

REMUNERATION REQUEST APPROVAL REPORT

RODNEY CLARK PTY LTD (ADMINISTRATOR APPOINTED)
ACN 088 072 244

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 am 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)
Voluntary Administration		
Fee Resolution Number 1: 27 June 2016 to 31 August 2016	3.1	85,261.50
Fee Resolution Number 2: 31 August 2016 to conclusion of Administration*	3.2	25,000.00
Total Voluntary Administration		110,261.50
Liquidation (if applicable)		
Fee Resolution Number 3 Interim remuneration of Liquidator from commencement*	3.3	60,000.00
Deed of Company Arrangement (if applicable)		
Fee Resolution Number 4 Remuneration of Deed Administrator from commencement to completion of the DOCA*	3.4	45,000.00

*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 I 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	Rodney Clark 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 \$1,155 / 3.1 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 \$28,397.50 / 121.5 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 \$24,055.50 / 103.5hrs	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	<ul style="list-style-type: none"> Reviewing company budgets and financial statements Preparing budgets Preparing daily financial reports Preparing weekly cash forecasts Meetings to discuss trading position
Investigations \$26,738 / 114hrs	Conducting investigation	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Preparing briefs to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations
Administration \$4,915.50 / 16.9hrs	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Regular administration review Filing of documents File reviews Updating checklists
	Insurance	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, etc Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BAS
	Planning / Review	<ul style="list-style-type: none"> Discussions and planning regarding status of administration

Fee Resolution 1: Calculation of Remuneration

Rodney Clark Pty Ltd

(Administrator Appointed)

Administrator's Remuneration

27 June 2016 to 31 August 2016

Person	Position	\$ / Hour (Excl GST)	Total Hours	Total	Assets		Creditors		Trade-on		Investigation		Administration	
				\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Andrew Schwarz	Partner	420	29.6	12,432.00	924.00	2.2	4,074.00	9.7	4,494.00	10.7	420.00	1.0	2,520.00	6.0
Andrew Schwarz	Director	360	2.6	936.00	-	-	-	-	936.00	2.6	-	-	-	-
Andrew Schwarz	Senior Manager	315	0.6	189.00	-	-	-	-	189.00	0.6	-	-	-	-
Andrew Schwarz	Manager	285	27.3	7,780.50	57.00	0.2	4,075.50	14.3	1,197.00	4.2	2,137.50	7.5	313.50	1.1
Andrew Schwarz	Supervisor	240	46.0	11,040.00	-	-	5,568.00	23.2	696.00	2.9	4,776.00	19.9	-	-
Andrew Schwarz	Accountant	200	10.1	2,020.00	-	-	1,460.00	7.3	400.00	2.0	-	-	160.00	0.8
Andrew Schwarz	Graduate	160	1.9	304.00	-	-	304.00	1.9	-	-	-	-	-	-
Andrew Schwarz	Secretary	140	6.0	840.00	-	-	840.00	6.0	-	-	-	-	-	-
Bob Pfaff	Manager	285	4.8	1,368.00	-	-	1,368.00	4.8	-	-	-	-	-	-
Bob Pfaff	Supervisor	240	1.5	360.00	-	-	360.00	1.5	-	-	-	-	-	-
Bob Pfaff	Accountant	200	111.0	22,200.00	60.00	0.3	5,100.00	25.5	15,540.00	77.7	1,400.00	7.0	100.00	0.5
Bob Pfaff	Graduate	160	5.0	800.00	-	-	528.00	3.3	272.00	1.7	-	-	-	-
Paul Hyland	Senior Manager	315	0.6	189.00	-	-	-	-	189.00	0.6	-	-	-	-
Paul Hyland	Manager	285	20.9	5,956.50	-	-	-	-	-	-	5,956.50	20.9	-	-
Paul Hyland	Supervisor	240	18.7	4,488.00	-	-	-	-	-	-	4,008.00	16.7	480.00	2.0
Paul Hyland	Accountant	200	34.9	6,980.00	-	-	4,400.00	22.0	-	-	2,280.00	11.4	300.00	1.5
Paul Hyland	Graduate	160	16.8	2,688.00	-	-	-	-	-	-	2,688.00	16.8	-	-
Paul Hyland	Secretary	140	1.0	140.00	-	-	-	-	-	-	-	-	140.00	1.0
Rob Cleary	Graduate	160	2.0	320.00	-	-	320.00	2.0	-	-	-	-	-	-
Tom Lesnikowski	Manager	285	2.1	598.50	114.00	0.4	-	-	142.50	0.5	-	-	342.00	1.2
Tom Lesnikowski	Supervisor	240	12.8	3,072.00	-	-	-	-	-	-	3,072.00	12.8	-	-
Belinda Donnelly	Bookkeeper	200	2.8	560.00	-	-	-	-	-	-	-	-	560.00	2.8
Total			359	85,261.50	1,155.00	3.1	28,397.50	121.5	24,055.50	103.5	26,738.00	114.0	4,915.50	16.9
GST				8,526.15										
Total (Incl GST)				93,787.65										
Average Rate (Excl GST)				237.50	372.58		233.72		232.42		234.54		290.86	

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

Company	Rodney Clark 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
Assets \$6,750 / 25hrs	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
Creditors \$7,707.50 / 32hrs	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
Trade On / Employees \$5,887.50 / 23hrs	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
Administration \$4,655 / 20hrs	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

Rodney Clark Pty Ltd

(Administrator Appointed)

