

## REMUNERATION REQUEST APPROVAL REPORT

GORDON SMITH MARKETING PTY. LTD (ADMINISTRATOR APPOINTED)  
ACN 003 840 168

## PART 1: DECLARATION

I, Mr Andrew Schwarz of A.S. Advisory Pty Ltd have undertaken a proper assessment of this remuneration claim for my appointment as Administrator of the Company in accordance with the law and applicable professional standards. I are satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the Administration.

## PART 2: EXECUTIVE SUMMARY

To date, no remuneration has been approved in the Administration. This remuneration request approval report details approvals sought for the following amounts with respect to the Company:

Period	Remuneration Request Approval Report Part	\$ (excl GST)
<b>Voluntary Administration</b>		
Fee Resolution Number 1: 27 June 2016 to 31 August 2016	3.1	157,811.75
Fee Resolution Number 2: 31 August 2016 to conclusion of Administration*	3.2	50,000.00
<b>Total Voluntary Administration</b>		<b>207,811.75</b>
<b>Liquidation (if applicable)</b>		
Fee Resolution Number 3 Interim remuneration of Liquidator from commencement*	3.3	150,000.00
<b>Deed of Company Arrangement (if applicable)</b>		
Fee Resolution Number 4 Remuneration of Deed Administrator from commencement to completion of the DOCA*	3.4	60,000.00

\*Approval for future remuneration sought is based on an estimate of the work necessary to the completion of the administration/liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors or the committee of inspection.

Please refer to my Scale of Rates and Relevant Experience for each level of staff at Annexure H and the Remuneration Request Approval Report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

## PART 3: DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED

### 3.1 Fee Resolutions 1: Voluntary Administration of from 27 June 2016 to 31 August 2016

Company	Gordon Smith Marketing Pty Ltd	Period From	27 June 2016	To	31 August 2016
Practitioner	Andrew Schwarz	Firm	A.S. Advisory Pty Ltd		
Administration Type	Voluntary Administration				

Task Area \$(Excl GST)	General Description	Includes
Assets \$3,074.00 / 11.7 hrs	Sale of Business	Review sale process Discussions with Purchaser Licence agreement Business Valuation
	Plant and equipment	Liaising with valuers, auctioneers Review and maintain/update insurance cover Observing, securing and maintaining assets
	Assets subject to specific charges	Liaising with and assisting security holders to realise charged assets Analysis of security positions
	Stock	Liaising with purchasers
	Leasing	Reviewing leasing documents Liaising with lessors as appropriate
Creditors \$60,083.25 / 270 hrs	Creditor enquiries	Receive and follow up creditor enquiries Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Secured creditor	Preparation of notifications to creditors with interests registered on the PPSR Responding to secured creditor queries and seeking security positions Meetings with secured creditors
	Creditor reports / Committee Report	Preparing section 439A report, investigation, meeting and general reports to creditors Report to Committee of Inspection
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend
	Meeting of creditors / Committee	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors 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 Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting Extension of convening period application
Trade on / Employees \$26,205.50 / 118.6hrs	Employees enquiries	Receive and follow up employee enquiries Review and prepare correspondence to creditors and their representatives Preparation of letters to employees advising of their entitlements and options available
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company books and records Reconciling superannuation accounts Reviewing awards and employment contracts
	Workers compensation claims	Review insurance policies Correspondence with insurer regarding initial and ongoing workers compensation insurance requirements Correspondence with previous brokers
	Trade on management	Liaising with suppliers Liaising with management and staff daily Attendance on site Monitoring of Purchaser's trading Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Employees	Meetings with staff regarding operations Payment of weekly wages, annual leave and sick leave
	Processing receipts and payments	Entering receipt and payments into accounting system

Task Area \$(Excl GST)	General Description	Includes
	Budgeting and financial reporting	Reviewing company budgets and financial statements Preparing budgets Preparing daily financial reports Preparing weekly cash forecasts Meetings to discuss trading position
<b>Investigations</b>  \$54,963.00 / 234.2hrs	Conducting investigation	Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of financial analysis Review of specific transactions and liaising with management regarding certain transactions Regular meetings with staff and management Discussions with the director and advisers Meeting and discussions with the Company accountant Preparation of investigation file
	Legal advice / recoveries	Preparing briefs to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations
<b>Administration</b>  \$13,486.00 / 53hrs	Document maintenance/file review/checklist	Regular administration review Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Notification of appointment Preparing BAS
	Planning / Review	Discussions and planning regarding status of administration

