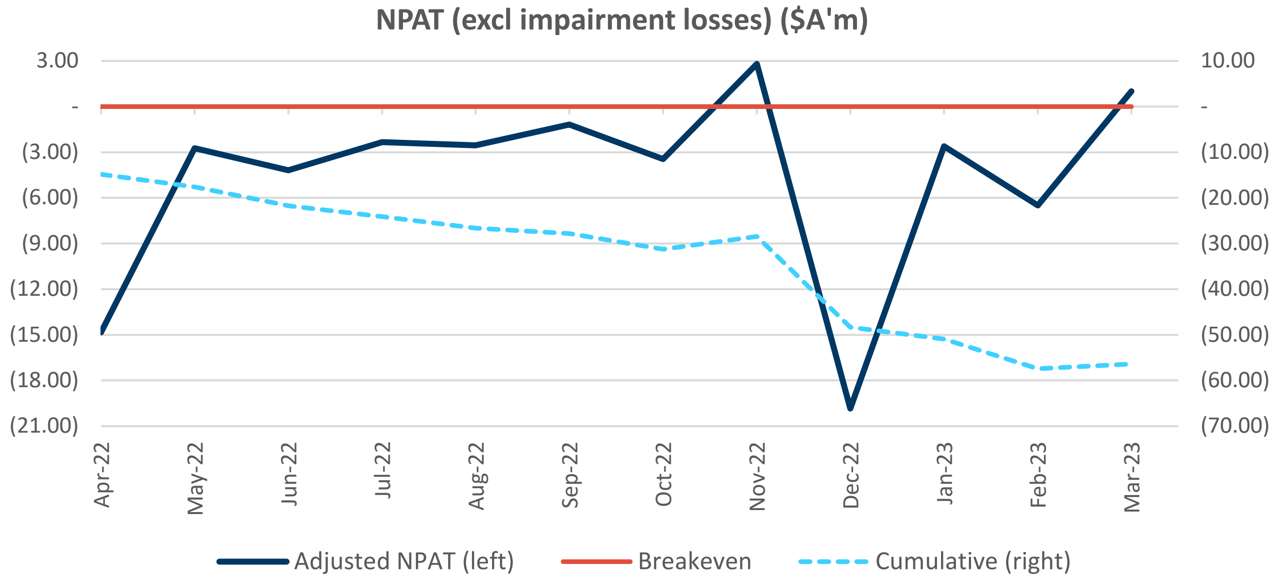



- December 2022 saw a sharp decrease in EBITDA, predominantly as a result of the below expenses:
  - $14.64m in COGS compared to $3.47m in the previous month;
  - $2.89m in rebates compared to $325k in the previous month;
  - $5.33m in case deal deductions compared to $1.38m in the previous month; and
  - $813.53k in stocktake adjustments compared to ($13.24k) in the previous month.




- In FY22, the Group recognised a significant non-cash impairment to its intangible assets and plant and equipment from cash generating units as a result of a slower than expected recovery from the COVID-19 pandemic, reductions to overall trading performance, and increases to the discount rates used in calculations.

- The impairment loss is recognised below the EBITDA line. An additional significant impairment loss was recognised in 1H FY23 for similar reasons. This is clearly seen in the large drops in NPAT in June 2022 and Dec 2022.



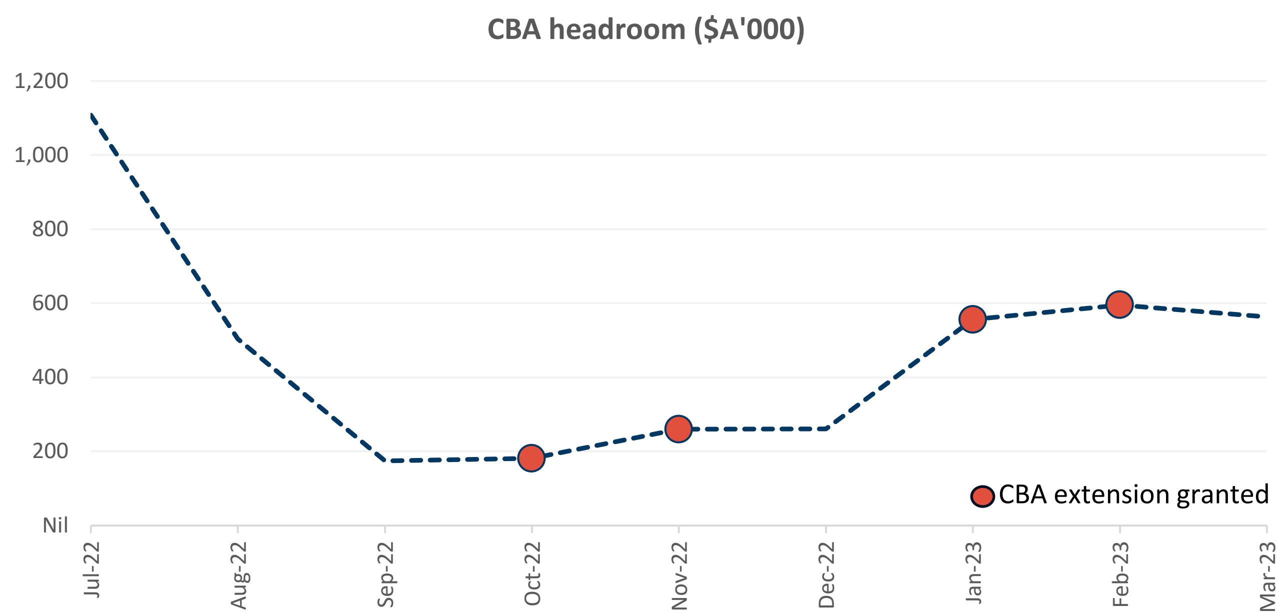

- Besides a recording a positive NPAT in November 2022, the Group suffered ongoing trading losses for the period April 2022 through to February 2023 (inclusive) with a cumulative adjusted NPAT loss for same period of $57.42m.
- Despite adjusting the statement of profit and loss to exclude the impact of the large non-cash extraordinary impairment on intangible assets expense in June 2022 and December 2022, the above graph demonstrates the Group continued to incur losses on an NPAT level with only two (2) out of the 12 months prior to our appointment recording a positive NPAT, and the value of such being nominal when compared to the balance of loss-making months.

### 11.3.4. Solvency analysis – payment arrangements with creditors

- As per board meeting minutes dated 29 September 2022, a former CFO, Efee Peel, advised the board the Company had entered payment plans with key suppliers to manage cash.
- Future board minutes substantiate the continuation of such arrangements with no evidence to suggest these abated prior to our appointment.
- A letter to the ATO on 6 March 2023 substantiates the above, with the Group advising several suppliers had placed the Group on cash on delivery terms and noted the Group’s intention to seek extended payment terms / plans with suppliers.
- Workpapers provided to the Administrators also outline certain creditors were paid in priority due to accepted payment plans.

### 11.3.5. Solvency analysis – secured creditor analysis / Commonwealth Bank of Australia facilities

- Notification of default of the facility agreement was issued to CBA on 13 October 2022 by the Group; a waiver and extension of time was sought and granted to 31 October 2022 on 14 October 2022. The obligations in default related to BWX's securities being suspended for more than five (5) consecutive business days as well as the delay in providing various lease documents, the report by EY and certificates providing a view of compliance with financial covenants.
- The Group later issued a waiver request on 22 November 2022 for a number of provisions under the facility agreement, including the requirement to meet designated financial covenants, with the intention to renegotiate these upon receiving further funding sought by EY. The waiver request also included the Group's requirement of full and final payment of all outstanding amounts in respect of the Clayton facility. The CBA in response agreed to waive compliance with the requested provision and payment obligations until 31 January 2023 on 30 November 2022.
- The Group requested a further extension on 20 January 2023, which the CBA granted on 1 February 2023 until 28 February 2023. The CBA also extended the termination date of Facility C and maturity date of the S 560 Loan Agreement to 28 February 2023.
- A waiver and extension of time to meet certain obligations was again requested by the Group on 21 February 2023 which was granted up until 31 March 2023 on 28 February 2023.
- The Group requested a further covenant waiver and suspension of pending maturities until 31 May 2023 by letters dated 16 and 21 March 2023.
- The CBA informed the Group these maturities would be due and payable on 3 April 2023.




**Excludes equipment finance facility of $1m and bank guarantees*

- As evident from the above, the Group had approximately $1.1m in undrawn funds from their CBA facilities in June 2022. A sharp decrease in available headroom is subsequently seen, dropping below $200k in September 2022 before a slow uptick until February 2023.

- Total cash drawn from the facilities was at least AUD$90m (excluding bank guarantees) at the end of each month from August 2022, showing the Group's tight cash position, especially when considering outstanding creditor balances throughout this period fluctuated between $17.7m and $55.6m.
- For the period July 2022 to March 2023 (inclusive), aged creditors of 30+ days accounted for on average 67% of the total outstanding creditor balance. By March 2023 this figure was 87% (see Section **11.3.8** of this report for further information).

### 11.3.6. Solvency analysis – access to funding

A timeline of events in relation to the Group identifying the need for further funding and the process of securing same are outlined below:

| Board meeting minutes date | Summary |
|---|---|
| 29 September 2022 | ■ Intention to request $12.5m in short term funding to assist with liquidity issues. |
| 2 October 2022 | ■ AMEX unilaterally withdrew the balance of their facility leading to further constraints on the BWX Group's liquidity.<br>■ It was noted management were liaising with Macquarie to seek alternative finance options, with the issuance of convertible notes or taking out subordinated debt both seen as adequate options. |
| 17 October 2022 | ■ Received a verbal offer of $20m short-term funding by Tattarang Ventures No. 2 Pty Ltd provided by Tattarang engaging in sub-participation under the Group's current finance facility with the CBA.<br>■ A condition of this funding would be the divestment in the Group's stake in Go-To to Tattarang for c. $40m with half of the proceeds to be used to retire the $20m funding.<br>■ This divestment would be subject to shareholder approval. |
| 18 October 2022 | ■ Tattarang provided term sheets and the Board resolved management should negotiate terms to then be provided to them for final approval. |
| 25 October 2022 | ■ Tattarang and CBA are yet to agree on the form of the funding.<br>■ EY are engaged to undertake a process to find subordinated debt from external lenders. |
| 11 November 2022 | ■ EY located fifteen (15) potential parties for subordinated debt and advised the Board against undertaking the Tattarang offer. |
| 25 November 2022 | ■ Two (2) funding offers are received by Allegro and Tanarra Capital. |
| 5 December 2022 | ■ The Board resolved to pursue the Tanarra Capital's non-binding indicative offer. |
| 15 December 2022 | ■ The CBA resolved to provide further interim funding to the Group of $8.5m to be utilised for critical suppliers.<br>■ The CBA provided a debt covenant waiver up until 31 January 2023. |
| 18 December 2022 | ■ Funding totaling $8.5m was drawn down on 16 December 2022 from the CBA Facility G, being a market rate loan provided by CBA. |

| | |
|---|---|
| 2 April 2023 | ■ The CBA informed the Group the maturities of certain financing would be due and payable on 3 April 2023. |

- Ultimately, the CBA provided a portion of the Group's short-term funding in December 2022, which provided limited relief with respect to the Group's liquidity issues with the Group unable to otherwise secure external short-term funding.

### 11.3.7. Solvency analysis – inability to produce accurate financial information

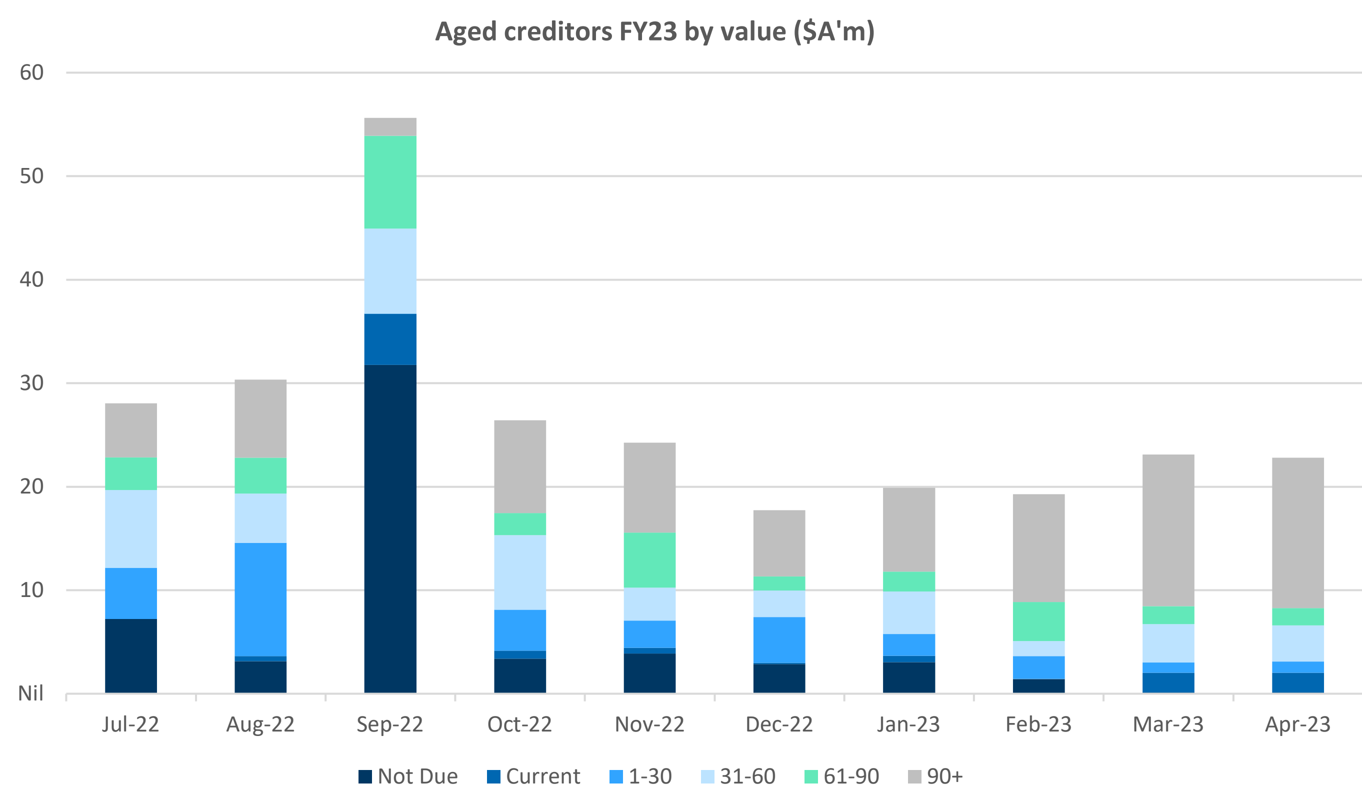
A timeline of the issues encountered with releasing the FY22 audited financials are outlined below:

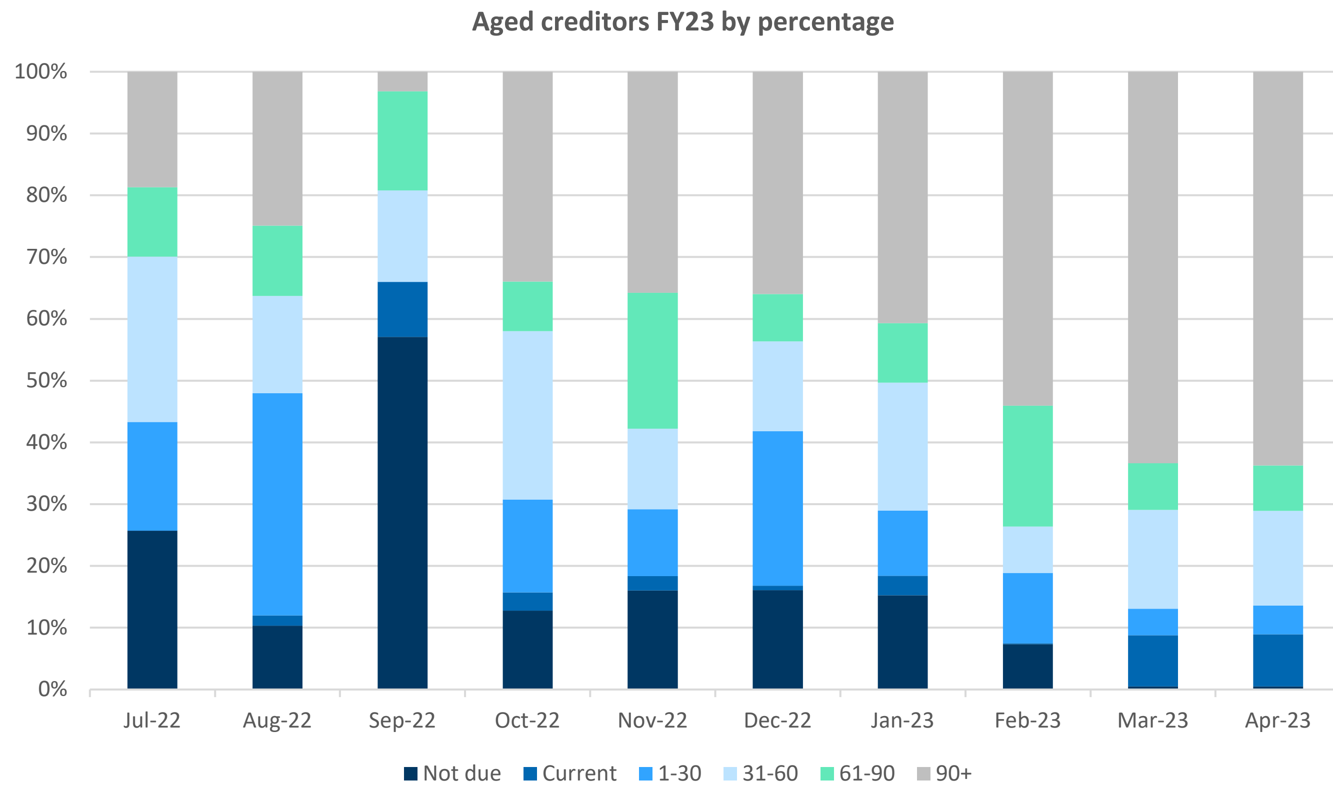
| Board meeting minutes date | Summary |
|---|---|
| 19 September 2022 | ■ Doubt was raised regarding the ability for PwC to complete the FY22 audit due to several significant items that remained outstanding.<br>■ Company Secretary received Board approval to apply to the ASIC for an extension of time to lodge the Group's audited financials. |
| 26 September 2022 | ■ The Group remained unsure on whether PwC would be able to complete their audit by the required deadline of 30 September 2022. |
| 29 September 2022 | ■ PwC anticipated a further three (3) weeks of audit work, pushing out completion to on or around 21 October 2022.<br>■ The Board reviewed a draft ASX announcement regarding further delay to the release of financial accounts and authorised the Company Secretary to lodge the ASX notification and to discuss the continuing trading suspension with the Company's ASX manager. |
| 28 October 2022 | ■ The updated anticipated release of the Group's audited financials is set for November 2022. |
| 27 November 2022 | ■ Released ASX announcement advising the FY22 financial statements are delayed due to there being a material uncertainty with respect the going concern assessment of the Group until financing offers are further advanced. |
| 18 December 2022 | ■ It was noted the FY22 audit was close to completion and that PwC intended to issue a heavily modified report. |

- The Group's FY22 full year statutory accounts were released on 19 December 2022 following an $8.5m debt facility drawdown on 16 December 2022, a result of further funding being provided by the CBA.
- The 18 December 2022 board meeting minutes outlines the intention of PwC to release heavily modified FY22 audited financials suggesting the Group were unable to produce accurate financial information for at least the period July 2021 to June 2022 (inclusive).
- Further to this, in a letter to the ATO from the Group dated 6 March 2023, it refers to the Group's inability for an allocated $12.2m from the June 2022 equity raise to cover its cash flow deficit arising from ceasing the practice of investment buys. The Group, within this letter, attributed this to:
  - an understated view of the Group's accounts payable position of c. $4m to $6m at the time of the equity raise; and
  - sub-optimal internal cashflow forecasting processes, leading to inaccuracies, specifically with regard to trade spend, ultimately leading to a significant downside to the Group's forecasted cash receipts of $8m to $10m.
- This shows an inability to produce accurate books and records with respect to accounts payable (a key consideration when determining solvency) and forecasted cash flows, a key method in determining the ability to pay debts when they fall due.

