

**Cubbie Group of companies (see attached list)
("the Companies")**

Circular to Creditors

Jamie Harris, Colin Nicol and I were appointed Administrators of the Companies on 30 October 2009.

First statutory meetings of creditors

First statutory meetings of creditors of the Companies must be held within eight business days of my appointment. Those meetings have been convened for 11 November 2009. The statutory purpose of the first meetings is to allow creditors to determine whether committees of creditors should be appointed and to appoint alternative administrators if it is so resolved at those meetings. The meetings will be held at the Cultural Centre, 114 Victoria Street, St George, Queensland on Wednesday, 11 November 2009 at 11:30 am. A formal Notice of Meeting is enclosed.

Creditors who intend to vote at the meetings are required to lodge a formal proof of debt for each of the Companies they have a claim against. A blank proof of debt form along with instructions on how to complete it, are enclosed. Creditors who are unable to attend the meetings and wish to be represented should ensure that either a proxy form, power of attorney, or evidence of appointment of a company representative is completed for each of the Companies they have a claim against. A blank proxy form is enclosed. Documents may be lodged with me prior to the meetings or may be brought to the meetings.

Report and second meetings

All creditors will receive a detailed report from me regarding the Companies' affairs before the second statutory meetings of creditors must be held. Decisions on each company's future will be made at the second statutory meetings.

Declaration of Independence, Relevant Relationships and Indemnities

In accordance with Section 436DA of the *Corporations Act 2001* and the Insolvency Practitioners' Association of Australia ("IPA") *Code of Professional Practice*, a Declaration of Independence, Relevant Relationships and Indemnities is enclosed for your information.

This declaration discloses information regarding our independence, any prior personal or professional relationships with the Companies or related parties and any indemnities received in relation to the appointments.

The partners and staff of McGrathNicol have extensive experience in Voluntary Administrations of large and small companies. McGrathNicol partners have acted as Voluntary Administrators for companies operating small to medium businesses, through to very large public companies.

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Remuneration

The Administrators' remuneration can only be fixed by a resolution of creditors, a resolution of a committee of creditors or by application to the Court. Approval of the Administrators' remuneration will be sought at the second meetings of creditors.

In accordance with the IPA's *Code of Professional Practice*, a Schedule of Remuneration Methods and Hourly Rates is enclosed for your information. A Remuneration Report providing details of the remuneration sought will be provided prior to the second meetings of creditors.

Other matters

No further credit should be extended to the Companies without an order signed personally by me as Administrator or my authorised representatives. A separate circular will be issued to suppliers for authorisation and account arrangements.

For further information about this engagement, please refer to the website www.mcgrathnicol.com.

A copy of the "Insolvency information for directors, employees, creditors and shareholders" information sheet issued by the Australian Securities & Investments Commission ("ASIC") is enclosed for your information.

If you require any further information, please contact Mr Alastair Raphael of my staff on (07) 3333 9876.

Dated 2 November 2009



John Cronin
Administrator

Enclosures:

List of companies
Notice of Meeting
Proof of Debt
Instructions for completion of Proof of Debt
Proxy
Notes for completion of Proxy
Information for attendance at meeting
Declaration of Independence, Relevant Relationships and Indemnities
Schedule of Remuneration Methods and Hourly Rates
ASIC "Insolvency information for directors, employees, creditors and shareholders" information sheet

Cubbie Group of companies

List of Companies

Company	ACN
Cubbie Group Ltd (Administrators Appointed)	116 808 694
Cubbie Group Brisbane Pty Ltd (Administrators Appointed)	107 458 391
Cubbie Group St George Pty Ltd (Administrators Appointed)	116 498 867
Cubbie St George Pty Ltd (Administrators Appointed)	116 498 876
Cubbie Dirranbandi 1 Pty Ltd (Administrators Appointed)	116 335 490
Cubbie Dirranbandi 2 Pty Ltd (Administrators Appointed)	116 330 673
Cubbie Dirranbandi 3 Pty Ltd (Administrators Appointed)	116 330 708
Cubbie Station Pty Ltd (Administrators Appointed)	009 772 150
Cubbie Group 1 Pty Ltd (Administrators Appointed)	009 772 132
Cubbie Group 2 Pty Ltd (Administrators Appointed)	009 772 141
Cubbie Group 3 Pty Ltd (Administrators Appointed)	009 772 123

**NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION**

Cubbie Group Ltd (Administrators Appointed) ACN 116 808 694
Cubbie Group Brisbane Pty Ltd (Administrators Appointed) ACN 107 458 391
Cubbie Group St George Pty Ltd (Administrators Appointed) ACN 116 498 867
Cubbie St George Pty Ltd (Administrators Appointed) ACN 116 498 876
Cubbie Dirranbandi 1 Pty Ltd (Administrators Appointed) ACN 116 335 490
Cubbie Dirranbandi 2 Pty Ltd (Administrators Appointed) ACN 116 330 673
Cubbie Dirranbandi 3 Pty Ltd (Administrators Appointed) ACN 116 330 708
Cubbie Station Pty Ltd (Administrators Appointed) ACN 009 772 150
Cubbie Group 1 Pty Ltd (Administrators Appointed) ACN 009 772 132
Cubbie Group 2 Pty Ltd (Administrators Appointed) ACN 009 772 141
Cubbie Group 3 Pty Ltd (Administrators Appointed) ACN 009 772 123

(“the Companies”)

1. On 30 October 2009 the Companies, under Section 436A, appointed John Cronin, Jamie Harris and Colin Nicol of McGrathNicol as Administrators.
2. Notice is now given that concurrent meetings of the creditors of the Companies will be held at the Cultural Centre, 114 Victoria Street, St George, Queensland on 11 November 2009 at 11:30 am.
3. The purpose of the meetings is to determine for each company:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meetings, creditors may also, by resolution for each company:
 - (a) remove the Administrators from office; and
 - (b) appoint someone else as Administrator of the company.

Dated 2 November 2009



John Cronin
Administrator

Australian Company Number: _____
(insert ACN of relevant entity)

FORM 535

Subregulation 5.6.49(2)

Corporations Act (2001)

**FORMAL PROOF OF DEBT OR CLAIM
(GENERAL FORM)**

To the Administrators of _____ (Administrators Appointed)
(insert name of relevant entity)

1. This is to state that the company was on 30 October 2009, and still is, justly and truly indebted to:

(full name and address of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor) for \$ _____ and _____ cents.

Date	Consideration (state how the Debt arose)	Amount \$ c	Remarks (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. 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.

*3. I am the creditor's agent authorised in writing to make this statement in writing. 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.

.....
Signature
Occupation:
Address:
.....
Phone Contact:
Creditor's ABN:

Dated

If you are a business creditor, failure to quote your ABN may result in withholding of tax of 46.5% from any dividend.

Proof of Debt Reference:

*Do not complete if this proof is made by the creditor personally.

Address: Level 14, 145 Eagle Street, Brisbane QLD 4000
Contact Name: Mr Alastair Raphael
Contact Number: (07) 3333 9876

Proofs of Debt
Notes for your guidance
(Please read carefully before filling in Form 535 or Form 536)

It is a creditor’s responsibility to prove their claim to our satisfaction.

When lodging claims, creditors must ensure that:

- (a) the proof of debt form is properly completed in every particular; and
- (b) documentary evidence, such as that detailed below, is attached to the Form 535 or Form 536.

Directions for completion of a Proof of Debt

- 1 Insert the full name and ACN of the company that the creditor is claiming against. A list of Cubbie Group entities and each company’s ACN is attached to this circular. If the creditor has a claim against more than one Cubbie Group entity, please complete a separate Proof of Debt for each claim.
- 2 Insert the full name and address of the creditor.
- 3 Under “Consideration” state how the debt arose, for example “goods sold to the company on
- 4 Under “Remarks” include details of any documents that substantiate the debt (refer to the section titled “Information to support your claim” below for further information).
- 5 Where the space provided for a particular purpose is insufficient to contain all the required information in relation to a particular item, that information should be set out in an annexure.
- 6 An annexure to the form must have an identifying mark and be endorsed with the words:
“This is the annexure of pages marked referred to in the Form 535/536 signed by me and dated

.....
Signature(s) Name of Signatory IN BLOCK LETTERS”

and signed by each person signing the form to which the document is annexed.

- 7 The pages in the annexure must be numbered consecutively.
- 8 Where a document, copy of a document or other matter is annexed to a form, reference made in the form to the annexure shall be by its identifying mark, the number of pages in it, and a brief description of the nature of the document and its contents.
- 9 A reference to an annexure includes a document, copy of a document or any other matter accompanying, attaching to or annexed to a form.

