

**Insolvency Practice Rules (Corporations) 2016  
Rules 70-35 and 75-130**

REMUNERATION APPROVAL REQUEST REPORT

**SPARTAN CONSULTING GROUP PTY LTD (IN LIQUIDATION)  
ACN: 168 989 544  
("the Company")**

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the Administration of the Company.

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To minimise the costs in the Liquidation, we have elected to seek the approval of creditors for our remuneration without a meeting. Information about the proposals without a meeting process is included at part 8 of this report.

You can cast your vote by using the included voting forms. These forms need to be returned to McGrathNicol by post, scanned and emailed or faxed. I need to receive your forms by Thursday, 18 November 2021 for your vote to be counted. If you chose to use post, please allow enough time for your letter to be delivered.

If you have any questions or need any assistance with understanding the material, we have sent to you, please contact our office.

## Part 1: Declaration

We, Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward, of Mackay Goodwin, have undertaken a proper assessment of this remuneration claim for our appointment as 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 the Administration.

## Part 2: Executive Summary

On 8 July 2021, we, Domenic Calabretta, Thyge Trafford-Jones, and Grahame Ward, of Mackay Goodwin were appointed joint and several Administrators of the Company.

On 21 July 2021, at the reconvened initial meeting of creditors, Jason Preston, Jason Ireland and Katherine Sozou of McGrathNicol replaced us as Administrators of the Company. This report has been prepared as a part of McGrathNicol's Statutory Report to Creditors.

Creditors are advised that Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward of Mackay Goodwin are herein commonly referred to as 'the Administrators' throughout this remuneration report which is in respect to our time costs incurred during the Administration period.

Creditors should note that any queries in respect to the proposal are to be directed to McGrathNicol. Any queries in respect to this remuneration report prepared by us is to be directed to Katherine Hines of Mackay Goodwin at khines@mackaygoodwin.com.au.

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (\$) (excluding GST)
Voluntary Administration		
Resolution 1 - 8 July 2021 to 21 July 2021	3.1.1	\$6,415.80
<b>Total - Voluntary Administration</b>		<b>\$6,415.80</b>

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

## Part 3. Remuneration

### 3.1 Remuneration claim resolutions

#### 3.1.1 Resolution 1 – 8 July 2021 to 21 July 2021

*That the remuneration of the Administrators, their partners and staff from 8 July 2021 to 21 July 2021 be approved up to a maximum amount of \$6,415.80 plus GST, calculated in accordance with the Mackay Goodwin hourly rates as attached and that the Administrators be authorised to draw the remuneration as required."*

### 3.2 Details of remuneration

The basis of calculating the remuneration claims, the details of the major tasks performed, and the costs associated with each of those major tasks are contained below.

#### 3.2.1 Resolution 1 – 8 July 2021 to 21 July 2021

The below table sets out time charged to each major task area by staff members working on the Administration for the periods 8 July 2021 to 21 July 2021 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are detailed below.

Task Area	General Description	Includes
Assets:  Hours: 1.60 Cost: \$541.00	Cash at Bank	Liaising with financial institutions regarding freezing of pre-appointment bank accounts and obtaining bank statements. Liaising with banking institutions in relation to any balance of funds held in the Company's pre-appointment bank accounts
	Plant and Equipment	Liaising with the Directors in relation to the Company's plant and equipment
	Motor Vehicle	Liaising with the Roads and Maritime Services ("RMS") and VicRoads with respect to current and historical motor vehicle searches.
	Assets subject to specific charges	All tasks associated with identifying assets which are subject to specific charges. Review of PPSR searches conducted.
	Other Assets	All tasks associated with identifying other assets.
Creditors  Hours: 5.86 Cost: \$2,603.40	Creditor Enquiries	Receiving and following up creditor enquiries via telephone and email. Reviewing and prepare correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Preparing initial report to creditors, including annexures.
	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.
	Secured Creditors	Liaising with secured creditors regarding status of appointment and ongoing correspondence.

Trade On Hours: 0.10 Cost: \$62.00	Trade on Management	Liaising with Management and Staff. Attendance on site.
Investigation Hours: 1.80 Cost: \$1,008.00	Conducting investigations	Collection of company books and records. Reviewing the Company's books and records. Review and preparation of Company nature and history. Conducting and summarising statutory searches. Preparation of investigation file.
Dividend Hours 0.60 Cost: \$162.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD
Administration Hours: 4.86 Cost: \$2,039.40	General matters	Client setup
	Document maintenance/file review/checklist	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.
	ASIC forms	Preparing and lodging ASIC forms including forms 505 and 531. Preparing and lodging ASIC advertisements.
	ATO & other statutory reporting	Notification of appointment. Correspondence with ATO to collect RFD information.
	Planning / Review	Internal communication concerning administration. Discussions regarding status of administration.
	Bank account administration	Preparing correspondence opening accounts. Liaising with banking institutions Requesting bank statements.