## Fee Resolution 1: Calculation of Remuneration

Gordon Smith Marketing Pty Ltd  
(Adminsitrator Appointed)  
Administrator's Remuneration  
27 June 2016 to 31 August 2016

Person	Position	\$/Hour (Excl GST)	Total Hours	Total \$	Assets \$ Hrs	Creditors \$ Hrs	Trade-on \$ Hrs	Investigation \$ Hrs	Administration \$ Hrs
Andrew Schwarz	Partner	420	45.3	19,026.00	840.00 2.0	8,106.00 19.3	4,116.00 9.8	1,302.00 3.1	4,662.00 11.1
Andrew Schwarz	Senior Manager	315	0.6	189.00	- -	- -	189.00 0.6	- -	- -
Andrew Schwarz	Manager	285	42.5	12,112.50	798.00 2.8	5,928.00 20.8	399.00 1.4	4,389.00 15.4	598.50 2.1
Andrew Schwarz	Supervisor	240	57.7	13,848.00	96.00 0.4	7,104.00 29.6	552.00 2.3	6,096.00 25.4	- -
Andrew Schwarz	Accountant	200	12.7	2,540.00	200.00 1.0	1,140.00 5.7	1,000.00 5.0	- -	200.00 1.0
Andrew Schwarz	Graduate	160	2.2	352.00	- -	352.00 2.2	- -	- -	- -
Andrew Schwarz	Secretary	140	10.0	1,400.00	- -	1,400.00 10.0	- -	- -	- -
Bob Pfaff	Manager	285	8.3	2,351.25	- -	2,351.25 8.3	- -	- -	- -
Bob Pfaff	Supervisor	240	2.0	480.00	- -	360.00 1.5	120.00 0.5	- -	- -
Bob Pfaff	Accountant	200	210.2	42,040.00	800.00 4.0	11,860.00 59.3	18,040.00 90.2	9,740.00 48.7	1,600.00 8.0
Bob Pfaff	Graduate	160	12.8	2,048.00	- -	640.00 4.0	848.00 5.3	560.00 3.5	- -
Paul Hyland	Senior Manager	315	2.1	661.50	- -	- -	661.50 2.1	- -	- -
Paul Hyland	Manager	285	56.1	15,988.50	- -	- -	- -	15,276.00 53.6	712.50 2.5
Paul Hyland	Supervisor	240	37.7	9,048.00	- -	- -	- -	8,040.00 33.5	1,008.00 4.2
Paul Hyland	Accountant	200	55.9	11,180.00	- -	5,000.00 25.0	180.00 0.9	5,600.00 28.0	400.00 2.0
Paul Hyland	Graduate	160	19.0	3,040.00	- -	- -	- -	3,040.00 19.0	- -
Paul Hyland	Secretary	140	3.9	546.00	- -	- -	- -	- -	546.00 3.9
Rob Cleary	Accountant	200	21.5	4,300.00	- -	4,000.00 20.0	100.00 0.5	200.00 1.0	- -
Rob Cleary	Graduate	160	43.5	6,960.00	- -	6,960.00 43.5	- -	- -	- -
Tom Lesnikowski	Manager	285	3.4	969.00	- -	570.00 2.0	- -	- -	399.00 1.4
Tom Lesnikowski	Supervisor	240	17.8	4,272.00	240.00 1.0	3,312.00 13.8	- -	720.00 3.0	- -
James MacCreadie	Accountant	200	8.0	1,600.00	100.00 0.5	1,000.00 5.0	- -	- -	500.00 2.5
Belinda Donnelly	Bookkeeper	200	14.3	2,860.00	- -	- -	- -	- -	2,860.00 14.3
<b>Total</b>			<b>687.45</b>	<b>157,811.75</b>	<b>3,074.00 11.7</b>	<b>60,083.25 270.0</b>	<b>26,205.50 118.6</b>	<b>54,963.00 234.2</b>	<b>13,486.00 53.0</b>
GST				15,781.18					
<b>Total (Incl GST)</b>				<b>173,592.93</b>					
Average Rate (Excl GST)				229.56	262.74	222.57	220.96	234.68	254.45

### 3.2 Fee Resolutions 2: Voluntary Administration – Estimated Remuneration from 1 September 2016 to conclusion of the Administration.