Administrator's Remuneration

1 September 2016 to end of Voluntary Administration

Position	\$/Hour (Excl GST)	Total Hours	Total \$	Assets		Creditors		Trade-on		Investigation		Administration	
				\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	420	9.5	3,990.00	1,050.00	2.5	1,050.00	2.5	1,050.00	2.5	-	0.0	840.00	2.0
Director	360	0.0	-	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Senior Manager	315	5.0	1,575.00	1,575.00	5.0	-	0.0	-	0.0	-	0.0	-	0.0
Manager	285	25.0	7,125.00	1,425.00	5.0	2,137.50	7.5	2,137.50	7.5	-	0.0	1,425.00	5.0
Supervisor	240	20.0	4,800.00	1,200.00	5.0	1,800.00	7.5	1,800.00	7.5	-	0.0	-	0.0
Accountant	200	26.5	5,300.00	1,500.00	7.5	2,000.00	10.0	900.00	4.5	-	0.0	900.00	4.5
Graduate	160	4.5	720.00	-	0.0	720.00	4.5	-	0.0	-	0.0	-	0.0
Bookkeeper	200	5.0	1,000.00	-	0.0	-	0.0	-	0.0	-	0.0	1,000.00	5.0
Secretary	140	3.5	490.00	-	0.0	-	0.0	-	0.0	-	0.0	490.00	3.5
Total		99.0	25,000.00	6,750.00	25.0	7,707.50	32.0	5,887.50	22.0	-	0.0	4,655.00	20.0
GST			2,500.00										
Total (Incl GST)			27,500.00										
Average Rate (Excl GST)			252.53	270.00		240.86		267.61		-		232.75	

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

Company	Rodney Clark 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
Assets \$9,025 / 30hrs	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
Creditors \$5,875 / 22.5hrs	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
	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
Trade On / Employees \$5,275 / 20hrs	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

Task Area \$ (Excl GST)	General Description	Includes
	Budgeting and financial reporting	Reviewing company's budgets and financial statements Preparing budgets Meetings to discuss trading position
Investigations \$34,400 / 140hrs	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 \$5,425 / 23hrs	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

Rodney Clark Pty Ltd
 (Adminsitrator Appointed)
 Liquidator's Remuneration
 Interim Approval

Position	\$/Hour	Total Hours	Total	Assets		Creditors		Trade-on		Investigation		Administration	
	(Excl GST)		\$	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	420	42.0	17,640.00	4,200.00	10.0	1,050.00	2.5	1,050.00	2.5	10,500.00	25.0	840.00	2.0
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	40.0	11,400.00	1,425.00	5.0	1,425.00	5.0	1,425.00	5.0	5,700.00	20.0	1,425.00	5.0
Supervisor	240	57.5	13,800.00	2,400.00	10.0	2,400.00	10.0	1,800.00	7.5	6,000.00	25.0	1,200.00	5.0
Accountant	200	44.5	8,900.00	1,000.00	5.0	1,000.00	5.0	1,000.00	5.0	5,000.00	25.0	900.00	4.5
Graduate	160	45.0	7,200.00	-	0.0	-	0.0	-	0.0	7,200.00	45.0	-	0.0
Bookkeeper	200	2.5	500.00	-	0.0	-	0.0	-	0.0	-	0.0	500.00	2.5
Secretary	140	4.0	560.00	-	0.0	-	0.0	-	0.0	-	0.0	560.00	4.0
Total		235.5	60,000.00	9,025.00	30.0	5,875.00	22.5	5,275.00	20.0	34,400.00	140.0	5,425.00	23.0
GST			6,000.00										
Total (Incl GST)			66,000.00										
Average Rate (Excl GST)			254.78	300.83		261.11		263.75		245.71		235.87	

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

Company	Rodney Clark 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 \$11,165 / 39hrs	Sale of Business	Finalise sale negotiations Settlement issues Transfer of business
	Stock	Finalisation of sale process
Creditors \$22,435 / 83hrs	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 \$6,935 / 23.5hrs	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

Rodney Clark Pty Ltd

(Adminsitrator Appointed)

Deed Administrator's Remuneration

DOCA Period

Position	\$/Hour (Excl GST)	Total Hours	Total \$	Assets		Creditors		Trade-on		Investigation		Administration	
				\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs
Partner	420	37.5	15,750.00	4,200.00	10.0	7,560.00	18.0	840.00	2.0	-	0.0	3,150.00	7.5
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	34.0	9,690.00	2,565.00	9.0	4,275.00	15.0	1,425.00	5.0	-	0.0	1,425.00	5.0
Supervisor	240	35.0	8,400.00	2,400.00	10.0	3,600.00	15.0	1,200.00	5.0	-	0.0	1,200.00	5.0
Accountant	200	53.0	10,600.00	2,000.00	10.0	7,000.00	35.0	1,000.00	5.0	-	0.0	600.00	3.0
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
Total		162.5	45,000.00	11,165.00	39.0	22,435.00	83.0	4,465.00	17.0	-	0.0	6,935.00	23.5
GST			4,500.00										
Total (Incl GST)			49,500.00										
Average Rate (Excl GST)			276.92	286.28		270.30		262.65		-		295.11	

PART 4: STATEMENT OF REMUNERATION CLAIM

The following resolutions are proposed:

Fee resolution number	Resolution
1	"That the remuneration of the Administrator of Rodney Clark 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 \$85,261.50 plus GST and disbursements."
2	"That the remuneration of the Administrator of Rodney Clark 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 \$25,000 plus GST and disbursements."
3	"That the remuneration of the Liquidator of Rodney Clark Retail 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 Rodney Clark 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 \$45,000 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 am 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	
Media Management	3,850.00
Total Disbursements	3,850.00

Note: this may need to be allocated 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 (including GST) across 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 or alternatively a creditor information sheet on approving remuneration in external administrations is available from the ARITA website at 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

Rodney Clark 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