## 11.3.8. Solvency analysis – aged creditors

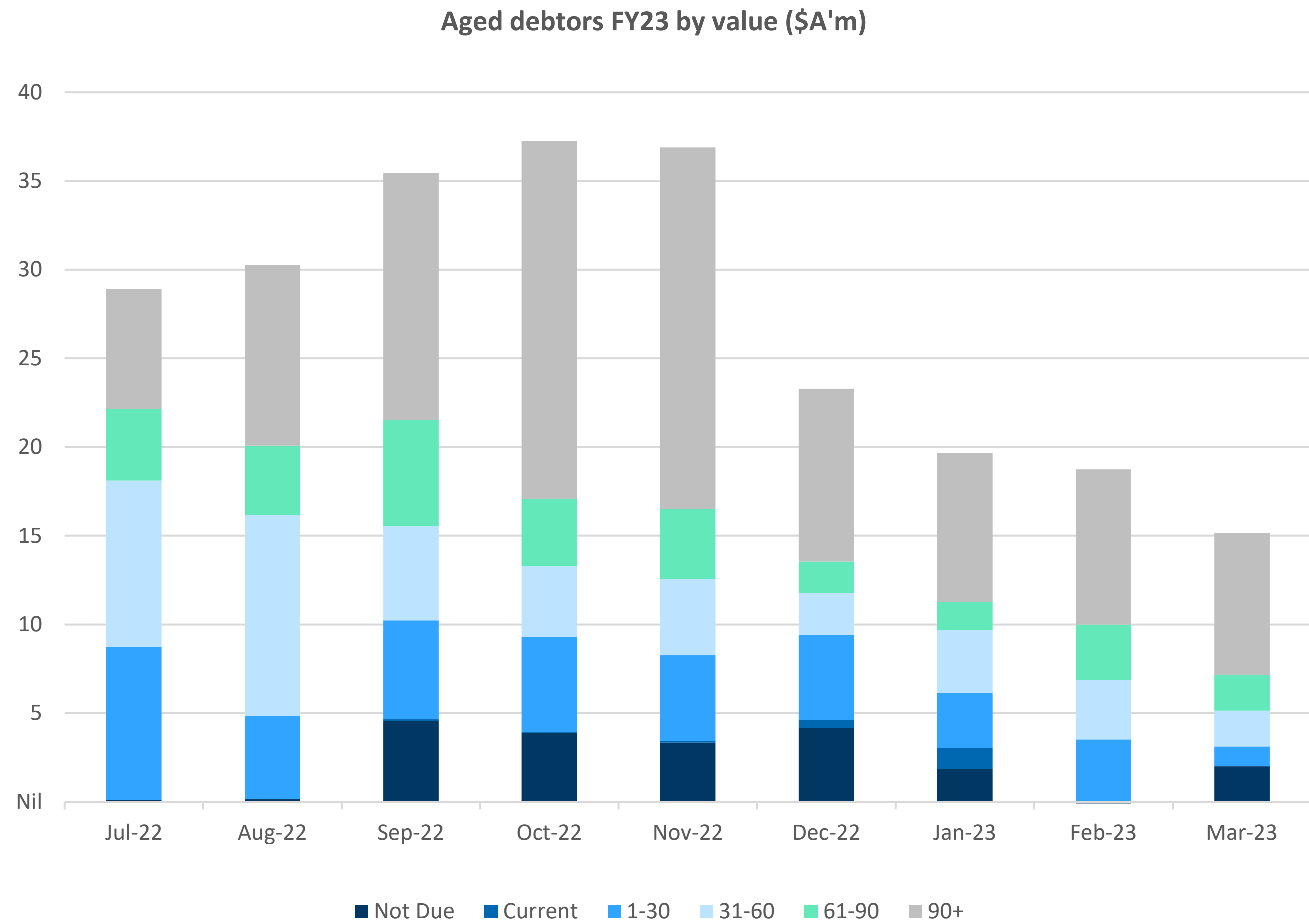
- The below graphs present the Group's aged creditor profile by value, and creditor ageing by percent respectively.
- Our observations are as follows:
  - The Group's aged creditor balance moved from 34% being greater than 30 days past due in September 2022 to 84% in October 2022 and remained between circa 80%-90% up to our appointment as Voluntary Administrators.
  - Around June 2022 the Group initiated a capital raise for $23.2m. Of this, $10m was used to pay down secured debt owed to the CBA with the remainder used for balance sheet improvements, including reduction of trade creditor debt.
  - Although the funding procured through the capital raise contributed to a significant reduction in trade creditor debt, due to the ongoing loss-making operations of the business, the trade creditor profile continued to exhibit signs of ageing; this continued from October 2022 and began to significantly deteriorate from January 2023.
  - In December 2022 the CBA extended a further $10m facility to the Group to be used for critical trade supplier payments which is seen to reduce the aged creditor balance in this period.
  - From October 2022, we observed more than 50% of the Group's creditors were aged 60 days or more.





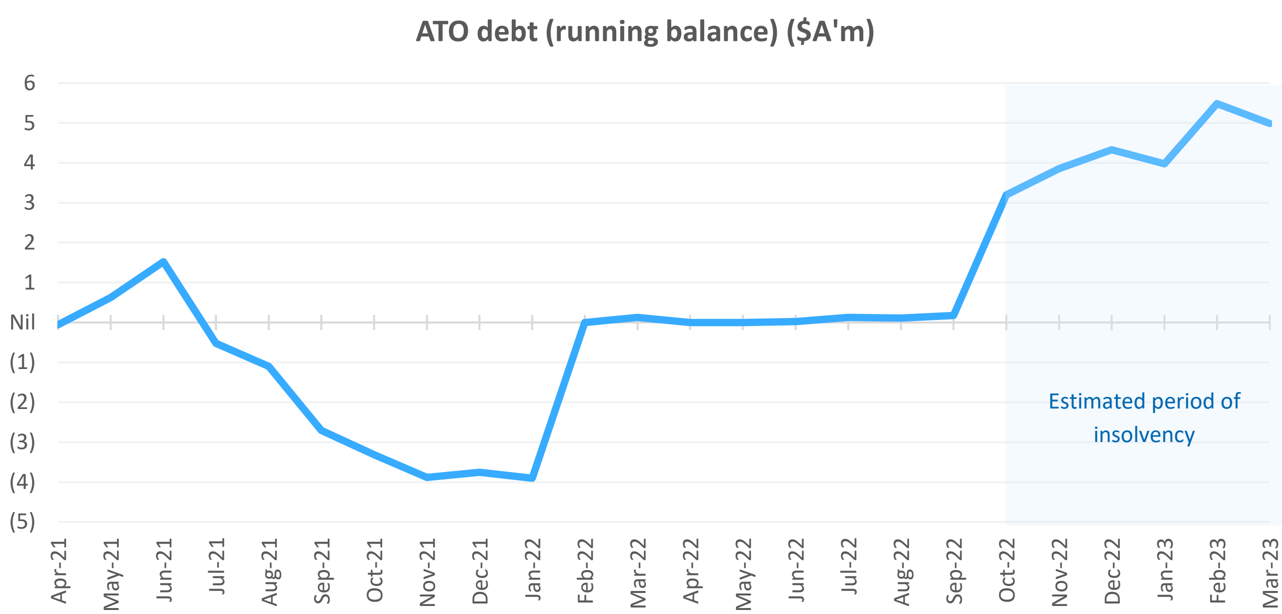

## 11.3.9. Solvency analysis – aged debtors

- The below figure present the Group's aged debtor profile by value and debtor ageing.
- Our observations are as follows:
  - Management have attributed a portion of the ageing debtor balance to delays in processing trade spend accruals, caused by issues with the implementation of a trade spend management tool in the latter half of FY22. Further to this, certain debts were in dispute, particularly those with major retailers, which total c. $2.5m.
  - From July 2022, BWX carried a c. $600k provision for doubtful debts on its balance sheet, this provision increased to $3.1m in December 2022 due to the discovery of an undocumented trade spend rebate for a major customer.
  - Total debtors decreased significantly overtime as a result of business unit divestments and the difficulties with selling inventory / market conditions.




### 11.3.10. Solvency analysis – statutory debts: ATO

The running balance debt position of BWX Australia Pty Ltd, BWX Limited and The Good Collective Pty Ltd with the ATO collectively is shown below (month end figures graphed):



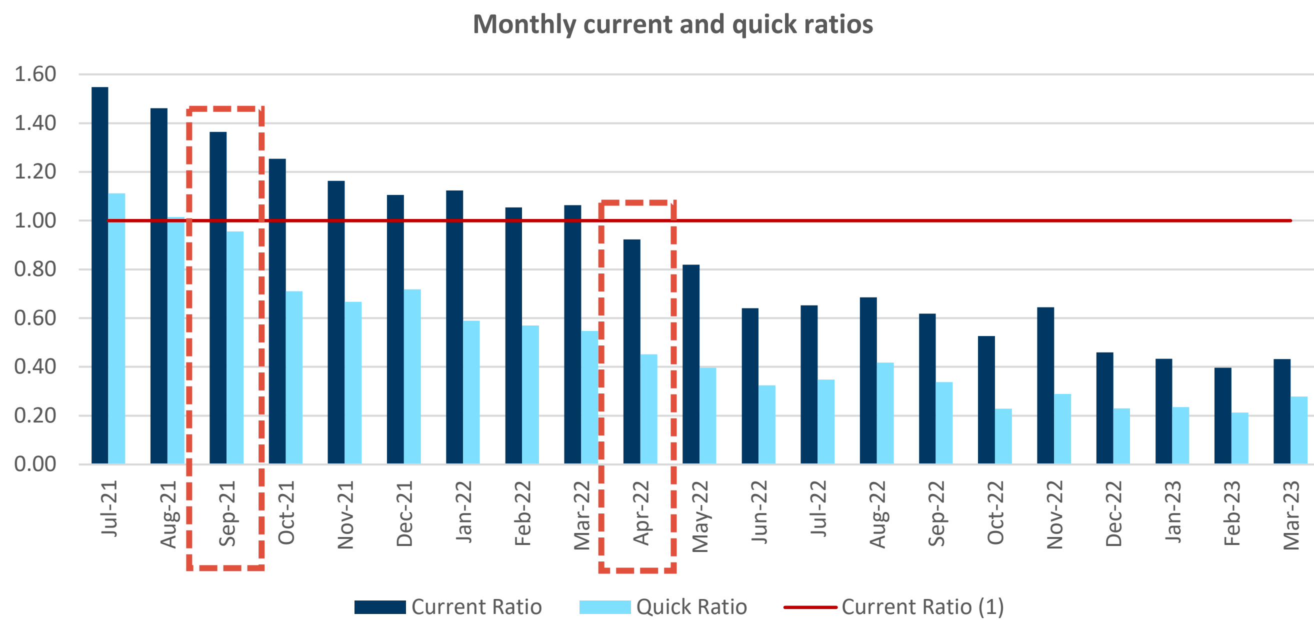
- Prior to our appointment as Voluntary Administrators, the combined ATO running balance account of the abovementioned entities increased significantly from c. $170k at the end of September 2022 to c. $5m by the end of March 2023. This significant increase predominantly relates to PAYG withholding liability for BWX Australia Pty Ltd.
- We understand on or around 6 March 2023, the Group issued correspondence to the ATO regarding a proposed payment plan for the Group. We are not aware of any response from the ATO in relation to the proposed payment plan prior to our appointment.
- We note through the period observed, the Group appears to have largely complied with its tax reporting obligations, however we note as at the time of our appointment, the following lodgement appears to be overdue and outstanding:
  - The Good Collective Pty Ltd - March 2023 business activity statement
- With respect to BWX Australia Pty Ltd we note:
  - No payments were made against the running balance account since July 2022; and
  - The running account balance was $4.96m at the end of March 2023.
- With respect to The Good Collective Pty Ltd, we note:
  - No payments were made against the running balance account between 28 February 2022 and 15 March 2023; and
  - A Director Penalty Notice was issued to its directors on 6 March 2023. A payment in the amount of $328,670.75 made on 15 March 2023 reducing the running balance to nil.
  - The running balance account was c. ($8) on 3 April 2023, differing from the c. $181k GST debt claimed by the ATO in their proof of debt form.
- With respect to BWX Limited, we note:
  - No payments were made against the running balance account since August 2022;
  - An amount of c. $246k from an income tax refund owed to the Group was offset against the running balance account in March 2023; and
  - There was no running balance account debt as at the end of March 2023.
- The lodgement of the FY22 income tax return resulted in an amount refundable by the ATO of $8.86m. In this regard, we note:
  - As mentioned above, c. $246k of this amount was offset against the ATO running balance of BWX Limited;
  - The Group received a portion of the income tax return on 14 March 2023 in the amount of $7.26m; and
  - Based on information provided by management, it is our understanding the residual amount owing (c. $1.38m) has since been received the Receivers and Managers.

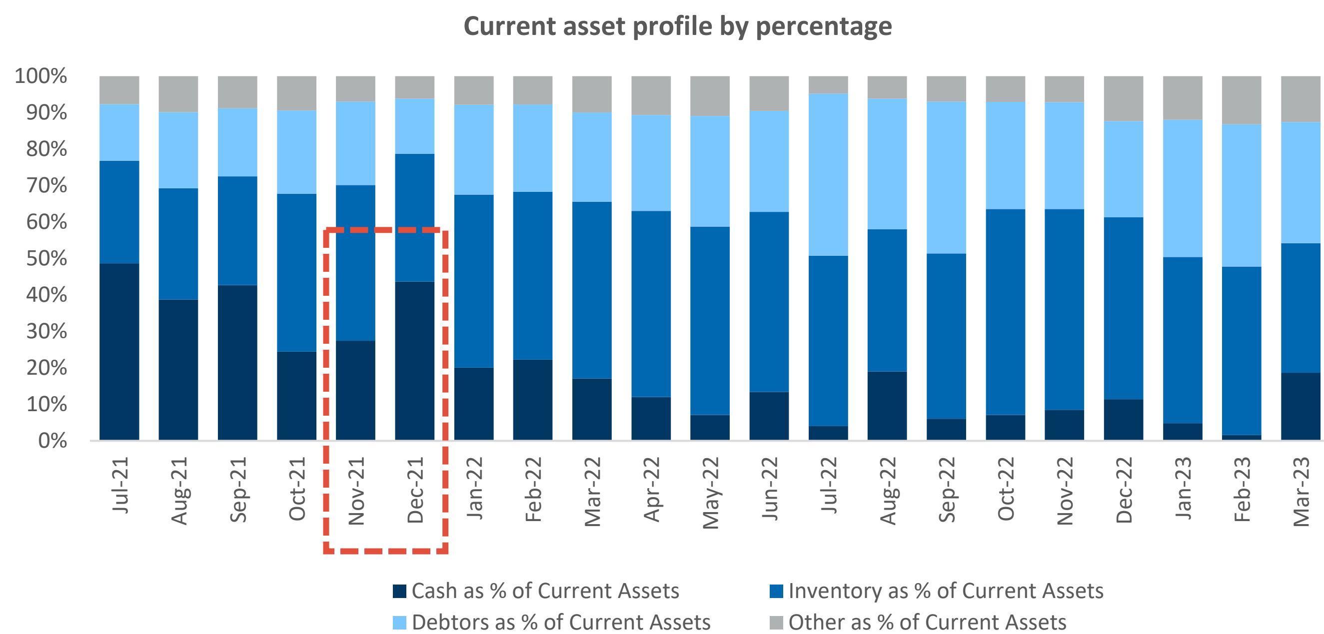
### 11.4. Solvency analysis – balance sheet test

- This test looks at whether a company can meet all current liabilities, irrespective of when they are due and payable, from current assets.
- This is determined through the analysis of a company's current and quick ratios:
  - The current ratio compares current assets to current liabilities. A ratio under one (1) is indicative of insolvency.

— The quick ratio compares current assets, less stock on hand, to current liabilities. A ratio under one (1) indicates a company may not be able to pay off its current liabilities in the short term.

- The Group's quick ratio dropped below one (1) in September 2021, followed by the current ratio in April 2022. At no point after these dates and prior to our appointment did these ratios recover to a value above one (1).