Company	Gordon Smith Marketing Pty Ltd	Period From	1 September 2016	To	Conclusion of VA
Practitioner	Andrew Schwarz	Firm	A.S. Advisory Pty Ltd		
Administration Type	Voluntary Administration				

Task Area \$ (Excl GST)	General Description	Includes
<b>Assets</b>  \$13,500 / 50hrs	Sale of Business	Negotiation and settlement of Sale process Licencing of business to purchaser till settlement Arranging the transfer of licences and permits
	Debtors	Liaising with debt collectors
	Stock	Finalisation of sale process
<b>Creditors</b>  \$15,495 / 64.5hrs	Creditor enquiries	Receive and follow up creditor enquiries Review and prepare correspondence to creditors and their representatives Correspondence with committee of creditors members
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend Corresponding with OSR and ATO regarding PODs when not related to a dividend
	Meeting of creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors 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 Preparation of minutes of meetings Responding to stakeholder queries and questions immediately following meeting
<b>Trade On / Employees</b>  \$11,975 / 45hrs	Employees enquiry	Receive and follow up employee enquiries Review and prepare correspondence to employees and their representatives Preparation of letters to employees advising of their entitlements and options available
	Trade on management	Liaising with suppliers to finalise accounts Liaising with management and staff Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting and financial reporting	Reviewing company's budgets and financial statements Preparing budgets Meetings to discuss trading position
	Legal advice	Liaising with solicitors regarding settlement matters
<b>Administration</b>  \$9,030 / 38hrs	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	Preparing BAS Preparing Insolvency Notices notice

## Fee Resolution 2: Calculation of Remuneration

**Gordon Smith Marketing Pty Ltd  
(Adminsitrator Appointed)**

**Administrator's Remuneration**

**1 September 2016 to end of Voluntary Administration**

Position	\$/Hour (Excl GST)	Total Hours	Total \$	Assets \$	Hrs	Creditors \$	Hrs	Trade-on \$	Hrs	Administration \$	Hrs
Partner	420	19.0	7,980.00	2,100.00	5.0	2,100.00	5.0	2,100.00	5.0	1,680.00	4.0
Director	360	0.0	-	-	0.0	-	0.0	-	0.0	-	0.0
Senior Manager	315	10.0	3,150.00	3,150.00	10.0	-	0.0	-	0.0	-	0.0
Manager	285	50.0	14,250.00	2,850.00	10.0	4,275.00	15.0	4,275.00	15.0	2,850.00	10.0
Supervisor	240	40.0	9,600.00	2,400.00	10.0	3,600.00	15.0	3,600.00	15.0	-	0.0
Accountant	200	54.0	10,800.00	3,000.00	15.0	4,000.00	20.0	2,000.00	10.0	1,800.00	9.0
Graduate	160	9.5	1,520.00	-	0.0	1,520.00	9.5	-	0.0	-	0.0
Bookkeeper	200	10.0	2,000.00	-	0.0	-	0.0	-	0.0	2,000.00	10.0
Secretary	140	5.0	700.00	-	0.0	-	0.0	-	0.0	700.00	5.0
<b>Total</b>		<b>197.5</b>	<b>50,000.00</b>	<b>13,500.00</b>	<b>50.0</b>	<b>15,495.00</b>	<b>64.5</b>	<b>11,975.00</b>	<b>45.0</b>	<b>9,030.00</b>	<b>38.0</b>
GST			5,000.00								
<b>Total (Incl GST)</b>			<b>55,000.00</b>								
Average Rate (Excl GST)			253.16	270.00		240.23		266.11		237.63	

### 3.3 Fee Resolution 3: Liquidation – Estimated Interim Remuneration - Liquidation

Company	Gordon Smith Marketing Pty. Ltd	Period From	Commencement	To	Interim fee capped amount
Practitioner	Andrew Schwarz	Firm	A.S. Advisory Pty Ltd		
Administration Type	Liquidation				