Information to support your claim

Please note that your debt is not likely to be accepted unless evidence to support its existence is provided. Detailed below are some examples of the type of debt creditors may be claiming and a suggested list of documents, copies of which should accompany a proof of debt for that class of creditor.

Trade Creditors

- Statements and supporting invoices(s) showing the amount of the debt; and
- Advice(s) to pay outstanding invoice(s) (optional).

Guarantees/Indemnities

- Executed guarantee/indemnity;
- Notice of Demand served on the guarantor; and
- Calculation of the amount outstanding under the guarantee.

Judgment Debt

- Copy of the judgment; and
- Documents/details to support the underlying debt as per other categories.

Deficiencies on Secured Debt

- Security Documents (eg. mortgage);
- Independent valuation of the secured portion of the debt (if not yet realised) or the basis of the creditor's estimated value of the security;
- Calculation of the deficiency on the security; and
- Details of income earned and expenses incurred by the secured creditor in respect of the secured asset since the date of appointment.

Loans (Bank and Personal)

- Executed loan agreement; and
- Loan statements showing payments made, interest accruing and the amount outstanding as at the date of appointment.

Tax Debts

- Documentation that shows the assessment of debts, whether it is an actual debt or an estimate, and separate amounts for the primary debt and any penalties.

Employee Debts

- Basis of calculation of the debt;
- Type of Claim (eg. wages, holiday pay, etc);
- Correspondence relating to the debt being claimed; and
- Contract of Employment (if any).

Leases

- Copy of the lease; and
- Statement showing amounts outstanding under the lease, differentiating between amounts outstanding at the date of the appointment and any future monies.

FORM 532
Corporations Act 2001

Regulation 5.6.29

(1) _____ **(Administrators Appointed)**
(insert name of relevant entity)

(2) **ACN** _____
(insert ACN of relevant entity)
APPOINTMENT OF PROXY

I/We (3) _____ of

_____ a creditor of (1) _____ **(Administrators Appointed)** appoint

(4) _____ or in his/her absence

(5) _____ as my/our general/special proxy to vote at the meeting of creditors to be held on 11 November 2009 at 11:30 am or at any adjournment of that meeting.

DATED this _____ day of _____ 2009

(6) Signature _____

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 this _____ day of _____ 2009

Signature of witness _____

Description _____

Place of residence _____

Notes:

- (1) Insert Cubbie Group entity's name.
- (2) Insert Cubbie Group entity's ACN.
- (3) If a firm strike out "I" and set out the full name of the firm.
- (4) Insert the name of the person appointed.
- (5) If a special proxy, "add the words 'to vote for' or the words 'to vote against' and specify the particular resolution".
- (4) If the creditor is a sole trader, sign in accordance with the following example: "A.B., proprietor".
If the creditor is a partnership, sign in accordance with the following example: "A.B., a partner of the said firm."

If the creditor is a company, then the form of proxy must be under its Common Seal or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "for the company, A.B." (duly authorised under the Seal of the Company).

Proxy forms should have been completed and returned by no later than 4:00 PM on 10 November 2009 to be eligible to vote at the meeting.

RETURN TO: **Cubbie Group**
of care of McGrathNicol
Address: GPO Box 9986, Brisbane QLD 4001
Phone: +61 7 3333 9800
Fax: +61 7 3333 9899

Proxy

Notes for your Guidance

- + Insert the full name and ACN of the relevant Cubbie Group entity on the first two lines. A list of Cubbie Group companies and their ACNs is attached to this circular. If the creditor intends to assign Proxies for more than one Cubbie Group entity, please complete separate Proxies for each Cubbie Group entity as required.
 - + Insert full name and address of creditor, contributory or member on the third and/or fourth lines.
 - + Insert the full name of the Cubbie Group entity that creditor is claiming against on the fifth line.
 - + On the sixth line, insert the name of the person you appoint as your proxy. You may insert "the Chairperson of the meeting" if you wish.
 - + On the next line insert the organisation the proxy holder represents or works for (not required if the Chairperson is your proxy).
 - + You may appoint an alternate proxy on the seventh line who may act if your first appointed proxy cannot attend the meeting. You may insert "the Chairperson of the meeting" if you wish.
 - + If the proxy is a general proxy the form requires no addition.
 - + If the proxy is a special proxy the form must include instructions regarding the use of the proxy (i.e. details of the resolution and whether the proxy holder is to cast a vote in favour or against the resolution or abstain from voting).
 - + Date and sign the Proxy form using one of the following various forms of execution:
 - Sole Trader - Sign the proxy yourself.
 - Partnership - e.g. sign - "Smith & Associates
Per John Smith - Partner"
 - Company - (i) By a director or secretary, e.g. "J Smith – Director".
(ii) By a person duly authorised to sign on behalf of the company, e.g.