### BWX Group: Monthly balance sheet

| AUD $'m | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current assets | 69.25 | 68.33 | 53.89 | 56.18 | 73.55 | 64.45 | 48.35 | 53.26 | 31.04 | 31.11 | 30.10 | 36.57 |
| Non-current assets | 504.45 | 512.12 | 388.14 | 389.14 | 392.20 | 403.19 | 403.53 | 402.67 | 383.56 | 383.56 | 383.14 | 386.07 |
| **Total assets** | **573.69** | **580.46** | **442.03** | **445.33** | **465.75** | **467.65** | **451.88** | **455.93** | **414.61** | **414.67** | **413.24** | **422.64** |
| Current liabilities | 74.99 | 83.41 | 84.09 | 86.12 | 107.27 | 104.12 | 91.79 | 82.64 | 67.54 | 71.73 | 76.01 | 84.65 |
| Non-current liabilities | 198.14 | 197.65 | 144.85 | 133.24 | 133.64 | 134.11 | 134.41 | 143.09 | 154.88 | 152.91 | 154.14 | 154.35 |
| **Total liabilities** | **273.13** | **281.05** | **228.94** | **219.36** | **240.92** | **238.24** | **226.20** | **225.73** | **222.42** | **224.64** | **230.15** | **239.00** |
| **Net assets** | **300.57** | **299.40** | **213.09** | **225.97** | **224.84** | **229.41** | **225.67** | **230.21** | **192.18** | **190.03** | **183.09** | **183.64** |
| | | | | | | | | | | | | |
| **Current ratio** | **0.92** | **0.82** | **0.64** | **0.65** | **0.69** | **0.62** | **0.53** | **0.64** | **0.46** | **0.43** | **0.40** | **0.43** |
| **Quick ratio** | **0.45** | **0.40** | **0.32** | **0.35** | **0.42** | **0.34** | **0.23** | **0.29** | **0.23** | **0.24** | **0.21** | **0.28** |

### BWX Group: Quarterly balance sheet

| AUD $'m | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|---|---|---|---|---|---|---|---|
| Current Assets | 96.95 | 89.97 | 74.91 | 53.89 | 64.45 | 31.04 | 36.57 |
| Non-Current Assets | 454.03 | 459.20 | 457.46 | 388.14 | 403.19 | 383.56 | 386.07 |
| **Total Assets1** | **550.98** | **549.16** | **532.36** | **442.03** | **467.65** | **414.61** | **422.64** |
| Current Liabilities | 71.06 | 81.34 | 70.41 | 84.09 | 104.12 | 67.54 | 84.65 |
| Non-Current Liabilities | 158.48 | 160.09 | 158.17 | 144.85 | 134.11 | 154.88 | 154.35 |
| **Total Liabilities** | **229.55** | **241.42** | **228.59** | **228.94** | **238.24** | **222.42** | **239.00** |
| **Net Assets** | **321.43** | **307.74** | **303.78** | **213.09** | **229.41** | **192.18** | **183.64** |
| | | | | | | | |
| **Current Ratio** | **1.36** | **1.11** | **1.06** | **0.64** | **0.62** | **0.46** | **0.43** |
| **Quick Ratio** | **0.96** | **0.72** | **0.55** | **0.32** | **0.34** | **0.23** | **0.28** |

### 11.4.1. Solvency analysis – qualified audit opinion

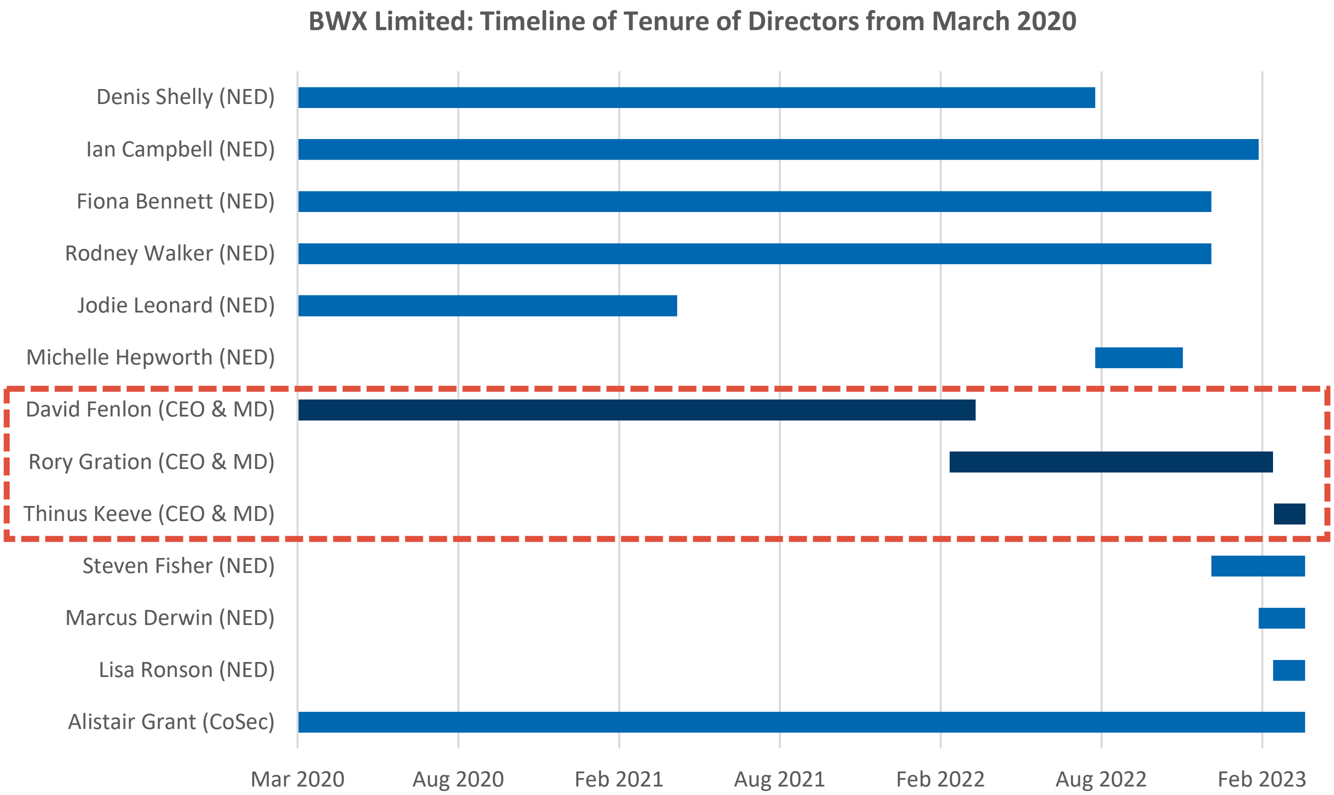
- BWX Group's full year results (annual report) for the financial year ended 30 June 2022, were released to the market on 19 December 2022.
- The annual report contained a statement from its auditor, PWC, who indicated there was a material uncertainty regarding the ability of the BWX Group to continue as a going concern.
- PWC cited the ability for the BWX Group to continue operating as a going concern was dependent on its capacity to generate sufficient funds from operating activities together with the continued support of its bankers and securing additional funding from current or other financiers.

### 11.4.2. Solvency analysis – resignation of directors or other senior management

The Group's board of directors saw a series of significant changes in the lead up to our appointment:

- Following a series of large investment buys entered into by the Group during the period June 2021 to December 2021, CEO and Managing Director David Fenlon (who we understand to have driven this) resigned in March 2022 and was replaced by Rory Gration.
- During the tenure of Rory Gration, issues with respect to the accounting treatment of the abovementioned investment buys emerged within the FY22 audit. The result of this audit, which was released to the market in December 2022, required the restatement of prior year revenue and indicated a material uncertainty of the Group continuing as a going concern. Mr Gration resigned approximately two (2) months later, before being replaced by Thinus Keeve.
- Prior to the resignation of Rory Gration, Steven Fisher and Marcus Derwin were appointed as non-executive directors, shortly followed by Lisa Ronson.

The abovementioned can be observed in the below graphic along with the tenure of other directors of the Group for the period March 2020 to our appointment as Voluntary Administrators.




## 11.5. Date of insolvency

Taking into consideration our analysis conducted above, our preliminary analysis suggests the Group may have been insolvent from at least **October 2022** up to the date of the appointment of Voluntary Administrators on 3 April 2023.

The estimated date of insolvency is supported by the following metrics and observations:

- The Group's financial ratios (quick and current ratios) dropped below one (1) in September 2021 and April 2022 respectively with neither recovering to a value above one (1) at any point before our appointment as Voluntary Administrators;
- The Group experienced trading losses from FY22 onwards;
- The Group's ageing creditor profile deteriorated significantly from October 2022 onwards;
- The Group faced cash flow and liquidity pressures from as early as mid-September 2022 and began to explore short-term funding in the form of subordinated debt arrangements with external parties. Ultimately, liquidity in the form of convertible notes or subordinated debt was not extended to the Group by any external party.
- The Group engaged with certain suppliers to implement payment plans in late September 2022 to assist and provide short term relief on cashflow constraints;
- Liquidity issues were further compounded with AMEX withdrawing their $5m facility during September 2022;
- The Group's auditor, PWC, issued a heavily modified report for FY22 audited financial statements, noting a material uncertainty with respect to the Group continuing as a going concern; and

- The Group engaged Safe Harbour advisors from October 2022, a requirement of which is to suspect a company's financial distress.

### 11.5.1. Insolvent Trading Claim

- Calculating a potential claim for insolvent trading is a complex exercise which is subject to a variety of factors including, but not limited to, determining the exact date of insolvency and debts incurred whilst the company trade insolvently which remain unpaid at the time of our appointment.
- As mentioned in **Section 6.4** of this report, we are aware the directors of the Group sought Safe Harbour protection from around October 2022.
- If the directors of the BWX Group are eligible for Safe Harbour protection from the date the Safe Harbour advisors were engaged, any potential insolvent trading claim would be eliminated.
- Further investigations to confirm this position, or otherwise, will be undertaken in a liquidation.

## 11.6. Voidable transactions

- We set out below our preliminary findings in relation to potential recoveries from voidable transactions which would be available in the liquidation of the BWX Group, including our view on the likelihood of there being substantiated and supportable claims. Where applicable we have included our estimate of possible recoveries along with any other pertinent information.
- 

### 11.6.1. Unfair preferences

- We have reviewed the payments made by the entities of the Group during the period 4 October 2022 (in line with our estimated date of insolvency) to 3 April 2023.
- We note the decision in the High Court of Australia (Bryant v Badenoch Integrated Logging Pty Ltd [2023] HCA 2) confirms the 'peak indebtedness rule' is unable to be applied when pursuing preferential payments. In short, the decision means an assessment of a creditor's debt at the start of the relation back period (usually six (6) months prior to appointment) must be compared against the creditor's debt at the time of appointment of an external administrator. If there has been a decrease of debt from the start of the relation back period, and there has been a 'continuing business relationship' during this time, then the difference may be claimed as a preference by a liquidator (subject to the various defences a creditor may invoke). If there has been an increase of debt, in the same circumstances, then typically there would not be a preference claim available.
- In the event a transaction is identified by a subsequently appointed liquidator as being an unfair preference, that liquidator will need to prove (amongst other things) that:
  - the Group was insolvent at the time the transaction was entered into or became insolvent as a result of entry into that transaction; and
  - the receipt of the payment represents a better outcome for the relevant creditor than it would receive in a liquidation of the relevant company.

- With regard to statutory bodies, our investigations to date indicate a series of potential preferential payments made to the Office of State Revenue Victoria and the Australian Taxation Office totalling $349,249.47 and $352,592.81 respectively.

| Payee | Recovery low ($) | Recovery high ($) |
|---|---|---|
| Australian Taxation Office | Nil | 352,592.81 |
| Office of State Revenue Victoria | Nil | 349,249.47 |
| **Total** | **Nil** | **701,842.28** |

- As discussed in **Section 11.3.10** of this report, the directors of The Good Collective Pty Ltd received a Director Penalty Notice on 6 March 2023. Shortly following the receipt of this notice, a payment totalling $328,670.75 was paid by the Group, subsequently satisfying the debt in full.
- The remainder of the high recovery value ($23,922.06) relates to a payment by the Group towards its GST liability, with payment made on 13 March 2023.
- The potential claim against the Office of State Revenue Victoria relate to four (4) separate payments made between October 2022 and March 2023.
- We have further identified numerous payments to trade creditors which, subject to further investigations by a liquidator, could be recovered as preference payments. This recovery of such is summarised in the below table:

| Group entity | Recovery low ($) | Recovery high ($) |
|---|---|---|
| Beautiworx Pty Ltd | 187,646 | 375,292 |
| BWX Ltd | 201,243 | 402,487 |
| BWX Brands Pty Ltd | 6,309 | 12,619 |
| Sukin Australia Pty Ltd | 8,800 | 17,599 |
| **Total** | **403,998** | **807,997** |

- Further investigations into the potential strengths of these claims will be undertaken should the Group enter into liquidation.

### 11.6.2. Uncommercial transactions

- Based on our current investigations, we have not yet identified any transactions which we believe are uncommercial and void against a liquidator for the benefit of creditors.
- Due to their materiality, our preliminary investigations have considered the business divestments which occurred during the period December 2022 to February 2023. As detailed in **Section 4.5.2** of this report, each business sale appears to have:
  - been approved by the board of BWX Limited;
  - provided commercial benefit to the Group through sale proceeds; and
  - been entered into on an arms' length basis, for fair consideration and in good faith.

### 11.6.3. Unfair loans

- At the date of this report, we have not yet identified any transactions which we believe constitute unfair loans which may be found void against a liquidator.
- Further investigation in this respect will continue in liquidation.

### 11.6.4. Offences by Directors

Directors owe the duties described below to the BWX Group:

- Section 180 – Act with care and diligence
- The Directors must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise if they:
  - were a director or officer of a corporation in the company's circumstances; and
  - occupied the office held by, and had the same responsibilities with the corporation as, the director or officer.
- Our investigations indicate David Fenlon, a former Director of BWX Limited, may be in breach of this section as a result of the Sigma channel stuffing issue, which ultimately significantly negatively impacted the Group. This is discussed in more detail in **Appendix 3, Section 11.3.3** of this report.
- Section 181 – Act in good faith
- Directors are required to act in good faith in the best interests of the Group and for a proper purpose. Acting in the best interest of the Group requires a belief, at the time a decision is made, the course of action will result in a benefit to the Group.
- Our investigations indicate David Fenlon, a former Director of BWX limited, may be in breach of this section for the same reasons as listed above.
- Section 182 – Use of position
- Directors must not improperly use their position, or information they obtain because they are a director, to gain an advantage for themselves of someone else, or cause detriment to the Group.
- Our investigations indicate David Fenlon, a former Director of BWX limited, may be in breach of this section for the same reasons as listed above.
- Section 183 – Use of information
- The Directors owe a duty to the Company to not improperly use information to gain an advantage for themselves or cause detriment to the Company.
- Based on our investigations to date we have not identified any instances which indicate a breach of this duty.
- Section 588G – Duty to prevent insolvent trading
- The Directors have a duty to prevent the BWX Group from trading while insolvent. If the relevant directors traded the Group whilst insolvent and are unable to avail themselves of the Safe Harbour provisions as defined in Section.588GA of the Act or the defences in Section 588G of the Act, they can be held liable for debts incurred by the Group while trading insolvent.
- Based on our preliminary investigations, and as detailed in **Appendix 3** and **Section 6** of this report, it appears the BWX Group may have traded whilst insolvent since October 2022.
- Further investigations in this regard will be required to determine the exact date of insolvency when the BWX Group are placed into liquidation. However, we note the Directors may avail themselves of a defence in connection to safe harbour protection from personal liability for insolvent trading.
- Our preliminary view of the ability to claim safe harbour protection is detailed in **Section 6.4** of this report.

# 12. Appendix 4 – Creditor Information Sheet

# Voluntary Administration Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

## Offences

**A summary of offences under the Corporations Act that may be identified by the administrator:**

| | |
|---|---|
| 180 | Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties. |
| 181 | Failure to act in good faith. |
| 182 | Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage. |
| 183 | Making improper use of information acquired by virtue of the officer's position. |
| 184 | Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence. |
| 198G | Performing or exercising a function or power as an officer while a company is under administration. |
| 206A | Contravening a court order against taking part in the management of a corporation. |
| 206A, B | Taking part in the management of corporation while being an insolvent, for example, while bankrupt. |
| 206A, B | Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences. |
| 209(3) | Dishonest failure to observe requirements on making loans to directors or related companies. |
| 254T | Paying dividends except out of profits. |
| 286 | Failure to keep proper accounting records. |
| 312 | Obstruction of an auditor. |
| 314-7 | Failure to comply with requirements for the preparation of financial statements. |
| 437D(5) | Unauthorised dealing with company's property during administration. |
| 438B(4) | Failure by directors to assist administrator, deliver records and provide information. |
| 438C(5) | Failure to deliver up books and records to the administrator. |
| 588G | Incurring liabilities while insolvent |
| 588GAB | Officer's duty to prevent creditor-defeating disposition |
| 588GAC | A person must not procure a company to make a creditor-defeating disposition |
| 590 | Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors. |
| 596AB | Entering into an agreement or transaction to avoid employee entitlements. |

## Recoverable Transactions

### *Preferences*

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

### *Creditor-defeating disposition*

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

### *Uncommercial Transaction*

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

### *Unreasonable payments to directors*

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### *Voidable charges*

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

## Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

**Queries about the voluntary administration should be directed to the administrator's office.**

# 13. Appendix 5 – Summary of ROCAP Part A

### 13.1.1. Summary of the ROCAP Part A and Administrators ERV as at 3 April 2023

**Summary of the ROCAP Part A and Administrators' ERV as at 3 April 2023**

| AUD $'m | Notes | Book Value as at 31 March 2023 | Directors' ERV ($) | Administrators' ERV ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash at bank | *1* | *6.82* | *8.61* | *8.61* |
| Debtors* | *2* | *12.14* | [redacted] | [redacted] |
| Prepayments* | *3* | *4.53* | [redacted] | [redacted] |
| Property, plant and equipment* | *4* | *36.23* | [redacted] | [redacted] |
| Intercompany Loans & Investments* | *5* | *296.82* | [redacted] | [redacted] |
| Other assets* | *6* | *34.67* | [redacted] | [redacted] |
| Intangibles* | *7* | *18.42* | [redacted] | [redacted] |
| Inventory* | *8* | *13.00* | [redacted] | [redacted] |
| **Total assets*** | | ***422.64*** | [redacted] | [redacted] |
| **Liabilities** | | | | |
| Employee entitlements | *9* | *1.54* | *1.43* | *1.43* |
| Secured creditors | *10* | *101.10* | *128.05* | *106.45* |
| Unsecured creditors | *11* | *38.80* | *47.33* | *35.93* |
| Finance lease liability | *12* | *35.09* | *61.18* | *35.09* |
| Related party creditors | *13* | *59.20* | *706.80* | *0.00* |
| Other liabilities | *14* | *3.27* | *0.00* | *0.00* |
| **Total liabilities** | | ***239.00*** | ***944.79*** | ***178.89*** |
| **Net assets*** | | ***183.64*** | [redacted] | [redacted] |

**We note due to ongoing trading of the business and potential restructure via a DOCA, the Directors' ERV's were withheld on the submitted ROCAP Part A's received as these were considered commercially sensitive. Accordingly, we have withheld the Administrators' ERV so as not to prejudice the outcome of this process.*

*1. Cash at bank*

The Administrators' ERV was determined using the actual cash balance pursuant to the bank statements as at the date of appointment and includes a number of clearing accounts with BNPL providers and PayPal.