Task Area \$ (Excl GST)	General Description	Includes
<b>Assets</b> \$26,325 / 85hrs	Sale of Business	Finalise sale negotiations Settlement issues Transfer of business
	Plant and equipment	Negotiation and settlement of Sale process Licencing of business to purchaser till settlement
	Stock	Finalisation of sale process
<b>Creditors</b> \$17,600 / 70hrs	Creditor enquiries	Receive and follow up creditor enquiries Review and prepare correspondence to creditors and their representatives Correspondence with committee of creditors members
	Dealing with proofs of debt	Receipting and filing PODs when not related to a dividend Corresponding with OSR and ATO regarding PODs when not related to a dividend
	Processing Proof of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicate POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertising of intention to declare dividend Obtain ATO clearance to allow distribution of company assets Preparation of dividend calculation Correspondence announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers Preparation to creditors enclosing payment of dividend
	Meeting of creditors / Committee	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known creditors 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 Preparation of minutes of meetings Responding to stakeholder queries and questions immediately following meeting
<b>Trade On / Employees</b> \$13,575 / 53hrs	Employees enquiry	Receive and follow up employee enquiries Review and prepare correspondence to employees and their representatives Preparation of letters to employees advising of their entitlements and options available
	Trade on management	Liaising with suppliers to finalise accounts Liaising with management and staff Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting and financial reporting	Reviewing company's budgets and financial statements Preparing budgets Meetings to discuss trading position

Task Area \$ (Excl GST)	General Description	Includes
Investigations  \$81,156.50 / 325.1hrs	Conducting investigation	Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions
	Legal advice / Recoveries	Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
Administration  \$11,344 / 47.1hrs	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	Preparing BAS Preparing Insolvency Notices notice

### Fee Resolution 3: Calculation of Remuneration

**Gordon Smith Marketing Pty Ltd**  
**(Adminsitrator Appointed)**  
**Liquidator's Remuneration**  
**Interim Approval**

Position	\$/Hour (Excl GST)	Total Hours	Total \$	Assets		Creditors		Trade-on		Investigation		Administration	
			\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	420	94.0	39,480.00	12,600.00	30.0	2,100.00	5.0	2,100.00	5.0	21,000.00	50.0	1,680.00	4.0
Director	360	0.2	72.00	-	0.0	-	0.0	-	0.0	-	0.0	72.00	0.2
Senior Manager	315	25.1	7,906.50	-	0.0	-	0.0	-	0.0	7,906.50	25.1	-	0.0
Manager	285	120.0	34,200.00	7,125.00	25.0	5,700.00	20.0	4,275.00	15.0	14,250.00	50.0	2,850.00	10.0
Supervisor	240	110.0	26,400.00	3,600.00	15.0	4,800.00	20.0	3,600.00	15.0	12,000.00	50.0	2,400.00	10.0
Accountant	200	117.0	23,400.00	3,000.00	15.0	5,000.00	25.0	3,600.00	18.0	10,000.00	50.0	1,800.00	9.0
Graduate	160	100.1	16,016.00	-	0.0	-	0.0	-	0.0	16,000.00	100.0	16.00	0.1
Bookkeeper	200	9.9	1,980.00	-	0.0	-	0.0	-	0.0	-	0.0	1,980.00	9.9
Secretary	140	3.9	546.00	-	0.0	-	0.0	-	0.0	-	0.0	546.00	3.9
<b>Total</b>		<b>580.2</b>	<b>150,000.00</b>	<b>26,325.00</b>	<b>85.0</b>	<b>17,600.00</b>	<b>70.0</b>	<b>13,575.00</b>	<b>53.0</b>	<b>81,156.50</b>	<b>325.1</b>	<b>11,344.00</b>	<b>47.1</b>
GST			15,000.00										
<b>Total (Incl GST)</b>			<b>165,000.00</b>										
Average Rate (Excl GST)			258.53	309.71		251.43		256.13		249.64		240.85	

### 3.4 Fee Resolution 4: DOCA – Estimated Remuneration from commencement to the conclusion of the DOCA

Company	Gordon Smith Marketing Pty. Ltd	Period From	Commencement	To	Conclusion of DOCA
Practitioner	Andrew Schwarz	Firm	A.S. Advisory Pty Ltd		
Administration Type	DOCA				