"Smith & Sons Pty Ltd. ACN: _____
Per: J Smith
A person duly authorised to sign on the company's behalf".

OR

"Smith & Sons Pty Ltd. ACN: _____
By its duly constituted attorney J Smith".
- NB:** If signing on behalf of a company the following example is not sufficient:
- "Smith & Sons Pty Ltd. ACN: _____
Per: J Smith"
- + "Certificate of Witness" is only to be used where the Proxy is being completed on behalf of a person who is blind or incapable of writing. In all other cases a witness to the signature of the person appointing the Proxy is not required and you may ignore the section headed "Certificate of Witness".

Cubbie Group of companies (see attached list)

General Information for Attending and Voting at Meetings of Creditors

Time and Place of Meeting

Pursuant to Corporations Regulation ("Regulation") 5.6.14 a meeting of creditors must be convened at a time and place most convenient for the majority of creditors entitled to receive notice of the meeting.

Quorum

- + Pursuant to Regulation 5.6.16 a meeting must not act for any purpose except:
 - the election of a chairperson; and
 - the proving of debts; and
 - the adjournment of the meeting:unless a quorum is present.
- + A quorum is deemed to be present if at least 2 (two) creditors are present at the meeting in person, by proxy, by power of attorney or participating by telephone.
- + A meeting is sufficiently constituted if only one person is present in person if the person represents personally or by proxy or otherwise a number of persons sufficient to constitute a quorum.

Chairperson

Pursuant to Regulation 5.6.17 the Administrator is appointed Chairperson of the meeting. Alternatively, the Administrator may, pursuant to Regulations 5.6.17 and 5.6.34, appoint someone else to act as chairperson of the meeting and authorise that person to use any proxies held by the Administrator on the Administrator's behalf.

For the second meeting of creditors in a Voluntary Administration, the Administrator must chair the meeting pursuant to Section 439B of the Corporations Act 2001.

Voting

- + Pursuant to Regulation 5.6.23 creditors will not be eligible to vote at the meeting unless they have lodged particulars of their debt or claim prior to or at the meeting.
- + Accordingly, creditors who intend to vote at the meeting should ensure that they lodge a formal proof of debt with the company prior to or at the meeting.
- + Pursuant to Regulation 5.6.19 all resolutions put to the meeting will be decided on the voices unless a poll is demanded, before or on the declaration of the result of the voices.

A poll may be demanded by:

- the chairperson; or
 - at least 2 (two) persons present in person, by proxy, by power of attorney or participating by telephone and entitled to vote at the meeting; or
 - a person present in person, by proxy, by power of attorney or participating by telephone and representing not less than 10% of the total voting rights of all persons entitled to vote at the meeting.
- + Pursuant to Regulation 5.6.21, should a poll be demanded:
- a resolution will be carried if a majority in number and a majority in value vote in favour of the resolution; and
 - a resolution will be lost if a majority in number and a majority in value vote against the proposed resolution.

In the event of a deadlock, the chairperson may exercise a casting vote. In such situations, the minutes of the meeting must specify the chairperson's reasons for exercising, or not exercising, their casting vote.

Proxies

- + Pursuant to Regulation 5.6.28 creditors who are entitled to attend and vote at the meeting may appoint a natural person over the age of 18 years as their proxy to attend and vote at the meeting on their behalf.
- + Accordingly, creditors who are unable to attend the meeting but who wish to be represented should ensure that a validly executed proxy form is lodged with the Administrator prior to the meeting.
- + Pursuant to Regulations 5.6.28 and 5.6.36A creditors may lodge a facsimile copy of a proxy form with the Administrator prior to the meeting, however, the original of the instrument must be received by the Administrator within 72 hours of receipt of the faxed copy.
- + Pursuant to Regulations 5.6.28, 5.6.29 and 5.6.31 creditors may lodge a proxy form with the company prior to the meeting by electronic means, however electronic lodgement will only be possible where the convenor has specified an electronic address or other electronic means on the proxy form. Proxy forms lodged via electronic means must be validly executed by signing and scanning the form.
- + Pursuant to Regulation 5.6.32 a person may, should they so desire, appoint the Administrator by name or by reference to his or her office to act as his, her or its general or special proxy.