*2. Debtors*

The book value is on a net debtor basis, being the $12.14m is after provisions for doubtful debts, rebates and discounts.

*3. Prepayments*

Please refer to **Appendix 2**, **section 10.5.2** of this report for details relating to prepayments.

*4. Property, plant and equipment*

The PPE is predominantly made up of the capitalised cost base of the Clayton facility (c. $32.4m) together with office equipment, IT infrastructure and low value assets.

We understand the Receivers arranged for an independent valuation on the plant and with the ERV withheld due to commercial sensitivities.

*5. Intercompany Loans and Investments*

As detailed in the Group's records, c. $103.5m of this book value is comprised of intercompany loans. As outlined in **Section 5.4.4** of this report, there is no expected recovery of any inter-company receivables as any outstanding amounts will rank as an unsecured claim in the liquidation of the relevant entity.

The remaining book value of c. $193.2m predominantly relates to investments by the Group, including Flora and Fauna, Go-To and the BWX USA Brand.

*6. Other assets*

Predominantly comprised of a right-of-use asset relating to the lease of the Clayton facility and recognised as such pursuant to AASB16, where businesses are required to recognise leases on their balance sheet as a right-of-use asset with a corresponding liability. The right-of-use asset represents the right to use the underlying asset for the lease term, with the finance lease representing the obligations to make the lease payments.

*7. Intangibles*

The intangibles comprise predominantly of the formulations and processes the Group have developed alongside its in-house ERP system. Other intangibles have been progressively amortised. Any realisable value for these intangible assets is entirely dependent on a potential willing buyer.

*8. Inventory*

This amount is comprised of raw materials, WIP and finished goods and includes a significant provision. Any inventory held as at the date of appointment will generally be utilised in the normal course of business since the appointment of Receivers. Additionally, suppliers may hold registered PMSI security interest registrations over a portion of the Group's stock on hand at appointment, which may require any unpaid inventory to be paid for upon its use and subsequent sale by the Receivers, ultimately reducing the realisable value of the stock on hand.

*9. Employee entitlements*

At the date of our appointment there were 168 employees. The ROCAP amount also included an amount of accrued wages. We understand all outstanding pre-appointment wages and superannuation were paid by the Receivers in the ordinary course of business. Additionally, as noted earlier in this report, we have been advised by the Receivers all known priority claims have since been paid in full.

*10. Secured creditors*

Upon appointment, the Administrators conducted a search of the PPSR and issued correspondence to all parties on the PPSR register. A summary of the PPSR security interest can be found in **Appendix 2**.

11. *Unsecured creditors*

The Administrators' ERV is based upon the Group's books and records and Proof of Debt Forms received from unsecured creditors to date. We note these amounts have not been adjudicated and are subject to change.

12. *Finance lease liability*

The finance lease represents the obligations to make payments for the Group's lease of its Clayton facility and the quantum of the corresponding obligation is recognised as an asset under the "Other assets" line item. For further details, please refer to **note 6** above.

13. *Related party creditors*

The book value of $59.2m relates to the carrying value of a Put Option liability for Go-To, which is essentially an obligation for the Group to purchase a certain number of shares on Go-To at an agreed price in the future. The Director's ERV includes intercompany creditors totalling $706.8m. Further commentary on the intercompany loans and creditor position can be found in **Section 5.4.4** of this report.

14. *Other liabilities*

The book value relates to deferred tax assets and liabilities as well as a provision for income tax. These liabilities will form part of any claim by the ATO as an unsecured claim in the liquidation of the Group.

# 14. Appendix 6 – Remuneration Approval Report

2 May 2024

# Remuneration Approval Report

BWX Limited Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 163 488 631

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of BWX Limited Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 163 488 631 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type/Period | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 371,098.50 |
| Voluntary Administration | **Resolution 2:** 29 April 2024 to the finalisation of the Voluntary Administration (inclusive) | 78,431.00 |
| Liquidation | **Resolution 3**: 11 May 2024 to finalisation of the Liquidation | 120,000.00 |
| **Total** | | **569,529.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 371,098.50 | As per the attached hourly rates in **Schedule E** and **F** | When funds are available |
| Future work | 29 April 2024 to the finalisation of the Voluntary Administration (inclusive) | $78,431.00 | As per the attached hourly rates in **Schedule F** | When funds are available |
| **Voluntary Administration Total** | | **$449,229.50** | | |
| Future work | Commencement of the Liquidation to finalisation of the liquidation | 120,000.00 | As per the attached hourly rates in **Schedule F** | When funds are available |
| **Liquidation Total** | | **120,000.00** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| Period | 3 April 2023 to 28 April 2024 | 29 April 2024 to the finalisation of the Voluntary Administration | Commencement of the Liquidation to Finalisation of the Liquidation |
| **Amount $ (excl GST)** | **$371,098.50** | **$78,431.00** | **$120,000** |
| **Assets** | **1.6 hours**<br>**$729.50** | **$0.00** | **$0.00** |
| Sale of business as a going concern | ■ Created interested party register | *Intentionally left blank* | *Intentionally left blank* |
| Plant & equipment | ■ Review asset listings | *Intentionally left blank* | *Intentionally left blank* |
| | | | |
| **Creditors** | **441 hours**<br>**$214,796** | **$58,000** | **$40,000** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors | ■ Receive and respond to creditor enquiries<br>■ Maintain creditor request log<br>■ Preparation of further correspondence to creditors<br>■ Responding to queries via email and telephone<br>■ Attending to enquiries relating to second creditors meeting | ■ Review and prepare initial correspondence to creditors and their representatives<br>■ Distribute correspondence via email and mail<br>■ Receive and respond to creditor queries via email and telephone<br>■ Maintain a creditor call register<br>■ Review and prepare further correspondence to creditors and their representatives<br>■ Consider the reasonableness of creditor requests |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| | ■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors | | ■ Compile any information requests made by creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim | *Intentionally left blank* | *Intentionally left blank* |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns | ■ Responding and liaising with secured creditor as required | ■ Prepare reports and update to secured creditor as required |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period | ■ Preparing Voluntary Administrator's report, investigation, meeting and general reports to creditors<br>■ Provide detailed information to all creditors on the second meeting process via virtual facilities<br>■ Distribution of correspondence via email and mail | ■ Prepare, review, finalise and distribute the statutory report to creditors<br>■ Prepare accompanying remuneration report<br>■ Hold internal discussions regarding the compilation of the statutory report to creditors |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend | ■ Receipting and filing POD when not related to a dividend | ■ Receipt and file any incoming PODs |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| | ■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD | ■ | ■ Enter any POD data into Insol6 and track the position of creditor claims |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting | ■ Preparation of meeting notices, proxies and advertisements<br>■ Forward notice of meeting to all known creditors<br>■ 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.<br>■ Preparation and lodgement of minutes of meetings with ASIC<br>■ Responding to stakeholder queries and questions immediately following meeting<br>■ Establish the virtual meeting facility and tailor the parameters of same to mitigate meeting issues<br>■ Facilitate meeting registrations and deal with issues regarding same<br>■ Respond to queries received prior to the second meeting of creditors<br>■ Hold second meeting of creditors<br>■ Prepare for and facilitate creditor voting via a poll if required<br>■ Finalise and lodge meeting minutes with ASIC<br>■ Circulate meeting minutes to creditors if requested<br>■ Respond to stakeholder queries and questions following the meeting | ■ Hold meeting of creditors if required or directed to do so<br>■ Forward notice of meeting to all known creditors<br>■ Preparation of meeting notices, proxies and advertisements<br>■ Preparation and lodgement of minutes of meeting with ASIC<br>■ Responding to stakeholder queries and questions immediately following the meeting<br>■ Establish virtual meeting facility and tailor the parameters of same to mitigate meeting issues<br>■ |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| Shareholder enquiries | ■ Initial day one letters<br>■ ITAA Section 104-145(1) declarations<br>■ Responding to any shareholder legal action | ■ Preparation of ASX announcement for second meeting of creditors | *Intentionally left blank* |
| | | | |
| **Trade On** | **2.6 hours**<br>**$1,220** | **$0.00** | **$0.00** |
| Trade on management | ■ Communicated with suppliers regarding the transfer of control of the business | *Intentionally left blank* | *Intentionally left blank* |
| **Investigations** | **134.40 hours**<br>**$59,982** | **$5,000** | **$35,000** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure | ■ Finalise preliminary investigations for the purpose of issuing the second report to creditors<br>■ Lodgement of investigation with the ASIC | ■ Further preparation of the investigation file<br>■ Conduct further investigations into the BWX Group's date of insolvency<br>■ Conduct investigations into potential claims available to the Liquidators and determine the commerciality of pursuing such claims<br>■ If deemed commercial, pursue potential claims<br>■ Investigate the capacity of the Directors to pay any insolvent trading claim<br>■ Review available books and records and other information concerning the aforementioned |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| | ■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required | | ■ Provide an update on the investigations conducted by the Liquidators in the statutory report to creditors |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC | ■ Lodgement of ASIC Form 530 concerning second meeting of creditors<br>■ Liaising with ASIC | ■ Prepare statutory investigations reports<br>■ Liaising with ASIC in this regard |
| **Administration** | **166.3 hours**<br>**$94,371** | **$15,431** | **$30,000** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter | ■ General correspondence with various parties regarding general matters<br>■ Respond to queries from various creditors<br>■ Hold phone calls with various creditors | ■ General correspondence with various parties regarding general matters<br>■ Respond to queries from various creditors<br>■ Hold phone calls with various creditors |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team | ■ File documents electronically<br>■ Conduct file reviews<br>■ Updating checklists appropriately<br>■ Holding internal meetings with engagement team | ■ File documents electronically<br>■ Conduct file reviews<br>■ Updating checklists appropriately<br>■ Holding internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers | ■ Conduct bank account reconciliations | ■ Enter receipts and payments into accounting system<br>■ Conduct bank account reconciliations |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms | ■ Prepare and lodge required ASIC forms<br>■ Correspond with ASIC regarding statutory forms if required | ■ Prepare and lodgement required ASIC forms<br>■ Correspond with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notification of appointment<br>■ Prepared and lodged BAS | ■ Prepare, review and lodge BAS | ■ Prepare, review and lodge BAS |
| Finalisation | *Intentionally left blank* | *Intentionally left blank* | ■ Notify ATO of finalisation<br>■ Cancel ABN / GST registration<br>■ Complete checklists<br>■ Finalise WIP<br>■ Draw any undrawn fees approved by creditors |
| Planning / Review | ■ Held discussions regarding status of administration | ■ Hold discussions regarding status of the administration | ■ Hold discussions regarding the status of the liquidation |

| Task area/General description | Work already done | Future work to meeting date | Liquidation Work |
|---|---|---|---|
| Books and records / storage | ■ Dealt with electronic storage | ■ Deal with electronic storage | ■ Deal with electronic storage |
| **Dividend** | **0.00 hours**<br>**$0.00** | **$0.00** | **$15,000** |
| Processing proofs of debt | *Intentionally left blank* | *Intentionally left blank* | ■ Prepare correspondence to potential creditors inviting lodgement of PODs<br>■ Maintain POD register<br>■ Adjudicate on PODs<br>■ Request further information from claimants<br>■ Prepare correspondence to claimant advising outcome of adjudication |
| Dividend Procedures | *Intentionally left blank* | *Intentionally left blank* | ■ Prepare correspondence to creditors calling for PODs<br>■ Preparation of dividend calculation<br>■ Prepare and update checklist<br>■ Preparation of distribution<br>■ Preparation of dividend file<br>■ Preparation of payment vouchers to pay dividend<br>■ Preparation of correspondence to creditors enclosing payment of dividend |

## Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area: Assets | | Creditors | | Trade on | | Investigations | | Administration | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kathryn Warwick | Senior Managing Director | 820 | 10.70 | 8,774.00 | - | - | 1.6 | 1,312.00 | - | - | - | - | 9.1 | 7,462.00 |
| Kathryn Warwick | Senior Managing Director | 740 | 48.50 | 35,890.00 | - | - | 8.8 | 6,512.00 | - | - | 0.2 | 148.00 | 39.5 | 29,230.00 |
| Kelly Trenfield | Senior Managing Director | 820 | 15.00 | 12,300.00 | - | - | 9.9 | 8,118.00 | - | - | 3.5 | 2,870.00 | 1.6 | 1,312.00 |
| Kelly Trenfield | Senior Managing Director | 740 | 10.00 | 7,400.00 | 0.1 | 74.00 | 1.8 | 1,332.00 | - | - | 5.2 | 3,848.00 | 2.9 | 2,146.00 |
| Joseph Hansell | Senior Managing Director | 820 | 1.10 | 902.00 | - | - | - | - | - | - | - | - | 1.1 | 902.00 |
| Joseph Hansell | Senior Managing Director | 740 | 5.60 | 4,144.00 | 0.1 | 74.00 | - | - | - | - | - | - | 5.5 | 4,070.00 |
| Michael McCreadie | Senior Managing Director | 740 | 12.20 | 9,028.00 | - | - | - | - | - | - | - | - | 12.2 | 9,028.00 |
| Renee Wilkes | Managing Director | 680 | 0.80 | 544.00 | - | - | - | - | - | - | 0.5 | 340.00 | 0.3 | 204.00 |
| Neil Dempster | Senior Director | 635 | 15.40 | 9,779.00 | - | - | 15.4 | 9,779.00 | - | - | - | - | - | - |
| Neil Dempster | Senior Director | 620 | 50.90 | 31,558.00 | - | - | 40.7 | 25,234.00 | - | - | 10.2 | 6,324.00 | - | - |
| Jeremy Dalais | Senior Director | 635 | 28.40 | 18,034.00 | - | - | 26.1 | 16,573.50 | - | - | 2.3 | 1,460.50 | - | - |
| Jeremy Dalais | Director | 575 | 97.60 | 56,120.00 | - | - | 77.6 | 44,620.00 | - | - | 20.0 | 11,500.00 | - | - |
| Catherine Jaques | Director | 575 | 22.10 | 12,707.50 | - | - | 10.1 | 5,807.50 | - | - | - | - | 12.0 | 6,900.00 |
| Catherine Jaques | Director | 550 | 44.20 | 24,310.00 | 0.1 | 55.00 | 23.5 | 12,925.00 | 0.5 | 275.00 | 2.7 | 1,485.00 | 17.4 | 9,570.00 |
| Mei Xuan Lai | Senior Consultant II | 500 | 17.70 | 8,850.00 | - | - | 11.2 | 5,600.00 | - | - | - | - | 6.5 | 3,250.00 |
| Matthew Timmons | Senior Consultant I | 450 | 10.00 | 4,500.00 | - | - | 7.9 | 3,555.00 | 2.1 | 945.00 | - | - | - | - |
| Tobias Robinson | Consultant | 410 | 14.90 | 6,109.00 | - | - | 14.9 | 6,109.00 | - | - | - | - | - | - |
| Tobias Robinson | Associate | 355 | 57.00 | 20,235.00 | - | - | 55.0 | 19,525.00 | - | - | 2.0 | 710.00 | - | - |
| Matthew van der Vlugt | Consultant | 410 | 0.30 | 123.00 | - | - | 0.3 | 123.00 | - | - | - | - | - | - |

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Assets | | Creditors | | Trade on | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Matthew van der Vlugt | Associate | 355 | 68.20 | 24,211.00 | - | - | 29.1 | 10,330.50 | - | - | 39.1 | 13,880.50 | - | - |
| Anmol Arora | Consultant | 410 | 7.30 | 2,993.00 | - | - | 5.7 | 2,337.00 | - | - | - | - | 1.6 | 656.00 |
| Anmol Arora | Associate | 355 | 20.50 | 7,277.50 | - | - | 18.0 | 6,390.00 | - | - | 0.4 | 142.00 | 2.1 | 745.50 |
| Anmol Arora | Associate II | 350 | 56.00 | 19,600.00 | - | - | 28.6 | 10,010.00 | - | - | 0.8 | 280.00 | 26.6 | 9,310.00 |
| Samuel Dennis | Consultant | 410 | 31.50 | 12,915.00 | - | - | 9.5 | 3,895.00 | - | - | 22.0 | 9,020.00 | - | - |
| Shingo Shunji Wong | Consultant | 410 | 1.00 | 410.00 | - | - | 1.0 | 410.00 | - | - | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 11.40 | 4,617.00 | 1.3 | 526.50 | 2.4 | 972.00 | - | - | - | - | 7.7 | 3,118.50 |
| Sam Rayner | Consultant I | 375 | 1.90 | 712.50 | - | - | - | - | - | - | - | - | 1.9 | 712.50 |
| Anisa Jaffar | Associate | 355 | 4.40 | 1,562.00 | - | - | 4.4 | 1,562.00 | - | - | - | - | - | - |
| Anisa Jaffar | Associate I | 315 | 68.00 | 21,420.00 | - | - | 34.8 | 10,962.00 | - | - | 24.6 | 7,749.00 | 8.6 | 2,709.00 |
| Rajdeep Singh | Associate | 355 | 1.00 | 355.00 | - | - | 1.0 | 355.00 | - | - | - | - | - | - |
| Isabella Jansen | Associate II | 350 | 1.80 | 630.00 | - | - | - | - | - | - | - | - | 1.8 | 630.00 |
| Various | Treasury | 330 | 1.70 | 561.00 | - | - | - | - | - | - | - | - | 1.7 | 561.00 |
| Various | Treasury | 300 | 6.00 | 1,800.00 | - | - | - | - | - | - | - | - | 6.0 | 1,800.00 |
| Ashleigh Ubank | Administration II | 295 | 0.60 | 177.00 | - | - | 0.5 | 147.50 | - | - | - | - | 0.1 | 29.50 |
| Joanne Davis | Administration II | 250 | 0.10 | 25.00 | - | - | - | - | - | - | - | - | 0.1 | 25.00 |
| Mya Ward | Junior Associate | 250 | 2.10 | 525.00 | - | - | 1.2 | 300.00 | - | - | 0.9 | 225.00 | - | - |
| **Total (ex GST)** | | | **745.9** | **$371,098.50** | **1.6** | **$729.50** | **441.0** | **$214,796.00** | **2.6** | **$1,220.00** | **134.4** | **$59,982.00** | **166.3** | **$94,371.00** |
| **GST** | | | | **$37,109.85** | | | | | | | | | | |
| **Total (Incl GST)** | | | | **$408,208.35** | | | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$497.52** | | **$455.94** | | **$487.07** | | **$469.23** | | **$446.29** | | **$567.47** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of BWX Limited Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 488 631 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $371,098.50 (excl. of GST) to be drawn from available funds immediately or as funds become available."*

## Resolution 2 – Voluntary Administrators' remuneration for the period 29 April 2024 to 10 May 2024 (inclusive)

*"The future remuneration of the Voluntary Administrators of BWX Limited Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 488 631* and their staff *for the period from 29 April 2024 to the finalisation of the Voluntary Administration (inclusive), is determined at a sum equal to the cost of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 October 2023, is approved for payment in the amount of $78,431 (excl. of GST) to be drawn from available funds immediately or as funds become available."*

## Resolution 3 – Liquidators' Remuneration

*"The future remuneration of the Liquidators' of BWX Limited Pty Ltd (In Liquidation) (Receivers and Managers Appointed) ACN 163 488 631 and their staff for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 October 2023, is approved for payment up to a capped amount of $120,000 (excl. of GST) to be drawn from available funds immediately or as funds become available."*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Staff Meals | At cost | 20.36 |
| Travel Costs | At cost | 11.81 |
| Search Fees | At cost | 36.93 |
| Postage | At cost | 162.96 |
| **Total** | | **232.06** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

Beautiworx Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 163 847 916

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Beautiworx Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 163 847 916 the Company.