Task Area \$ (Excl GST)	General Description	Includes
Assets \$12,425 / 42hrs	Sale of Business	Finalise sale negotiations Settlement issues Transfer of business
	Stock	Finalisation of sale process
Creditors \$34,725 / 125hrs	Creditor enquiries	Receive and follow up creditor enquiries Review and prepare correspondence to creditors and their representatives
	Processing Proof of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicate POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertising of intention to declare dividend Obtain ATO clearance to allow distribution of company assets Preparation of dividend calculation Correspondence announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers Preparation to creditors enclosing payment of dividend
Trade On \$4,465 / 17hrs	Employees enquiry	Receive and follow up employee enquiries Review and prepare correspondence to employees and their representatives Preparation of letters to employees advising of their entitlements and options available
	Trade on management	Liaising with suppliers to finalise accounts Liaising with management and staff Preparing and authorising receipt vouchers Preparing and authorising payment vouchers
	Processing receipts and payments	Entering receipt and payments into accounting system
Administration \$8,385 / 28hrs	Document maintenance/file review/checklist	Filing of documents Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO and other statutory reporting	Preparing BAS Preparing Insolvency Notices notice

#### Fee Resolution 4: Calculation of Remuneration

**Gordon Smith Marketing Pty Ltd**  
**(Adminsitrator Appointed)**  
**Deed Administrator's Remuneration**  
**DOCA Period**

Position	\$/Hour	Total Hours	Total	Assets		Creditors		Trade-on		Investigation		Administration	
	(Excl GST)		\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	420	55.0	23,100.00	5,460.00	13.0	12,600.00	30.0	840.00	2.0	-	0.0	4,200.00	10.0
Director	360	0.0	-	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Senior Manager	315	0.0	-	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Manager	285	44.0	12,540.00	2,565.00	9.0	7,125.00	25.0	1,425.00	5.0	-	0.0	1,425.00	5.0
Supervisor	240	45.0	10,800.00	2,400.00	10.0	6,000.00	25.0	1,200.00	5.0	-	0.0	1,200.00	5.0
Accountant	200	65.0	13,000.00	2,000.00	10.0	9,000.00	45.0	1,000.00	5.0	-	0.0	1,000.00	5.0
Graduate	160	1.0	160.00	-	0.0	-	0.0	-	0.0	-	0.0	160.00	1.0
Bookkeeper	200	2.0	400.00	-	0.0	-	0.0	-	0.0	-	0.0	400.00	2.0
Secretary	140	0.0	-	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
<b>Total</b>		<b>212.0</b>	<b>60,000.00</b>	<b>12,425.00</b>	<b>42.0</b>	<b>34,725.00</b>	<b>125.0</b>	<b>4,465.00</b>	<b>17.0</b>	<b>-</b>	<b>0.0</b>	<b>8,385.00</b>	<b>28.0</b>
GST			6,000.00										
<b>Total (Incl GST)</b>			<b>66,000.00</b>										
Average Rate (Excl GST)			283.02	295.83		277.80		262.65		#DIV/0!		299.46	

## PART 4: STATEMENT OF REMUNERATION CLAIM

The following resolutions are proposed:

Fee resolution number	Resolution
1	"That the remuneration of the Administrator of Gordon Smith Marketing Pty Ltd (Administrator Appointed) for the period from 27 June 2016 to 31 August 2016, calculated on the basis of time spent by the Administrator, his directors, staff and contractors at the scale of fees disclosed in the report to creditors dated 8 September 2016 for work of this nature be approved and drawn on account in the amount of \$157,811.75 plus GST and disbursements."
2	"That the remuneration of the Administrator of Gordon Smith Marketing Pty Ltd (Administrator Appointed) for the period from 1 September 2016 to the end of the administration, calculated on the basis of time spent by the Administrator, his directors, staff and contractors at the scale of fees disclosed in the report to creditors dated 8 September 2016 for work of this nature be approved and drawn on account in the fixed amount of \$50,000 plus GST and disbursements."
3	"That the remuneration of the Liquidator of Gordon Smith Marketing Pty Ltd as set out in the remuneration report dated 8 September 2016, for an interim period from the commencement of the Liquidation be capped at the amount of \$150,000 plus GST and disbursements but subject to upward revision by Creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."
4	"That the remuneration of the Deed Administrator of Gordon Smith Marketing Pty Ltd as set out in the remuneration report dated 8 September 2016, for the period from the commencement of the DOCA to the Completion of the DOCA be fixed in the amount of \$60,000 plus GST and disbursements but subject to upward revision by Creditors and that the Deed Administrator be authorised to make periodic payments on account of such accruing remuneration as incurred."