Corporate Creditors

Corporate creditors who wish to attend the meeting should note that they may only be represented by an individual if that person is validly granted a proxy or power of attorney by that corporation.

Alternatively, Section 250D of the Corporations Act 2001 provides that a corporation may, by resolution of its board, provide a standing authority for a specified person to represent the

corporation at specified meeting of creditors. A copy of any such resolution should be provided to the Administrator prior to attending the meeting.

Committee of Creditors

Pursuant to Section 436G of the Corporations Act 2001, a person may only serve as a member of a Committee of Creditors if the person is:

- + a creditor of the company personally; or
- + the attorney of a creditor under a general power of attorney; or
- + authorised in writing by a creditor.

Corporate creditors who are members of a Committee of Creditors may be represented by:

- + an officer or employee of the member; or
- + an individual authorised in writing by the member to represent the member on the committee.

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

Cubbie Group Ltd (Administrators Appointed) ACN 116 808 694
Cubbie Group Brisbane Pty Ltd (Administrators Appointed) ACN 107 458 391
Cubbie Group St George Pty Ltd (Administrators Appointed) ACN 116 498 867
Cubbie St George Pty Ltd (Administrators Appointed) ACN 116 498 876
Cubbie Dirranbandi 1 Pty Ltd (Administrators Appointed) ACN 116 335 490
Cubbie Dirranbandi 2 Pty Ltd (Administrators Appointed) ACN 116 330 673
Cubbie Dirranbandi 3 Pty Ltd (Administrators Appointed) ACN 116 330 708
Cubbie Station Pty Ltd (Administrators Appointed) ACN 009 772 150
Cubbie Group 1 Pty Ltd (Administrators Appointed) ACN 009 772 132
Cubbie Group 2 Pty Ltd (Administrators Appointed) ACN 009 772 141
Cubbie Group 3 Pty Ltd (Administrators Appointed) ACN 009 772 123

(“the Companies”)

Independence

We, John Cronin, Colin Nicol and Jamie Harris, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Companies. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

Relevant Relationships

Neither we, nor McGrathNicol, have, or have had within the preceding 24 months, any relationships with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has a charge on the whole or substantially whole of the Companies’ property other than set out below.

Name	Nature of relationship	Reasons why not an Impediment or Conflict														
Suncorp Bank and National Australia Bank Limited (“the Lenders”)	<p>In November 2008 the Lenders engaged McGrathNicol Advisory to investigate and report on the financial position of the Companies and to monitor the Companies’ attempts to repay their indebtedness to the Lenders.</p> <p>McGrathNicol Advisory rendered the following fee accounts which were paid by the Companies pursuant to the Lenders’ security documents:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Date</th> <th style="text-align: right;">Amount (GST exc) \$</th> </tr> </thead> <tbody> <tr> <td>10/12/2008</td> <td style="text-align: right;">142,826.50</td> </tr> <tr> <td>27/02/2009</td> <td style="text-align: right;">42,938.36</td> </tr> <tr> <td>30/04/2009</td> <td style="text-align: right;">120,518.90</td> </tr> <tr> <td>14/07/2009</td> <td style="text-align: right;">28,002.11</td> </tr> <tr> <td>21/08/2009</td> <td style="text-align: right;"><u>57,360.70</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>391,646.57</u></td> </tr> </tbody> </table>	Date	Amount (GST exc) \$	10/12/2008	142,826.50	27/02/2009	42,938.36	30/04/2009	120,518.90	14/07/2009	28,002.11	21/08/2009	<u>57,360.70</u>	Total	<u>391,646.57</u>	<p>McGrathNicol Advisory was engaged by the Lenders and reported to the Lenders. We have not been engaged by, or undertaken work on behalf of, the Companies.</p> <p>At no point has McGrathNicol Advisory been responsible for management of the Companies.</p> <p>Although McGrathNicol Advisory has been paid by the Companies, the work was conducted on behalf of the Lenders only. The Lenders have the ability (via their security documents) to require the Companies to pay for external advice provided directly to the Lenders.</p>
Date	Amount (GST exc) \$															
10/12/2008	142,826.50															
27/02/2009	42,938.36															
30/04/2009	120,518.90															
14/07/2009	28,002.11															
21/08/2009	<u>57,360.70</u>															
Total	<u>391,646.57</u>															