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 67,300 |
| **Total** | | **67,300** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 67,300 | As per the attached hourly rates in **Schedule E** and **F** | When funds are available |
| **Voluntary Administration Total** | | **67,300** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are included in the attached Summary of Receipts and Payments and Disbursements at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

A summary of the receipts and payments for the Voluntary Administration as at 28 April 2024 is **enclosed** at **Schedule D** of this report.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Summary of receipts and payments and disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$67,300** |
| **Creditors** | **121.4 hours**<br>**$51,855** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor’s queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023 |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Trade On** | **3.0 hours**<br>**$1,362** |
| Trade on management | ■ Communicated with suppliers regarding the transfer of control of the business |
| | |
| **Investigations** | **1.0 hours**<br>**$617** |
| Conducting investigation | ■ Collected and reviewed the BWX Group’s books and records<br>■ Reviewed the BWX Group’s history<br>■ Prepared request for information to obtain additional books and records |

| Task area/General description | Work already done |
|---|---|
| | ■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |

| | |
|---|---|
| **Administration** | **31.1 hours**<br>**$13,466** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Trade on | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Joseph Hansell | Senior Managing Director | 820 | 0.30 | 246.00 | - | - | - | - | - | - | 0.3 | 246.00 |
| Joseph Hansell | Senior Managing Director | 740 | 2.60 | 1,924.00 | 0.2 | 148.00 | - | - | - | - | 2.4 | 1,776.00 |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.40 | 296.00 | - | - | - | - | - | - | 0.4 | 296.00 |
| Renee Wilkes | Managing Director | 680 | 0.50 | 340.00 | - | - | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 1.20 | 744.00 | 0.8 | 496.00 | - | - | 0.4 | 248.00 | - | - |
| Catherine Jaques | Director | 575 | 0.30 | 172.50 | - | - | - | - | - | - | 0.3 | 172.50 |
| Catherine Jaques | Director | 550 | 33.70 | 18,535.00 | 25.9 | 14,245.00 | 0.5 | 275.00 | 0.3 | 165.00 | 7.0 | 3,850.00 |
| Mei Xuan Lai | Senior Consultant II | 500 | 11.70 | 5,850.00 | 8.9 | 4,450.00 | - | - | - | - | 2.8 | 1,400.00 |
| Matthew Timmons | Senior Consultant I | 450 | 9.80 | 4,410.00 | 7.7 | 3,465.00 | 2.1 | 945.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 30.30 | 12,271.50 | 31.9 | 12,919.50 | - | - | - | - | (1.6) | (648.00) |
| Sam Rayner | Consultant I | 375 | 0.50 | 187.50 | 0.5 | 187.50 | - | - | - | - | - | - |
| Anmol Arora | Associate | 355 | 3.50 | 1,242.50 | 3.0 | 1,065.00 | 0.4 | 142.00 | - | - | 0.1 | 35.50 |
| Anmol Arora | Associate II | 350 | 48.20 | 16,870.00 | 41.7 | 14,595.00 | - | - | - | - | 6.5 | 2,275.00 |
| Rajdeep Singh | Associate | 355 | 0.80 | 284.00 | 0.8 | 284.00 | - | - | - | - | - | - |
| Various | Treasury | 330 | 3.90 | 1,287.00 | - | - | - | - | - | - | 3.9 | 1,287.00 |
| Various | Treasury | 300 | 8.80 | 2,640.00 | - | - | - | - | - | - | 8.8 | 2,640.00 |
| **Total (ex GST)** | | | **156.5** | **$67,300.00** | **121.4** | **$51,855.00** | **3.0** | **$1,362.00** | **1.0** | **$617.00** | **31.1** | **$13,466.00** |
| **GST** | | | | **$6,730.00** | | | | | | | | |
| **Total (Incl GST)** | | | | **$74,030.00** | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$430.03** | | **$427.14** | | **$454.00** | | **$617.00** | | **$432.99** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of Beautiworx Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 847 916 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $67,300 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – Summary of receipts and payments and disbursements

## Receipts and payments

Please see below a summary of receipts and payments received into the CBA overdraft facility.

| Receipts | Amount ($) |
|---|---|
| Total Receipts | Nil |
| | |
| Payments | |
| Bank Charges | 11,558.05 |
| Counsel's Fees | 18,986.00 |
| Legal Disbursements | 4,026.75 |
| Legal Fees | 182,628.60 |
| Total Payments | 217,199.40 |
| | |
| **Net Receipts** | **(217,199.40)** |

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Search Fees | At cost | 1,233.70 |
| Travel Costs | At cost | 29.54 |
| Postage | At cost | 11.01 |
| **Total** | | **1,274.25** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

LHS No. 2 Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 165 455 201

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of LHS No. 2 Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 165 455 201 (the Company).

We are asking creditors to approve the following remuneration and disbursements:

| Appointment type/Period | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1**: 3 April 2023 to 28 April 2024 (inclusive) | 9,430 |
| **Total** | | **9,430** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of *$*475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 | 9,430 | As per the attached hourly rates in **Schedule E** & **F** | when funds are available |
| **Voluntary Administration Total** | | **9,430** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$9,430** |
| **Assets** | **0.2 hours**<br>**$110** |
| Bank accounts | Liaise with secured creditor regarding bank account query and status of account sweep |
| **Creditors** | **3.6 hours**<br>**$1,793** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor’s queries |

| Task area/General description | Work already done |
|---|---|
| | ■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| **Investigations** | **1.3 hours**<br>**$813** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |

| | |
| --- | --- |
| **Administration** | **15 hours**<br>**$6,714** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |

| Task area/General description | Work already done |
|---|---|
| Funds handling | ■ Preparing correspondence opening and closing accounts<br>■ Entering receipts and payments into accounting system<br>■ Requesting bank statements<br>■ Bank account reconciliations<br>■ Correspondence with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Preparing and lodging ASIC forms including 505, 531, 507 and 5011.<br>■ Correspondence with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

## Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area: Assets Hrs | Assets $ | Creditors Hrs | Creditors $ | Investigations Hrs | Investigations $ | Administration Hrs | Administration $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.40 | 296.00 | - | - | 0.1 | 74.00 | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 2.10 | 1,554.00 | - | - | - | - | - | - | 2.1 | 1,554.00 |
| Renee Wilkes | Managing Director | 680 | 1.00 | 680.00 | - | - | - | - | 0.7 | 476.00 | 0.3 | 204.00 |
| Neil Dempster | Senior Director | 620 | 0.30 | 186.00 | - | - | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 3.40 | 1,870.00 | 0.2 | 110.00 | 1.1 | 605.00 | 0.5 | 275.00 | 1.6 | 880.00 |
| Catherine Jaques | Director | 575 | 0.20 | 115.00 | - | - | - | - | - | - | 0.2 | 115.00 |
| Matthew Timmons | Senior Consultant I | 450 | 3.20 | 1,440.00 | - | - | 2.2 | 990.00 | - | - | 1.0 | 450.00 |
| Sandesh Pereira | Consultant II | 405 | 1.30 | 526.50 | - | - | - | - | - | - | 1.3 | 526.50 |
| Anmol Arora | Associate | 355 | 0.90 | 319.50 | - | - | - | - | - | - | 0.9 | 319.50 |
| Anmol Arora | Associate II | 350 | 4.10 | 1,435.00 | - | - | - | - | - | - | 4.1 | 1,435.00 |
| Various | Treasury | 330 | 1.60 | 528.00 | - | - | - | - | - | - | 1.6 | 528.00 |
| Various | Treasury | 300 | 1.60 | 480.00 | - | - | - | - | - | - | 1.6 | 480.00 |
| **Total (ex GST)** | | | **20.1** | **$ 9,430.00** | **0.2** | **$ 110.00** | **3.6** | **$ 1,793.00** | **1.3** | **$ 813.00** | **15.0** | **$ 6,714.00** |
| **GST** | | | | **$ 943.00** | | | | | | | | |
| **Total (Incl GST)** | | | | **$ 10,373.00** | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$ 469.15** | | **$ 550.00** | | **$ 498.06** | | **$ 625.38** | | **$ 447.60** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators’ remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*“The remuneration of the Voluntary Administrators of LHS No. 2 Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 165 455 201 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $9,430 (excl. of GST), to be drawn from available funds immediately or as funds become available.”*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Postage | At cost | 7.14 |
| **Total** | | **7.14** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

Sapu Corporation Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
163 273 514

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Sapu Corporation Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 163 273 514 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 8,876.50 |
| **Total** | | **8,876.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Joseph Hansell, Kelly-Anne Trenfield and Kathryn Warwick, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary 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 this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April to 28 April 2024 (inclusive) | 8,876.50 | As per the attached hourly rates in **Schedule E** and **F** | When funds are available |
| **Voluntary Administration Total** | | **8,876.50** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or by email at BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
| --- | --- |
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$8,876.50** |
| **Creditors** | **3.4 hours**<br>**$1,730** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023 |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Trade On** | **1.0 hours**<br>**$450** |
| Trade on management | ■ Communicated with suppliers regarding the transfer of control of the business |
| | |
| **Investigations** | **0.9 hours**<br>**$541** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records |

| Task area/General description | Work already done |
|---|---|
| | ■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |

| | |
|---|---|
| **Administration** | **13.5 hours**<br>**$6,155.50** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts |

| Task area/General description | Work already done |
|---|---|
| | ■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Trade on | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.50 | 370.00 | 0.1 | 74.00 | - | - | - | - | 0.4 | 296.00 |
| Joseph Hansell | Senior Managing Director | 740 | 2.50 | 1,850.00 | - | - | - | - | - | - | 2.5 | 1,850.00 |
| Renee Wilkes | Managing Director | 680 | 0.50 | 340.00 | - | - | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 0.50 | 310.00 | 0.3 | 186.00 | - | - | 0.1 | 62.00 | 0.1 | 62.00 |
| Catherine Jaques | Director | 575 | 0.30 | 172.50 | - | - | - | - | - | - | 0.3 | 172.50 |
| Catherine Jaques | Director | 550 | 2.60 | 1,430.00 | 1.2 | 660.00 | - | - | 0.5 | 275.00 | 0.9 | 495.00 |
| Matthew Timmons | Senior Consultant I | 450 | 2.80 | 1,260.00 | 1.8 | 810.00 | 1.0 | 450.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 1.30 | 526.50 | - | - | - | - | - | - | 1.3 | 526.50 |
| Anmol Arora | Associate | 355 | 0.90 | 319.50 | - | - | - | - | - | - | 0.9 | 319.50 |
| Anmol Arora | Associate II | 350 | 3.60 | 1,260.00 | - | - | - | - | - | - | 3.6 | 1,260.00 |
| Various | Treasury | 330 | 1.60 | 528.00 | - | - | - | - | - | - | 1.6 | 528.00 |
| Various | Treasury | 300 | 1.70 | 510.00 | - | - | - | - | - | - | 1.7 | 510.00 |
| **Total (ex GST)** | | | **18.8** | **$8,876.50** | **3.4** | **$1,730.00** | **1.0** | **$450.00** | **0.9** | **$541.00** | **13.5** | **$6,155.50** |
| **GST** | | | | **$887.65** | | | | | | | | |
| **Total (Incl GST)** | | | | **$9,764.15** | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$472.15** | | **$508.82** | | **$450.00** | | **$601.11** | | **$455.96** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of Sapu Corporation Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 273 514 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $8,876.50 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Postage | At cost | 46.76 |
| **Total** | | **46.67** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

ice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

ice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

Edward Beale Hair Care Pty Ltd

(Administrators Appointed) (Receivers and Managers Appointed)

ACN 167 891 161

FTI CONSULTING

## Table of Contents

# Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Edward Beale Hair Care Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 167 891 161 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration $ (excl. GST) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 6,638.50 |
| **Total** | | **6,638.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

# Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount $ (excl GST) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 | 6,638.50 | As per the attached hourly rates in **Schedule E and F** | when funds are available |
| **Voluntary Administration Total** | | **6,638.50** | | |

Details of the work already done are **enclosed** at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$6,638.50** |
| **Creditors** | **3.7 hours**<br>**$1,848** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Investigations** | **0.4 hours**<br>**$266** |
| Conducting investigation | ■ Collected and reviewed the BWX Group’s books and records<br>■ Reviewed the BWX Group’s history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements |

| Task area/General description | Work already done |
|---|---|
| | ■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |
| | |
| **Administration** | **10.7 hours**<br>**$4,524.50** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Requested bank statements |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011. |

| Task area/General description | Work already done |
|---|---|
| | ■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.4 | 296.00 | 0.1 | 74.00 | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.4 | 1,036.00 | - | - | - | - | 1.4 | 1,036.00 |
| Renee Wilkes | Managing Director | 680 | 0.5 | 340.00 | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 0.3 | 186.00 | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 1.9 | 1,045.00 | 1.2 | 660.00 | - | - | 0.7 | 385.00 |
| Matthew Timmons | Senior Consultant I | 450 | 2.2 | 990.00 | 2.2 | 990.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 1.1 | 445.50 | - | - | - | - | 1.1 | 445.50 |
| Anmol Arora | Associate II | 350 | 3.1 | 1,085.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.5 | 495.00 | - | - | - | - | 1.5 | 495.00 |
| Various | Treasury | 300 | 2.4 | 720.00 | - | - | - | - | 2.4 | 720.00 |
| **Total (ex GST)** | | | **14.8** | **$6,638.50** | **3.7** | **$1,848.00** | **0.4** | **$266.00** | **10.7** | **$4,524.50** |
| **GST** | | | | **$663.85** | | | | | | |
| **Total (Incl GST)** | | | | **$7,302.35** | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$448.55** | | **$499.46** | | **$665.00** | | **$422.85** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"That the remuneration of the Voluntary Administrators of Edward Beale Hair Care Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 167 891 161 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,638.50 (excl. of GST) to be drawn from available funds immediately or as funds become available."*

## Schedule D – Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Postage | At cost | 9.52 |
| **Total** | | **9.52** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodic review.

2 May 2024

# Remuneration Approval Report

BWX Brands Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 602 062 117

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of BWX Brands Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 602 062 177 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 14,868 |
| **Total** | | **14,868** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 14,868 | As per the attached hourly rates in **Schedule D** and **E** | When funds are available |
| **Voluntary Administration Total** | | **14,868** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – FTI Consulting schedule of rates effective 1 July 2022

Schedule E – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$14,868** |
| **Assets** | **1.2 hours**<br>**$829** |
| Sale of business as a going concern | ■ Review initial sales campaign information<br>■ Review documentation regarding the DOCA proposed by the receivers<br>■ Correspondence with the receivers and their representatives regarding the transaction |
| **Creditors** | **8.3 hours**<br>**$4,274** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor |

| Task area/General description | Work already done |
|---|---|
| | ■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Trade On** | **2.4 hours**<br>**$1,100** |
| Trade on management | ■ Communicated with suppliers regarding the transfer of control of the business |

| Task area/General description | Work already done |
|---|---|
| **Investigations** | **5 hours**<br>**$4,053** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |

| | |
|---|---|
| **Administration** | **10.6 hours**<br>**$4,612** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |

| Task area/General description | Work already done |
| --- | --- |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Assets | | Creditors | | Trade on | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 820 | 5.40 | 4,428.00 | 0.5 | 410.00 | 0.1 | 82.00 | - | - | 4.8 | 3,936.00 | - | - |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.60 | 444.00 | 0.1 | 74.00 | 0.2 | 148.00 | - | - | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 820 | 0.30 | 246.00 | - | - | - | - | - | - | - | - | 0.3 | 246.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.00 | 740.00 | - | - | - | - | - | - | - | - | 1.0 | 740.00 |
| Neil Dempster | Senior Director | 620 | 0.30 | 186.00 | - | - | 0.2 | 124.00 | - | - | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 575 | 0.60 | 345.00 | 0.6 | 345.00 | - | - | - | - | - | - | - | - |
| Catherine Jaques | Director | 550 | 6.10 | 3,355.00 | - | - | 4.1 | 2,255.00 | 0.2 | 110.00 | 0.1 | 55.00 | 1.7 | 935.00 |
| Matthew Timmons | Senior Consultant I | 450 | 5.90 | 2,655.00 | - | - | 3.7 | 1,665.00 | 2.2 | 990.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 0.80 | 324.00 | - | - | - | - | - | - | - | - | 0.8 | 324.00 |
| Anmol Arora | Associate II | 350 | 3.00 | 1,050.00 | - | - | - | - | - | - | - | - | 3.0 | 1,050.00 |
| Various | Treasury | 330 | 1.50 | 495.00 | - | - | - | - | - | - | - | - | 1.5 | 495.00 |
| Various | Treasury | 300 | 2.00 | 600.00 | - | - | - | - | - | - | - | - | 2.0 | 600.00 |
| **Total (ex GST)** | | | **27.5** | **$14,868.00** | **1.2** | **$829.00** | **8.3** | **$4,274.00** | **2.4** | **$1,100.00** | **5.0** | **$4,053.00** | **10.6** | **$4,612.00** |
| **GST** | | | | **$1,486.80** | | | | | | | | | | |
| **Total (Incl GST)** | | | | **$16,354.80** | | | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$540.65** | | **$690.83** | | **$514.94** | | **$458.33** | | **$810.60** | | **$435.09** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of BWX Brands Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 602 062 117 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $14,868 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

ice and are subject to periodical review.