I confirm that no remuneration has been previously determined during the Administrations of the Companies.

With respect to Fee Resolution 2, 3 and 4 representing future remuneration requests which are capped to the amounts disclosed above. Capped remuneration only allows a Practitioner to draw upon that remuneration after it has been necessarily and properly incurred during the conduct of the External Administrations. Where remuneration incurred exceeds the capped amount, a Practitioner must seek further approval before drawing any further remuneration.

## PART 5: REMUNERATION RECOVERABLE FROM EXTERNAL SOURCES

I confirm that I have not received any remuneration from external sources. Should the company be wound up I may receive remuneration from the Department of Employment for undertaking work in relation to the *Fair Entitlements Guarantee Act 2012*.

## PART 6: DISBURSEMENTS

Disbursements are divided into three types:

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

of these costs must be on a reasonable commercial basis.

I are not required to seek creditor approval for disbursements, but must account to creditors.

Where amounts have been paid to my firm for externally provided services and costs, those payments are in reimbursement of costs previously paid by my firm, either due to a lack of funds in the Administration at the time the payment was due, or the direct invoicing of my firm by the supplier. Disbursements incurred to date appear in the receipts and payments listing enclosed to this report. Future disbursements will be charged to the administration on the basis of the table below:

Disbursements	Basis
Externally provided professional services	At cost
Accommodation & Meals	At cost
Advertising	At cost
ASIC Notices	At cost
Courier	At cost
Hard drives	At cost
Photocopying & Printing (Mono)	\$0.30 per page
Photocopying & Printing (Colour)	\$0.65 per page
Outsourced Printing & Copying	At cost
Postage and facsimiles	At cost
Searches	At cost
Storage	At cost
Travel	At cost
Telephone Calls	At cost

Prior to drawing any disbursements I will undertake a proper assessment of disbursement claimed for the Company, in accordance with the law and applicable professional standards.

Disbursements incurred and paid to date include:

Gordon Smith Marketing Pty Ltd Disbursements Paid to 31 August 2016	
Printing & Stationary	851.77
Telephone	120.00
Lodgements & Searches	160.00
Postage	550.15
Travel	13,847.93
Meeting Room Hire	732.15
Valuation Fees	330.00
<b>Total (Incl GST)</b>	<b>16,592.00</b>

*Note: An allocation of the above has not yet been undertaken across all Companies*

### **Legal Fees**

I have engaged King & Wood Mallesons as my legal advisors to provide advice to the Administrator on a range of matters including, sale of business, PPSR security registrations, licence agreement with Brands for Us Pty Ltd.

In my opinion King & Wood Mallesons have fulfilled their duties by providing professional and substantiated advice to us at commercial rates. I consider the advice provided has been of benefit to the administration and creditors.

To date King & Wood Mallesons have invoiced \$128,057 (incl GST) across the all Companies. These costs have not been split across the Companies at the time of writing.

## PART 7: SUMMARY OF RECEIPTS AND PAYMENTS

A summary of receipts and payments for the Company from 27 June 2016 to 31 August 2016 is included as Annexure F.

## PART 8: QUERIES

Please be advised that creditors who wish to obtain further information or details may obtain further information on request. Please contact Andrew Schwarz on 0408 317 984.


## PART 9: INFORMATION SHEET

An information sheet (Info 85: Approving fees – a guide for creditors) provides creditors with general information concerning the approval of remuneration in external Administrations. It may be accessed from ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets) or alternatively a creditor information sheet on approving remuneration in external administrations is available from the ARITA website at [www.arita.com.au](http://www.arita.com.au).

Please contact my office if you are having difficulties accessing either of the above links and you require a copy of the information sheets.

DATED this 8 day of September 2016

**Gordon Smith Marketing Pty. Ltd (Administrator Appointed)**

A handwritten signature in blue ink, appearing to read 'Andrew Schwarz', with a long horizontal flourish extending to the right.

Andrew Schwarz  
Administrator