Name	Nature of relationship	Reasons why not an Impediment or Conflict
The Lenders (continued)	The Lenders hold charges over the whole or substantially the whole of the Companies' property and McGrathNicol undertakes work from time to time on behalf of the Lenders.	This relationship has not impeded our independence.
Australian Taxation Office ("ATO")	The ATO may be a creditor of the Companies and McGrathNicol undertakes work from time to time on behalf of the ATO.	This relationship has not impeded our independence.

There are no other prior professional or personal relationships that should be disclosed.

Prior Engagements with the Insolvent

Neither we, nor McGrathNicol, have undertaken any prior engagements for the Companies.

Indemnities

We have been provided with the following indemnities for the conduct of this voluntary administration:

Name	Nature of indemnity	Reasons why not an Impediment or Conflict
The Lenders	The Lenders have agreed, in principle, to provide a loan facility to the Administrators to fund the Companies' trading operations during the administration and for the payment of the costs and professional fees of the administrations.	This is a commercial arrangement with the Lenders and has not impeded our independence.

This does not include statutory indemnities.

Dated: 2 November 2009



John Cronin
Administrator

NOTE: *If circumstances change, or new information is identified, we are required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the companies' creditors.*

SCHEDULE OF REMUNERATION METHODS AND HOURLY RATES

**Cubbie Group of companies (see attached list)
 (“the Companies”)**

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

- + **Time based / hourly rates** - This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- + **Fixed Fee** - The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.
- + **Percentage** - The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- + **Contingency** - The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

We propose that our remuneration for each company be calculated on a time basis at hourly rates. This method is considered to be most suitable for these appointments as it ensures that creditors are only charged for work that is performed. Time will be recorded and charged in six minute increments. The complexity and demands of the administration will dictate the staff to be utilised for this appointment.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly Rate (excl GST)
Appointee/Partner	Registered liquidator, Chartered Accountant (or equivalent) and degree qualified with 12+ years (approximately) of experience.	\$513
Director	Chartered Accountant (or equivalent) and degree qualified with 9+ years (approximately) of experience. Able to autonomously lead complex insolvency appointments.	\$414
Senior Manager	Chartered Accountant (or equivalent) and degree qualified with 7+ years (approximately) of experience. Able to self-sufficiently complete single insolvency appointments.	\$378

Title	Description	Hourly Rate (excl GST)
Manager 1	Chartered Accountant (or equivalent) and degree qualified with 6+ years (approximately) of experience, with at least 2 years of Manager 2 or equivalent experience. Able to autonomously manage small appointments.	\$355
Manager 2	Chartered Accountant (or equivalent) and degree qualified with 5+ years (approximately) of experience. Able to autonomously manage small appointments.	\$320
Assistant Manager	Chartered Accountant (or equivalent) and degree qualified with 3+ years (approximately) of experience. Able to autonomously manage multiple modules on appointments.	\$270
Senior Accountant	Degree qualified and undertaking Chartered Accountant's qualification (or equivalent) with 1.5+ years (approximately) of experience. Able to complete multiple modules on appointments with supervision.	\$225
Accountant	Degree qualified and undertaking Chartered Accountant's qualification (or equivalent) with less than 1.5 years (approximately) of experience. Developing basic insolvency principles while working under supervision.	\$190
Undergraduate	Undertaking degree and developing basic insolvency principles while working under supervision.	\$170
Professional/ Senior Administrator	Appropriately experienced and undertakes support activities, including but not limited to treasury functions.	\$144
Personal Assistant	Appropriately experienced and undertakes support activities, including but not limited to word processing.	\$122
Group Secretary	Appropriately experienced and undertakes support activities, including but not limited to word processing.	\$104
Clerical	Appropriately experienced and undertakes support activities, including but not limited to treasury functions.	\$100

McGrathNicol reviews its hourly rates six monthly. The hourly rates quoted above remain in force until 31 December 2009 and McGrathNicol may increase fees for work continuing past that date.

Creditors will be advised of any change to the hourly rates for this administration.



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

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Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain 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. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.