# Schedule E – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

BWX Australia Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 601 966 170

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of BWX Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 601 966 170 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 88,875 |
| **Total** | | **88,875** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of *$*475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 88,875 | As per the attached hourly rates in **Schedule E**, **F** and **G** | When funds are available |
| **Voluntary Administration Total** | | **88,875** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

Schedule G – FTI Consulting Strategic Communications schedule of rates effective 14 September 2022

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$88,875** |
| | |
| **Strategic communications** | **24.8 hours**<br>**$16,368** |
| | ■ Liaised and monitored media concerning the BWX Group<br>■ Responded to a high level of media calls<br>■ Prepared announcements to media regarding the BWX Group<br>■ Attended shareholder questions and answers<br>■ Attended first meeting of creditors |
| **Creditors** | **49.8 hours**<br>**$24,425** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches |

| Task area/General description | Work already done |
|---|---|
| | ■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor’s queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |

| Task area/General description | Work already done |
|---|---|
| **Employees** | **5.2 hours**<br>**$3,053** |
| Employee enquiries | ■ Received and followed up employee enquiries via telephone<br>■ Maintained employee enquiry register<br>■ Reviewed and prepared correspondence to priority creditors and their representatives via email and post |
| Calculation of entitlements | ■ Reviewed employee entitlements and information provided by the Receivers |
| **Trade On** | **2.4 hours**<br>**$1,120** |
| Trade on management | ■ Communicated with suppliers regarding the transfer of control of the business |
| | |
| **Investigations** | **0.9 hours**<br>**$605** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs |

| Task area/General description | Work already done |
|---|---|
| | ■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaised with ASIC |
| | |
| **Administration** | **62.60 hours**<br>**$43,304** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |

| Task area/General description | Work already done |
|---|---|
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Employees | | Trade on | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kathryn Warwick | Senior Managing Director | 820 | 11.50 | 9,430.00 | 1.8 | 1,476.00 | - | - | - | - | - | - | 9.7 | 7,954.00 |
| Kathryn Warwick | Senior Managing Director | 740 | 48.80 | 36,112.00 | 9.0 | 6,660.00 | - | - | - | - | 0.3 | 222.00 | 39.5 | 29,230.00 |
| Joseph Hansell | Senior Managing Director | 820 | 0.30 | 246.00 | - | - | - | - | - | - | - | - | 0.3 | 246.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.70 | 1,258.00 | - | - | - | - | - | - | - | - | 1.7 | 1,258.00 |
| Kelly Trenfield | Senior Managing Director | 820 | 0.10 | 82.00 | 0.1 | 82.00 | - | - | - | - | - | - | - | - |
| Kelly Trenfield | Senior Managing Director | 740 | 1.00 | 740.00 | 0.3 | 222.00 | - | - | - | - | - | - | 0.7 | 518.00 |
| Renee Wilkes | Managing Director | 680 | 0.50 | 340.00 | - | - | - | - | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 1.60 | 992.00 | - | - | 1.4 | 868.00 | - | - | 0.2 | 124.00 | - | - |
| Catherine Jaques | Director | 575 | 4.00 | 2,300.00 | 0.1 | 57.50 | 3.8 | 2,185.00 | - | - | - | - | 0.1 | 57.50 |
| Catherine Jaques | Director | 550 | 10.90 | 5,995.00 | 8.8 | 4,840.00 | - | - | 0.4 | 220.00 | 0.1 | 55.00 | 1.6 | 880.00 |
| Matthew Timmons | Senior Consultant I | 450 | 8.80 | 3,960.00 | 6.8 | 3,060.00 | - | - | 2.0 | 900.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 1.70 | 688.50 | - | - | - | - | - | - | - | - | 1.7 | 688.50 |
| Sam Rayner | Consultant I | 375 | 0.50 | 187.50 | 0.5 | 187.50 | - | - | - | - | - | - | - | - |
| Anmol Arora | Associate II | 350 | 25.50 | 8,925.00 | 22.4 | 7,840.00 | - | - | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.70 | 561.00 | - | - | - | - | - | - | - | - | 1.7 | 561.00 |
| Various | Treasury | 300 | 2.30 | 690.00 | - | - | - | - | - | - | - | - | 2.3 | 690.00 |
| **Total (ex GST)** | | | **120.9** | **$72,507.00** | **49.8** | **$24,425.00** | **5.2** | **$3,053.00** | **2.4** | **$1,120.00** | **0.9** | **$605.00** | **62.6** | **$43,304.00** |
| **GST** | | | | **$7,250.70** | | | | | | | | | | |
| **Total (Incl GST)** | | | | **$79,757.70** | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg hourly rate (ex GST)** | **$599.73** | | **$490.46** | | **$587.12** | | **$466.67** | | **$672.22** | | **$691.76** |

## Non insolvency services

| Employee | Position | Hourly rate ($) | Non insolvency services<br>Strategic Communications | |
|---|---|---|---|---|
| | | | Hrs | $ |
| Stuart Carson | Managing Director | 660 | 24.80 | 16,368.00 |
| **Total (excl GST)** | | | | **16,368.00** |
| **GST** | | | | **1,636.80** |
| **Total (incl GST)** | | | | **18,004.80** |
| **Total hours** | | | **24.80** | |
| **Average hourly rate (excl GST)** | | | | **660.00** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of BWX Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 601 966 170 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023 and Strategic Communications effective 14 September 2022, is approved for payment in the amount of $88,875 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Travel Costs | At cost | 5.91 |
| Postage | At cost | 4.76 |
| **Total** | | **10.67** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule G – FTI Consulting Strategic Communications – effective 14 September 2022 (excluding GST)

| Classification | Standard rate $/hour |
|---|---|
| Senior Managing Director | 720 |
| Managing Director | 660 |
| Senior Advisor | 660 |
| Senior Director | 580 |
| Director | 475 |
| Senior Consultant | 410 |
| Consultant | 360 |

2 May 2024

# Remuneration Approval Report

Sukin Australia Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 602 062 199

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Act and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Administrators Appointed of Sukin Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 602 062 199 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | Resolution 1: 3 April 2023 to 28 April 2024 (inclusive) | 12,541.50 |
| **Total** | | **12,541.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 12,541.50 | As per the attached hourly rates in **Schedule D** and **E** | When funds are available |
| **Voluntary Administration Total** | | **12,541.50** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – FTI Consulting schedule of rates effective 1 July 2022

Schedule E – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)**<br><br>**Creditors** | **$12,541.5**<br><br>**13.8 hours**<br><br>**$6,794.5** |
| Creditor Enquiries, Requests & Directions | ■ Receive and respond to creditor enquiries<br>■ Maintaining creditor request log<br>■ Review and prepare initial correspondence to creditors and their representatives<br>■ Documenting<br>■ Considering reasonableness of creditor requests<br>■ Obtaining legal advice on requests<br>■ Documenting reasons for complying or not complying with requests or directions<br>■ Compiling information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notifying PPSR registered creditors of appointment<br>■ Preparing reports to secured creditor<br>■ Responding to secured creditor's queries<br>■ Hold meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Voluntary Administrator's report, investigation, meeting and general reports to creditors<br>■ Preparing remuneration reports<br>■ Prepared and provided our declaration of independence, relevant relationships and indemnities ("DIRRI") and initial circular to creditors dated 5 April 2023 |
| Dealing with proofs of debt | ■ Receipting and filing POD when not related to a dividend |

| Task area/General description | Work already done |
|---|---|
| | ■ Corresponding with OSR and ATO regarding POD when not related to a dividend |
| Meeting of Creditors | ■ Preparation of meeting notices, proxies and advertisements<br>■ Forward notice of meeting to all known creditors<br>■ 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.<br>■ Preparation and lodgement of minutes of meetings with ASIC<br>■ Responding to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Investigations** | **0.5 hours**<br>**$334** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms |

| Task area/General description | Work already done |
|---|---|
| | ■ Liaising with ASIC |
| | |
| **Administration** | **12.6 hours**<br>**$5,413** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ |
| Joseph Hansell | Senior Managing Director | 820 | 0.20 | 164.00 | - | - | - | - | 0.2 | 164.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.00 | 740.00 | - | - | - | - | 1.0 | 740.00 |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.30 | 222.00 | - | - | - | - | 0.3 | 222.00 |
| Renee Wilkes | Managing Director | 680 | 0.60 | 408.00 | - | - | 0.4 | 272.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 0.30 | 186.00 | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 7.50 | 4,125.00 | 6.0 | 3,300.00 | - | - | 1.5 | 825.00 |
| Matthew Timmons | Senior Consultant I | 450 | 7.00 | 3,150.00 | 6.5 | 2,925.00 | - | - | 0.5 | 225.00 |
| Sandesh Pereira | Consultant II | 405 | 3.30 | 1,336.50 | 1.1 | 445.50 | - | - | 2.2 | 891.00 |
| Anmol Arora | Associate II | 350 | 3.10 | 1,085.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.50 | 495.00 | - | - | - | - | 1.5 | 495.00 |
| Various | Treasury | 300 | 2.10 | 630.00 | - | - | - | - | 2.1 | 630.00 |
| **Total (ex GST)** | | | **26.9** | **$12,541.50** | **13.8** | **$6,794.50** | **0.5** | **$334.00** | **12.6** | **$5,413.00** |
| **GST** | | | | **$1,254.15** | | | | | | |
| **Total (Incl GST)** | | | | **$13,795.65** | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$466.23** | | **$492.36** | | **$668.00** | | **$429.60** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of Sukin Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 602 062 199 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $12,541.50 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

# Schedule E – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

Renew Skin Care Australia Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 606 139 315

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Renew Skin Care Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 139 315 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 6,312 |
| **Total** | | **6,312** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 6,312 | As per the attached hourly rates in **Schedule E** and **F** | When funds are available |
| **Voluntary Administration Total** | | **6,312** | | |

Details of the work already done are **enclosed** at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period, 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$6,312** |
| **Creditors** | **3.4 hours**<br>**$1,693** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PMSI register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor’s queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023 |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Investigations** | **0.4 hours**<br>**$266** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaised with ASIC |
| | |
| **Administration** | **10.4 hours**<br>**$4,353** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011. |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.4 | 296.00 | 0.1 | 74.00 | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 0.9 | 666.00 | - | - | - | - | 0.9 | 666.00 |
| Renee Wilkes | Managing Director | 680 | 0.5 | 340.00 | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 0.3 | 186.00 | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 1.6 | 880.00 | 1.0 | 550.00 | - | - | 0.6 | 330.00 |
| Matthew Timmons | Senior Consultant I | 450 | 3.1 | 1,395.00 | 2.1 | 945.00 | - | - | 1.0 | 450.00 |
| Sandesh Pereira | Consultant II | 405 | 1.2 | 486.00 | - | - | - | - | 1.2 | 486.00 |
| Anmol Arora | Associate II | 350 | 3.1 | 1,085.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.6 | 528.00 | - | - | - | - | 1.6 | 528.00 |
| Various | Treasury | 300 | 1.5 | 450.00 | - | - | - | - | 1.5 | 450.00 |
| **Total (excl. GST)** | | | **14.2** | **$6,312.00** | **3.4** | **$1,693.00** | **0.4** | **$266.00** | **10.4** | **$4,353.00** |
| **GST** | | | | **$631.20** | | | | | | |
| **Total (Incl GST)** | | | | **$6,943.20** | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$444.51** | | **$497.94** | | **$665.00** | | **$418.56** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

"The remuneration of the Voluntary Administrators of Renew Skin Care Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 139 315 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,312 (excl. of GST), to be drawn from available funds immediately or as funds become available."

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---:|
| Postage | At cost | 161.90 |
| **Total** | | **161.90** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

Derma Sukin Australia Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 606 140 818

FTI CONSULTING

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Derma Sukin Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 140 818 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl. GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 7,150 |
| **Total** | | **7,150** |

We estimate that the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of *$*475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 | 7,150 | As per the attached hourly rates in **Schedule E and F** | When funds are available |
| **Voluntary Administration Total** | | **7,150** | | |

Details of the work already done are **enclosed** at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period, 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$7,150** |
| **Creditors** | **3.6 hours**<br>**$1,793** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023 |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Receipted and filed POD when not related to a dividend<br>■ Corresponded with OSR and ATO regarding POD when not related to a dividend |
| Meeting of Creditors | ■ Prepared meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Prepared and lodged minutes of first meeting of creditors with ASIC<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to creditor queries following the meeting |
| | |
| **Investigations** | **0.4 hours**<br>**$266** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system |

| Task area/General description | Work already done |
|---|---|
| | ■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Prepared and lodged supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaised with ASIC |
| | |
| **Administration** | **12.2 hours**<br>**$5,091** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing bank accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Conducted bank account reconciliations |

| Task area/General description | Work already done |
|---|---|
| | ■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified the ATO and ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Discussed status of administration internally |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.4 | 296.00 | 0.1 | 74.00 | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.0 | 740.00 | - | - | - | - | 1.0 | 740.00 |
| Renee Wilkes | Managing Director | 680 | 0.5 | 340.00 | - | - | 0.3 | 204.00 | 0.2 | 136.00 |
| Neil Dempster | Senior Director | 620 | 0.3 | 186.00 | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 575 | 0.2 | 115.00 | - | - | - | - | 0.2 | 115.00 |
| Catherine Jaques | Director | 550 | 1.7 | 935.00 | 1.1 | 605.00 | - | - | 0.6 | 330.00 |
| Matthew Timmons | Senior Consultant I | 450 | 3.4 | 1,530.00 | 2.2 | 990.00 | - | - | 1.2 | 540.00 |
| Sandesh Pereira | Consultant II | 405 | 1.8 | 729.00 | - | - | - | - | 1.8 | 729.00 |
| Anmol Arora | Associate II | 350 | 3.1 | 1,085.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.8 | 594.00 | - | - | - | - | 1.8 | 594.00 |
| Various | Treasury | 300 | 2.0 | 600.00 | - | - | - | - | 2.0 | 600.00 |
| **Total (ex GST)** | | | **16.2** | **$7,150.00** | **3.6** | **$1,793.00** | **0.4** | **$266.00** | **12.2** | **$5,091.00** |
| **GST** | | | | **$715.00** | | | | | | |
| **Total (Incl GST)** | | | | **$7,865.00** | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$441.36** | | **$498.06** | | **$665.00** | | **$417.30** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of Derma Sukin Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 140 818 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $7,150 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D –Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---:|
| Postage | At cost | 9.52 |
| **Total** | | **9.52** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review

2 May 2024

# Remuneration Approval Report

Lightning Distribution Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 610 861 455

FTI CONSULTING

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## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of Lightning Distribution Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 610 861 455 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl. GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1:** 3 April 2023 to 28 April 2024 (inclusive) | 6,526.50 |
| **Total** | | **6,526.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 6,526.50 | As per the attached hourly rates in **schedule E and F** | When funds are available |
| **Voluntary Administration Total** | | **6,526.50** | | |

Details of the work already done are **enclosed** at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$6,526.50** |
| **Creditors** | **3.9 hours**<br>**$1,958** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor<br>■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023 |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| | |
| **Investigations** | **0.4 hours**<br>**$266** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaised with ASIC |
| | |
| **Administration** | **10.2 hours**<br>**$4,302.50** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011. |

| Task area/General description | Work already done |
|---|---|
| | ■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.4 | 296.00 | 0.1 | 74.00 | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.0 | 740.00 | - | - | - | - | 1.0 | 740.00 |
| Renee Wilkes | Managing Director | 680 | 0.6 | 408.00 | - | - | 0.3 | 204.00 | 0.3 | 204.00 |
| Neil Dempster | Senior Director | 620 | 0.3 | 186.00 | 0.2 | 124.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 2.1 | 1,155.00 | 1.4 | 770.00 | - | - | 0.7 | 385.00 |
| Matthew Timmons | Senior Consultant I | 450 | 3.2 | 1,440.00 | 2.2 | 990.00 | - | - | 1.0 | 450.00 |
| Sandesh Pereira | Consultant II | 405 | 0.3 | 121.50 | - | - | - | - | 0.3 | 121.50 |
| Anmol Arora | Associate II | 350 | 3.1 | 1,085.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.5 | 495.00 | - | - | - | - | 1.5 | 495.00 |
| Various | Treasury | 300 | 2.0 | 600.00 | - | - | - | - | 2.0 | 600.00 |
| **Total (ex GST)** | | | **14.5** | **$6,526.50** | **3.9** | **$1,958.00** | **0.4** | **$266.00** | **10.2** | **$4,302.50** |
| **GST** | | | | **$652.65** | | | | | | |
| **Total (Incl GST)** | | | | **$7,179.15** | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$450.10** | | **$502.05** | | **$665.00** | | **$421.81** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of Lightning Distribution Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN* 610 861 455 *and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,526.50 (excl. of GST) to be drawn from available funds immediately or as funds become available."*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements incurred in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---:|
| Postage | At cost | 110.14 |
| **Total** | | **110.14** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

| Typical classification | Standard Rates $/hour | General guide to classifications |
| --- | --- | --- |
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

BWX Digital Pty Ltd Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 621 403 370

## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Corporations Act 2001 and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of BWX Digital Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 621 403 370 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type/Period | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1**: 3 April 2023 to 28 April 2024 (inclusive) | 17,482 |
| **Total** | | **17,482** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount (excl GST) ($) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 (inclusive) | 17,482 | As per the attached hourly rates in **Schedule E** & **F** | When funds are available |
| **Voluntary Administration Total** | | **17,482** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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. Details of these amounts are enclosed at **Schedule D**.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D - Disbursements

Schedule E – FTI Consulting schedule of rates effective 1 July 2022

Schedule F – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$17,482** |
| **Assets** | **0.1 hours**<br>**$68** |
| Sale of business as a going concern | ■ Receive and review sale update from Receivers |
| **Creditors** | **30.8 hours**<br>**$12,319.50** |
| Creditor Enquiries, Requests & Directions | ■ Received and responded to creditor enquiries<br>■ Setup specific creditor email address and inbox for all creditor enquiries<br>■ Created and maintained a call register for all enquiries<br>■ Reviewed and prepared initial correspondence to creditors and their representatives<br>■ Distributed correspondence via email and mail<br>■ Considered reasonableness of creditor requests<br>■ Compiled information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors<br>■ Maintained company creditor listing and updated as required<br>■ Collated and reviewed listing of creditor claims for the purpose of reporting to creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor’s intention to claim |
| Secured creditor reporting | ■ Notified PPSR registered creditors of appointment<br>■ Prepared reports to secured creditor |

| Task area/General description | Work already done |
| --- | --- |
| | ■ Responded to secured creditor's queries<br>■ Held meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Prepared this remuneration report<br>■ Prepared second report to creditors which included investigations, meeting details and other general items<br>■ Prepared and provided our DIRRI and initial circular to creditors dated 5 April 2023<br>■ Prepared and issued two (2) circular to creditors advising of extensions to convening period |
| Dealing with proofs of debt | ■ Received and filed POD when not related to a dividend<br>■ Entered POD details into accounting system<br>■ Assisted creditors with completing POD |
| Meeting of Creditors | ■ Prepared of meeting notices, proxies and advertisements<br>■ Forwarded notice of meeting to all known creditors<br>■ Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.<br>■ Responded to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| **Investigations** | **0.4 hours**<br>**$266** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Reviewed the BWX Group's history |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical financial statements<br>■ Analysed various financial reports pulled from the BWX Group's accounting system<br>■ Reviewed board minutes and group financials to provide context to the position of the BWX Group and its reason for failure<br>■ Prepared an ESOP based on the BWX Group's books and records and the Administrators' investigations<br>■ Liaised with management to obtain further information needed for investigations<br>■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |
| **Administration** | **11.3 hours**<br>**$4,828.50** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |

| Task area/General description | Work already done |
|---|---|
| Funds handling | ■ Preparing correspondence opening and closing accounts<br>■ Entering receipts and payments into accounting system<br>■ Requesting bank statements<br>■ Bank account reconciliations<br>■ Correspondence with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Assets | | Creditors | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.70 | 518.00 | - | - | 0.2 | 148.00 | - | - | 0.5 | 370.00 |
| Joseph Hansell | Senior Managing Director | 740 | 1.00 | 740.00 | - | - | - | - | - | - | 1.0 | 740.00 |
| Renee Wilkes | Managing Director | 680 | 0.70 | 476.00 | 0.1 | 68.00 | - | - | 0.3 | 204.00 | 0.3 | 204.00 |
| Neil Dempster | Senior Director | 620 | 0.50 | 310.00 | - | - | 0.4 | 248.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 4.90 | 2,695.00 | - | - | 3.5 | 1,925.00 | - | - | 1.4 | 770.00 |
| Catherine Jaques | Director | 575 | 0.70 | 402.50 | - | - | 0.7 | 402.50 | - | - | - | - |
| Matthew Timmons | Senior Consultant I | 450 | 4.50 | 2,025.00 | - | - | 4.5 | 2,025.00 | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 1.60 | 648.00 | - | - | 0.7 | 283.50 | - | - | 0.9 | 364.50 |
| Sam Rayner | Consultant I | 375 | 0.30 | 112.50 | - | - | 0.3 | 112.50 | - | - | - | - |
| Anmol Arora | Associate II | 350 | 24.00 | 8,400.00 | - | - | 20.5 | 7,175.00 | - | - | 3.5 | 1,225.00 |
| Various | Treasury | 300 | 2.20 | 660.00 | - | - | - | - | - | - | 2.2 | 660.00 |
| Various | Treasury | 330 | 1.50 | 495.00 | - | - | - | - | - | - | 1.5 | 495.00 |
| **Total (ex GST)** | | | **42.6** | **$17,482.00** | **0.1** | **$68.00** | **30.8** | **$12,319.50** | **0.4** | **$266.00** | **11.3** | **$4,828.50** |
| **GST** | | | | **$1,748.20** | | | | | | | | |
| **Total (Incl GST)** | | | | **$19,230.20** | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$410.38** | | **$680.00** | | **$399.98** | | **$665.00** | | **$427.30** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators’ remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*“The remuneration of the Voluntary Administrators of BWX Digital Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 621 403 370 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $17,482 (excl. of GST), to be drawn from available funds immediately or as funds become available.”*

# Schedule D – Disbursements

## Disbursements

The table below provides a breakdown of the external disbursements claimed in the Voluntary Administration for the period 3 April 2023 to 28 April 2024 (inclusive):

| Disbursement type | Basis of charge | Amount $ (excl GST) |
|---|---|---|
| Postage | At cost | 7.14 |
| **Total** | | **7.14** |

# Schedule E – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

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| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Administration 2 | 250 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 210 | Has appropriate skills and experience to support professional staff in an administrative capacity. |
| Junior Accountant | 210 | Undergraduate in the early stage of their university degree. |

# Schedule F – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

2 May 2024

# Remuneration Approval Report

The Good Collective Pty Ltd
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 169 556 398

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## Table of Contents

## Summary

This remuneration approval report provides you with the information that the Act and the Code of Professional Practice published by the ARITA requires creditors to receive to make an informed decision regarding the approval of our remuneration for undertaking the Voluntary Administration of The Good Collective Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) 169 556 398 (the Company).

We are asking creditors to approve the following remuneration:

| Appointment type | Period | Remuneration (excl GST) ($) |
|---|---|---|
| Voluntary Administration | **Resolution 1**: 3 April 2023 to 28 April 2024 (inclusive) | 18,900.50 |
| **Total** | | **18,900.50** |

We estimate the total cost of the Voluntary Administration for the BWX Group will be $705,000 (excl. GST). This has increased from our previous estimate of $475,000 (excl. GST) provided in our Initial Circular to Creditors issued 5 April 2023 for the following reasons:

- Extension of the convening period from 11 May 2023 to 13 November 2023 and a further extension to the convening period to 13 May 2024 to enable the Receivers additional time to conduct a sale process for the BWX Group and its various businesses. This resulted in the following additional work:
  - Two (2) separate applications to the Court for the two (2) extensions of the convening period;
  - Drafting and settling of affidavit material associated with the two (2) applications to Court; and
  - Drafting and issuance of correspondence to creditors of the BWX Group concerning the two (2) separate applications and outcomes of same.
- The delay in finalising the Voluntary Administration as a result of the extensions to the convening period which has consequently resulted in additional administrative costs.

## Declaration

We, Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, have undertaken a proper assessment of the claims for remuneration for the appointment as Voluntary Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this appointment and further, that the disbursements that have been incurred in the conduct of the external administration are necessary and proper.

## Remuneration sought

| For | Period | Amount $ (excl GST) | Applicable rates | Timing of payment |
|---|---|---|---|---|
| Work already completed | 3 April 2023 to 28 April 2024 | $18,900.50 | As per the attached hourly rates in **Schedule D** & **E** | When funds are available |
| **Voluntary Administration Total** | | **$18,900.50** | | |

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

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already done.

Actual resolutions to be put to the meeting are included at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting provided to you.

## 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.

We are required to obtain creditors' consent for the payment of a disbursement where we, or a related entity, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Initial Remuneration Notice sent to you on 5 April 2023.

We are not seeking approval for any internal disbursements for the Voluntary Administration period.

## Likely impact on dividends

The Act sets the order for payment of claims against the Company and it provides for remuneration of the Voluntary Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Voluntary Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- realisations to date
- estimated future realisations
- estimated remuneration to complete the Voluntary Administration
- the estimated total of creditor claims based on the Company's records and claims lodged

Please refer to the Estimated Statement of Position contained within **Section 7** of the Second Report to Creditors for further detail on our estimated return to creditors in a high and low liquidation scenario.

## Summary of receipts and payments

There have been no receipts and payments made during the Voluntary Administration for the period 3 April 2023 to 28 April 2024.

## Queries

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

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 INFO 85).

If you have any queries in relation to the information in this report, please contact FTI Consulting on (07) 3225 4900 or BWXGroup@fticonsulting.com.

Yours faithfully

Kelly-Anne Trenfield

Voluntary Administrator

**Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task (work already done)

Schedule C – Resolutions

Schedule D – FTI Consulting schedule of rates effective 1 July 2022

Schedule E – FTI Consulting schedule of rates effective 1 October 2023

# Schedule A – Details of work

| Task area/General description | Work already done |
|---|---|
| Period | 3 April 2023 to 28 April 2024 |
| **Amount $ (excl GST)** | **$18,900.50** |
| **Creditors** | **32.9 hours**<br>**$13,427.50** |
| Creditor Enquiries, Requests & Directions | ■ Receive and respond to creditor enquiries<br>■ Maintaining creditor request log<br>■ Review and prepare initial correspondence to creditors and their representatives<br>■ Documenting<br>■ Considering reasonableness of creditor requests<br>■ Obtaining legal advice on requests<br>■ Documenting reasons for complying or not complying with requests or directions<br>■ Compiling information requested by creditors<br>■ Undertook two (2) applications to the Court to extend the Convening Period of the second meeting of creditors |
| Retention of Title Claims | ■ Conducted PPSR searches<br>■ Notified PMSI creditors identified from PPSR register<br>■ Received initial notification of creditor's intention to claim |
| Secured creditor reporting | ■ Notifying PPSR registered creditors of appointment<br>■ Preparing reports to secured creditor<br>■ Responding to secured creditor's queries<br>■ Hold meetings with the secured creditor and Receivers regarding updates on the progress of the sale campaigns |
| Creditor reports | ■ Voluntary Administrator's report, investigation, meeting and general reports to creditors<br>■ Preparing remuneration reports<br>■ Prepared and provided our declaration of independence, relevant relationships and indemnities ("DIRRI") and initial circular to creditors dated 5 April 2023 |
| Dealing with proofs of debt | ■ Receipting and filing POD when not related to a dividend |

| Task area/General description | Work already done |
|---|---|
| | ■ Corresponding with OSR and ATO regarding POD when not related to a dividend |
| Meeting of Creditors | ■ Preparation of meeting notices, proxies and advertisements<br>■ Forward notice of meeting to all known creditors<br>■ 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.<br>■ Preparation and lodgement of minutes of meetings with ASIC<br>■ Responding to stakeholder queries and questions immediately following meeting<br>■ Established the virtual meeting facility and tailored the parameters of same to mitigate meeting issues<br>■ Held first meeting of creditors<br>■ Facilitated meeting registrations and dealt with issues regarding same<br>■ Responded to queries received prior to the first meeting of creditors<br>■ Finalised and lodged meeting minutes with ASIC<br>■ Circulated meeting minutes to creditors on request<br>■ Responded to queries following the meeting |
| **Employees** | **0.1 hours**<br>**$62** |
| Employee enquiries | ■ Receive and follow up employee enquiries via telephone<br>■ Maintain employee enquiry register<br>■ Review and prepare correspondence to priority creditors and their representatives via email and post |
| Calculation of entitlements | ■ Calculating and reviewing employee entitlements |
| **Investigations** | **0.5 hours**<br>**$321** |
| Conducting investigation | ■ Collected and reviewed the BWX Group's books and records<br>■ Prepared request for information to obtain additional books and records<br>■ Conducted and summarised statutory search results received including property searches, company searches, PPSR searches, personal name searches and motor vehicle searches<br>■ Analysed historical |

| Task area/General description | Work already done |
|---|---|
| | ■ Prepared the investigation file<br>■ Conducted insolvency analysis and compiled corresponding file note and ascertained a preliminary date of insolvency<br>■ Held internal discussions regarding the investigations made into the BWX Group's affairs<br>■ Preparation and lodgement of supplementary report if required |
| ASIC reporting | ■ Prepared and lodged various ASIC forms<br>■ Liaising with ASIC |
| **Administration** | **12 hours**<br>**$5,090** |
| Correspondence | ■ General correspondence with various parties regarding general matters<br>■ Issued day one notifications with various parties including creditors, suppliers and employees<br>■ Responded to queries from various creditors<br>■ Held phone calls with various creditors and suppliers<br>■ Prepared and issued report on company activities and property letter |
| Document maintenance/file review/checklist | ■ Filed documents electronically<br>■ Conducted file reviews<br>■ Updated checklists appropriately<br>■ Held internal meetings with engagement team |
| Funds handling | ■ Prepared correspondence opening and closing accounts<br>■ Entered receipts and payments into accounting system<br>■ Requested bank statements<br>■ Bank account reconciliations<br>■ Corresponded with bank regarding specific transfers |
| ASIC Forms and lodgements | ■ Prepared and lodged ASIC forms including 505, 531, 507 and 5011.<br>■ Corresponded with ASIC regarding statutory forms |
| ATO and other statutory reporting | ■ Notified ASIC of appointment<br>■ Prepared and lodged BAS |

| Task area/General description | Work already done |
| --- | --- |
| Finalisation | *Intentionally left blank* |
| Planning / Review | ■ Held discussions regarding status of administration |
| Books and records / storage | ■ Dealt with electronic storage |

# Schedule B – Time spent by staff on each major task (work already done)

| Employee | Title | $/hour (excl GST) | Total actual hours | Total $ (excl GST) | Task Area | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Creditors | | Employees | | Investigations | | Administration | |
| | | | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Kelly-Anne Trenfield | Senior Managing Director | 740 | 0.40 | 296.00 | 0.1 | 74.00 | - | - | - | - | 0.3 | 222.00 |
| Joseph Hansell | Senior Managing Director | 740 | 0.90 | 666.00 | - | - | - | - | - | - | 0.9 | 666.00 |
| Renee Wilkes | Managing Director | 680 | 0.60 | 408.00 | - | - | - | - | 0.3 | 204.00 | 0.3 | 204.00 |
| Neil Dempster | Senior Director | 620 | 0.60 | 372.00 | 0.4 | 248.00 | 0.1 | 62.00 | 0.1 | 62.00 | - | - |
| Catherine Jaques | Director | 550 | 7.40 | 4,070.00 | 5.8 | 3,190.00 | - | - | 0.1 | 55.00 | 1.5 | 825.00 |
| Matthew Timmons | Senior Consultant I | 450 | 6.00 | 2,700.00 | 6.0 | 2,700.00 | - | - | - | - | - | - |
| Sandesh Pereira | Consultant II | 405 | 2.70 | 1,093.50 | 0.1 | 40.50 | - | - | - | - | 2.6 | 1,053.00 |
| Anmol Arora | Associate II | 350 | 23.60 | 8,260.00 | 20.5 | 7,175.00 | - | - | - | - | 3.1 | 1,085.00 |
| Various | Treasury | 330 | 1.50 | 495.00 | - | - | - | - | - | - | 1.5 | 495.00 |
| Various | Treasury | 300 | 1.80 | 540.00 | - | - | - | - | - | - | 1.8 | 540.00 |
| **Total (ex GST)** | | | **45.5** | **$18,900.50** | **32.9** | **$13,427.50** | **0.1** | **$62.00** | **0.5** | **$321.00** | **12.0** | **$5,090.00** |
| **GST** | | | | **$1,890.05** | | | | | | | | |
| **Total (Incl GST)** | | | | **$20,790.55** | | | | | | | | |
| **Avg hourly rate (ex GST)** | | | | **$415.40** | | **$408.13** | | **$620.00** | | **$642.00** | | **$424.17** |

# Schedule C – Resolutions

## Resolution 1 – Voluntary Administrators' remuneration for the period 3 April 2023 to 28 April 2024 (inclusive)

*"The remuneration of the Voluntary Administrators of The Good Collective Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 169 556 398 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $18,900.50 (excl. of GST), to be drawn from available funds immediately or as funds become available."*

# Schedule D – FTI Consulting schedule of rates effective 1 July 2022 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director | 740 | Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration. |
| Managing Director | 680 | Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry. |
| Senior Director | 620 | Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 550 | Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant 2 | 500 | Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations. |
| Senior Consultant 1 | 450 | Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations. |
| Consultant 2 | 405 | Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations. |
| Consultant 1 | 375 | Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 2 | 350 | Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Associate 1 | 315 | Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff. |
| Treasury | 300 | Typically, qualified accountant and/or bookkeeper with at least 4 years' experience working in a treasury function in a professional services setting. Undertakes treasury activities and is skilled in bookkeeping, funds handling, banking, payroll, tax compliance, accounts receivable and accounts payable. May be responsible for the management of discreet, medium-complexity accounts services relating to business trade on activities. |
| Junior Associate | 250 | Undergraduate in the latter stage of their university degree. |

# Schedule E – FTI Consulting schedule of rates effective 1 October 2023 (excluding GST)

| Typical classification | Standard Rates $/hour | General guide to classifications |
|---|---|---|
| Senior Managing Director 2 | 950 | Registered Liquidator and/or Trustee or corporate advisory professional, with extensive specialist skills, experience in all forms of insolvency engagements, turnaround scenarios or restructures over many years. A market leader with proven leadership experience in business or industry, bringing recognised specialist expertise and knowledge to the engagement. |
| Senior Managing Director 1 | 820 | Registered Liquidator and/or Trustee or corporate advisory professional, with specialist skills and experience in all forms of insolvency engagements, turnaround scenarios and restructures. Proven leadership experience in business or industry, bringing specialist expertise and knowledge to the engagement. |
| Managing Director | 710 | Broad specialist skills brought to the engagement. Extensive experience in managing large, complex engagements at a senior level over many years. May also be a Registered Liquidator and/or Trustee or has extensive leadership/senior management experience in business or industry. |
| Senior Director | 635 | Strong technical and commercial skill with significant experience in managing all types of large, complex engagements. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications. |
| Director | 575 | Significant experience across all types of engagements. Strong technical and commercial skills. Has primary conduct of small to medium engagements, managing a team of professionals. Alternatively, has senior management experience in business or industry, with specialist skills and/or qualifications. |
| Senior Consultant | 510 | Typically studying to become or qualified to be a professional member of the Australian Restructuring Insolvency & Turnaround Association. Well developed technical and commercial skills. Has experience in large and complex engagements and may have primary conduct of small engagements, supervising a small team of professionals. |
| Consultant | 410 | Typically studying to become or qualified chartered accountant and member of Chartered Accountants Australia & New Zealand (or similar). Required to control the tasks on small engagements or responsible for select aspects on medium to large-sized engagements under supervision of senior staff. |
| Associate | 355 | Typically a degree qualified accountant, who assists with day-to-day tasks under the supervision of senior staff. |
| Treasury | 330 | Typically, qualified accountant and/or bookkeeper. Undertakes treasury activities and is skilled in bookkeeping and funds handling activities. |
| Junior Associate | 275 | Undergraduate in the latter stage of their university degree. |
| Administration 2 | 295 | Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. |
| Administration 1 | 230 | Has appropriate skills and experience to support professional staff in an administrative capacity. |

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

Our Ref.: JPD_500000.0265-EF-Reports

2 May 2024

*Section 75-225 Insolvency Practice Rules (Corporations) 2016*

**BWX LIMITED (ACN 163 488 631) AND ITS SUBSIDIARIES AS LISTED IN SCHEDULE 1**

**(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**(TOGETHER "THE COMPANIES")**

## NOTICE OF SECOND MEETING OF CREDITORS

On 3 April 2023, the Companies, under Section 439A of the Corporations Act, appointed Kate Warwick, Kelly-Anne Trenfield and Joseph Hansell, of FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4000, as Joint and Several Administrators of the Companies.

Notice is now given that the second meeting of creditors of the Companies will be held at **10:00AM (AEST)** on **Friday, 10 May 2024.**

The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via the link provided. Although there is no physical place where creditors are able to attend the meeting, I am required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is FTI Consulting, Level 20, 345 Queen Street, Brisbane QLD 4000. **PLEASE DO NOT ATTEND THIS LOCATION.**

If you wish to attend the meeting, you must register at the below link and return the below forms on or before **10:00AM (AEST)** on **Thursday, 9 May 2024** to BWXGroup@fticonsulting.com:

- Meeting registration form: https://forms.office.com/r/zHPFnutJ1x
- Proof of debt form; and
- Proxy form (if required).

Once you have registered, a link to view the meeting will subsequently be sent to you by email. Please note your name will be visible to other attendees of the meeting and in meeting documents we prepare with ASIC. Further, pursuant to Section 75-15(1)(ba) as the meeting is being held virtually.

## AGENDA

The purpose of the meeting is:

1. to review the report of the Administrators and their recommendation in connection with the business, property, affairs and financial circumstances of the Companies; and
2. for the creditors of the Companies to resolve:
   a) that the Companies execute a deed of company arrangement; or
   b) that the administration should end; or
   c) that the Companies be wound up.
3. Creditors will be requested to fix the remuneration to be paid to the Administrators, as calculated on a time basis for the period 3 April 2023 to 28 April 2024 (inclusive);
4. Creditors will be requested to fix the remuneration to be paid to the Administrators, as calculated on a time basis for the period 29 April 2024 to the finalisation of the Voluntary Administration (inclusive);
5. Creditors will be requested to approve the actual and future internal disbursements incurred and likely to be incurred in the administration;
6. Creditors will be requested to fix the remuneration to be paid to the Liquidators, as calculated on a time basis for the period 11 May 2024 to the finalization of the Liquidation (inclusive); and
7. Any other business properly brought before the meeting.

If you choose to post your proof of debt and proxy forms, please ensure they are sent with sufficient time to arrive by the due date. We encourage creditors to send their forms by email to BWXGroup@fticonsulting.com where possible.

Dated this 2nd day of May 2024

Kelly-Anne Trenfield

Administrator

## SCHEDULE 1 – Schedule of Subsidiaries

| Company name | ACN |
|---|---|
| Beautiworx Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 163 847 916 |
| LHS No. 2 Pty Ltd (Administrators Appointed) | 165 455 201 |
| Sapu Corporation Pty Ltd (Formerly Uspa Corporation Pty Ltd) (Administrators Appointed) | 163 273 514 |
| Edward Beale Hair Care Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 167 891 161 |
| BWX Brands Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 602 062 117 |
| BWX Australia Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 601 966 170 |
| Sukin Australia Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 602 062 199 |
| Renew Skin Care Australia Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 606 139 315 |
| Derma Sukin Australia Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 606 140 818 |
| Lightning Distribution Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 610 861 455 |
| BWX Digital Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 621 403 370 |
| The Good Collective Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) | 169 556 398 |

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**BWX LIMITED (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 163 488 631 ("THE COMPANY")**

I/We *(name)*

.............................................................................................................................................

of (*address)*

.............................................................................................................................................

a creditor of the Company, appoint *(add name and address of proxy)*

.............................................................................................................................................

Or in his/her absence *(add name and address of alternate proxy)*

.............................................................................................................................................

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | "The remuneration of the Voluntary Administrators of BWX Limited Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 488 631 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $371,098.50 (excl. of GST) to be drawn from available funds immediately or as funds become available." | ☐ | ☐ | ☐ |
| 3 | "The future remuneration of the Voluntary Administrators of BWX Limited Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 488 631 and their staff for the period from 29 April 2024 to the finalisation of the Voluntary Administration (inclusive), is determined at a sum equal to the cost of time spent by the Voluntary Administrators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 October 2023, is approved for payment in the amount of $78,831 (excl. of GST) to be drawn from available funds immediately or as funds become available." | ☐ | ☐ | ☐ |
| 4 | "The future remuneration of the Liquidators' of BWX Limited Pty Ltd (In Liquidation) (Receivers and Managers Appointed) ACN 163 488 631 and their staff for the period from the commencement of the Liquidation to the finalisation of the Liquidation, is determined at a sum equal to the cost of time spent by the Liquidators and their staff, calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 October 2023, is approved for payment | ☐ | ☐ | ☐ |

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| | up to a capped amount of $120,000 (excl. of GST) to be drawn from available funds immediately or as funds become available.” | | | |

............................. ..................................................................

Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………….………………………..……………. Signature of witness:

……………………..……………..…….………………………… Description: ……………………………………..…….……..………. Place of

residence: ……………….………………….……….………………………..

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**BEAUTIWORX PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 163 847 916 ("THE COMPANY")**

I/We *(name)*

........................................................................................................................................................
of (*address)*

........................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

........................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

........................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of Beautiworx Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 847 916 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $67,300 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

.............................                    ..................................................................
Dated                    Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………………………………………………… Signature of witness:

……………………………………………………………………… Description: ……………………………………………………… Place of

residence: ………………………………………………………………………

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**LHS NO. 2 PTY LTD (ADMINISTRATORS APPOINTED)**

**ACN 165 455 201 ("THE COMPANY")**

I/We *(name)*

……………………………………………………………………………………………………………………………………………

of (*address)*

……………………………………………………………………………………………………………………………………………

a creditor of the Company, appoint *(add name and address of proxy)*

……………………………………………………………………………………………………………………………………………

Or in his/her absence *(add name and address of alternate proxy)*

……………………………………………………………………………………………………………………………………………

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of LHS No. 2 Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 165 455 201 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $9,430 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

………………………… ……………………………………………………………

Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………………………………………………… Signature of witness:

……………………………………………………………… Description: ……………………………………………………… Place of

residence: ……………………………………………………………………

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**SAPU CORPORATION PTY LTD (ADMINISTRATORS APPOINTED)**

**ACN 163 273 514 ("THE COMPANY")**

I/We *(name)*

.......................................................................................................................................................
of (*address)*

.......................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

.......................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

.......................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of Sapu Corporation Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 163 273 514 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $8,876.50 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

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Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………….…………………………………………. Signature of witness:

……………………….……………………………………………. Description: ……………………………………….……….…… Place of

residence: …………………….……………………………………………….

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**EDWARD BEALE HAIR CARE PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 167 891 161 ("THE COMPANY")**

I/We (name)

..............................................................................................................................................................

of *(address)*

..............................................................................................................................................................

a creditor of the Company, appoint *(add name and address of proxy)*

..............................................................................................................................................................

Or in his/her absence *(add name and address of alternate proxy)*

..............................................................................................................................................................

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"That the remuneration of the Voluntary Administrators of Edward Beale Hair Care Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 167 891 161 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,638.50 (excl. of GST) to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

............................. ..................................................................
Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………………………………………………… Signature of witness:

……………………………………………………………………… Description: ………………………………………………………… Place of

residence: ……………………………………………………………………

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**BWX BRANDS PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 602 062 117 ("THE COMPANY")**

I/We *(name)*

..........................................................................................................................................................
of *(address)*

..........................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

..........................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

..........................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | <br>☐<br>☐<br>☐ | <br>☐<br>☐<br>☐ | <br>☐<br>☐<br>☐ |
| 2 | "The remuneration of the Voluntary Administrators of BWX Brands (Receivers and Managers Appointed) (Administrators Appointed) ACN 602 062 117 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $14,868 (exclusive of GST), to be drawn from available funds immediately or as funds become available." | ☐ | ☐ | ☐ |

.............................                                 ..................................................................
Dated                                                          Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………………………………………………. Signature of witness:

……………………………………………………………………… Description: ………………………………………………………… Place of

residence: ……………………………………………………………………….

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**BWX AUSTRALIA PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 601 966 170 ("THE COMPANY")**

I/We *(name)*

..........................................................................................................................................................

of (*address)*

..........................................................................................................................................................

a creditor of the Company, appoint *(add name and address of proxy)*

..........................................................................................................................................................

Or in his/her absence *(add name and address of alternate proxy)*

..........................................................................................................................................................

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of BWX Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 601 966 170 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023 and Strategic Communications effective 14 September 2022, is approved for payment in the amount of $88,875 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

.............................          ..................................................................
Dated          Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………………………………………………… Signature of witness:

…………………………………………………………………… Description: …………………………………………………………… Place of

residence: ……………………………………………………………………………

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**SUKIN AUSTRALIA PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 602 062 199 ("THE COMPANY")**

I/We *(name)*

...........................................................................................................................................
of (*address)*

...........................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

...........................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

...........................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | "The remuneration of the Voluntary Administrators of Sukin Australia Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 602 062 199 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $12,541.50 (exclusive of GST), to be drawn from available funds immediately or as funds become available." | ☐ | ☐ | ☐ |

.............................                    ..................................................................
Dated                    Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………….…………………………………… Signature of witness:

……………………….………………………………………… Description: …………………………………….……………. Place of

residence: ………………….………………….……………………………….

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**RENEW SKIN CARE AUSTRALIA PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 606 139 315 ("THE COMPANY")**

I/We *(name)*

.................................................................................................................................................

of (*address)*

.................................................................................................................................................

a creditor of the Company, appoint *(add name and address of proxy)*

.................................................................................................................................................

Or in his/her absence *(add name and address of alternate proxy)*

.................................................................................................................................................

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of Renew Skin Care Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 139 315 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,312 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

............................. ..................................................................
Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………………………………………………… Signature of witness:

………………………………………………………………… Description: ……………………………………………………… Place of

residence: ……………………………………………………………………

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**DERMA SUKIN AUSTRALIA PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 606 140 818 ("THE COMPANY")**

I/We *(name)*

..........................................................................................................................................................
of (*address)*

..........................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

..........................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

..........................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of Derma Sukin Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 606 140 818 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the* FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023*, is approved for payment in the amount of $7,150 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

.............................
Dated

..................................................................
Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………….……………………….……………. Signature of witness:

……………………….……….…….…………………………… Description: ……………………………………….……….……….…. Place of

residence: ……………….………………………………………………….

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**LIGHTNING DISTRIBUTION PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 610 861 455 ("THE COMPANY")**

I/We *(name)*

..........................................................................................................................................................

of (*address)*

..........................................................................................................................................................

a creditor of the Company, appoint *(add name and address of proxy)*

..........................................................................................................................................................

Or in his/her absence *(add name and address of alternate proxy)*

..........................................................................................................................................................

as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of Lightning Distribution Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 610 861 455 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $6,526.50 (excl. of GST) to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

.............................                    ...................................................................
Dated                    Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: …………………………..…………………………..………… Signature of witness:

………………………..……….…………………………… Description: ………………………………….……….………. Place of

residence: ……………….…………………….……………………………..

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**BWX DIGITAL PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 621 403 370 (“THE COMPANY”)**

I/We *(name)*

.......................................................................................................................................................
of (*address)*

.......................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

.......................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

.......................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | “The remuneration of the Voluntary Administrators of BWX Digital Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) ACN 621 403 370 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $17,482 (exclusive of GST), to be drawn from available funds immediately or as funds become available.” | ☐ | ☐ | ☐ |

............................. ..................................................................
Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ……………………….…………………………….……….. Signature of witness:

…………………….……….…….……………………………… Description: ………………………………………..……….……….. Place of

residence: …………………..…………………..…………………………..

*Insolvency Practice Rules, 75-25*
*Corporations Act 2001*

**APPOINTMENT OF PROXY**

**THE GOOD COLLECTIVE PTY LTD (RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)**

**ACN 169 556 398 ("THE COMPANY")**

I/We *(name)*

.............................................................................................................................................................
of (*address)*

.............................................................................................................................................................
a creditor of the Company, appoint *(add name and address of proxy)*

.............................................................................................................................................................
Or in his/her absence *(add name and address of alternate proxy)*

.............................................................................................................................................................
as my / our proxy, to vote at the second meeting of creditors to be held at **10:00AM (AEST)** on **Friday, 10 May 2024** or at any adjournment of that meeting.

☐ **Option 1:** If appointed as a general proxy, as he/she determines on my/our behalf. **AND/OR**
☐ **Option 2:** If appointed as a special proxy for some or all resolutions, specifically in the manner set out below.

| # | Resolution | For | Against | Abstain |
|---|---|---|---|---|
| 1 | Future of the Company (only vote for one of the below)<br>a) the Company execute a deed of company arrangement<br>b) The Administration should end; or<br>c) The Company be wound up. | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ | ☐<br>☐<br>☐ |
| 2 | *"The remuneration of the Voluntary Administrators of The Good Collective Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 169 556 398 and their staff, for the period 3 April 2023 to 28 April 2024 (inclusive), calculated at the hours spent at the rates detailed in the FTI Consulting Standard Rates (Corporate Finance & Restructuring) Effective 1 July 2022 and 1 October 2023, is approved for payment in the amount of $18,900.50 (excl. of GST), to be drawn from available funds immediately or as funds become available."* | ☐ | ☐ | ☐ |

............................. ..................................................................
Dated Name and signature of authorised person

**CERTIFICATE OF WITNESS** – only complete if the person given the proxy is blind or incapable of writing.

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

Dated: ………………………………………………………………… Signature of witness:

……………………………………………………………… Description: …………………………………………………………. Place of

residence: …………………………………………………………………….

# GUIDANCE AND INSTRUCTIONS

## FORM OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the member is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Corporations Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Corporations Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.

subregulation 5.6.49(2)
*Corporations Act 2001*

**FORM 535 – FORMAL PROOF OF DEBT OR CLAIM**

## BWX LIMITED (ACN 163 488 631) AND ITS SUBSIDIARIES AS LISTED IN SCHEDULE 1

## (RECEIVERS AND MANAGERS APPPOINTED) (ADMINISTRATORS APPOINTED) (TOGETHER "THE COMPANIES")

To the Voluntary Administrators of the BWX Group (see below list of companies):

Select **one (1)** Company only that applies. Please tick **only one** Company that you are a creditor of (if you are a creditor of more than one company, you **must** complete a new Formal Proof of Debt for the other Company/s).

| Company name | ACN | Tick only ONE |
|---|---|---|
| BWX Limited | 163 488 631 | ☐ |
| Beautiworx Pty Ltd | 163 847 916 | ☐ |
| LHS No. 2 Pty Ltd | 165 455 201 | ☐ |
| Sapu Corporation Pty Ltd (Formerly Uspa Corporation Pty Ltd) | 163 273 514 | ☐ |
| Edward Beale Hair Care Pty Ltd | 167 891 161 | ☐ |
| BWX Brands Pty Ltd* | 602 062 117 | ☐ |
| BWX Australia Pty Ltd | 601 966 170 | ☐ |
| Sukin Australia Pty Ltd | 602 062 199 | ☐ |
| Renew Skin Care Australia Pty Ltd | 606 139 315 | ☐ |
| Derma Sukin Australia Pty Ltd | 606 140 818 | ☐ |
| Lightning Distribution Pty Ltd | 610 861 455 | ☐ |
| BWX Digital Pty Ltd | 621 403 370 | ☐ |
| The Good Collective Pty Ltd | 169 556 398 | ☐ |

1. This is to state that the Company was on 3 April 2023, and still is, justly and truly indebted to:
   Creditor Name: ..........................................................................................
   Address: ..........................................................................................
   Amount $: ..........................................................................................

   Particulars of the debt are:

| Date | Consideration | Amount ($/c) | Remarks |
|---|---|---|---|
| | *(state how the debt arose)* | | *(include details of voucher substantiating payment)* |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: ..........................................................................................
   ..........................................................................................
   *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

| Date | Drawer | Acceptor | Amount ($/c) | Due Date |
|---|---|---|---|---|
| | | | | |

3. Signed by *(select correct option)*:

☐ I am the creditor personally

☐ 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

☐ 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.

Signature: ........................................................................................ Dated: ..........................................................................................

Name: ........................................................................................ Occupation: ..........................................................................................

Address: ..............................................................................................................................................................................................

** If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor*

| **RECEIVE REPORTS BY EMAIL** | **YES** | **NO** |
|---|---|---|
| Do you wish to receive all future reports and correspondence from our office via email? | ☐ | ☐ |
| Email: ........................................................................................................................ | | |

If being used for the purpose of voting at a meeting:

| | | | |
|---|---|---|---|
| a) | Is the debt you are claiming assigned to you? | ☐ Yes | ☐ No |
| b) | If yes, attach written evidence of the debt, the assignment and consideration given. | ☐ Attached | |
| c) | If yes, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) | $ ................................................... | |
| d) | f yes, are you a related party creditor of the Company?<br>(If you are unsure contact the Voluntary Administrators) | ☐ Yes | ☐ No |