### 3.3 Likely impact on dividends

We note the following with respect to the dividend:

- Pursuant to Section 556 of the Corporations Act 2001 (“the Act”), the Administrators/Deed Administrators/Liquidators have priority over all claims of creditors with respect to their remuneration incurred.
- The work the Administrators are entitled to be remunerated for in accordance with the Act is necessary to ensure the greatest possible return to creditors.
- Creditors should refer to details of a likelihood of dividend as detailed in the statutory report to creditors issued by McGrathNicol.

### 3.4 Remuneration recovered from external sources

We have not been provided with any upfront payments or indemnity for the conduct of this Voluntary Administration.

#### Part 4: Disbursements

Disbursements are divided into three (3) types:

- A Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- B1 Externally provided non-professional costs - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation, and search fees.
- B2 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. Details of the basis of recovery of each of these costs is discussed below.

We are required to seek creditor approval for disbursement types A and B1, but must provide a full summary of account of disbursements to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to seek creditor approval prior to the payment of internal disbursements (B2) where there may be a profit or advantage. Creditors will be asking to approve our internal disbursements where there is a profit or advantage prior to these disbursements being paid in the Administration.

The Administrators will not be seeking any approval for B2 internal disbursement.

#### Part 5: Report on Progress of the Administration

This remuneration report should be read in conjunction with the McGrathNicol's Statutory Report to Creditors which outlines the progress of the external administration.

#### Part 6: Summary of Receipts and Payments

A Summary of the Administrators' receipts and payments made up to 21 July 2021 is attached.

#### Part 7: Queries

If you have any queries in relation to the information in this report, please contact Katherine Hines of Mackay Goodwin via email at [khines@mackaygoodwin.com.au](mailto:khines@mackaygoodwin.com.au).

You can also access information which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors); and
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for "insolvency information sheets").

#### Part 8: Approval of remuneration and internal disbursements

As previously mentioned throughout this report, the resolutions will be put forward at the meeting of creditors. Please refer to the notice of meeting enclosed with McGrath Nicol's Statutory Report to Creditors for information regarding the meeting to be convened and the resolutions which will be put forward for creditor approval.

Dated this 26<sup>th</sup> day of October 2021.



**DOMENIC CALABRETTA**  
**FORMER JOINT AND SEVERAL ADMINISTRATOR**

## Summarised Receipts & Payments

**SPARTAN CONSULTING GROUP PTY LTD**  
**(Administrators Appointed)**  
**Transactions From 08 July 2021 To 21 July 2021**

<b>A/C Code</b>	<b>Account</b>	<b>Gross Amount</b>
	<b>Total Receipts (inc GST)</b>	<b>\$0.00</b>
	<b>Total Payments (inc GST)</b>	<b>\$0.00</b>
	<b>Balance in Hand - By Bank Account</b>	<b>\$0.00</b>



Title	Description	Hourly Rate (excl GST)
Appointee	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	\$750
Director / Consultant	Typically CA/CPA or ARITA qualified with significant restructuring experience.	\$675
Senior Manager	Typically more than 7 years' insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration.	\$620
Manager	Typically 6-7 years, qualified accountant, with well-developed technical and commercial skills.	\$525
Supervisor	Typically 4-6 years, CA/CPA or ARITA complete. Assists planning and control of medium to larger jobs.	\$480
Senior Analyst 1	Typically completed or near completion of CA, CPA or ARITA qualifications with 3-5 years insolvency experience. Assists in planning and control of smaller matters as well as performing more difficult tasks on larger matters.	\$375
Senior Analyst 2	Typically CA/CPA would normally be commenced during this period, with 1-2 years insolvency experience. Required to control the fieldwork on small jobs and is responsible for assisting complete fieldwork on medium to large jobs.	\$350
Analyst 1	Typically, would have qualifications with insolvency experience. Works under supervision of more senior staff in performing day-to-day field work. 0-2 years insolvency experience.	\$290
Analyst 2	Trainee undertaking a business related degree or newly qualified graduate. Required to assist in day-to-day fieldwork under supervision of more senior staff. 0-1 years insolvency experience.	\$270
Clerical Assistant	Administration staff supporting professional staff	\$290
Junior Analyst	Junior staff member who has completed or near completion of a university degree. Works under supervision of more senior staff in performing Day-to-day field work	\$240
Secretary	Appropriate secretarial skills	\$190

26 October 2021 – Ref. 3.3

## NOTICE OF PROPOSAL TO CREDITORS

**SPARTAN CONSULTING GROUP PTY LTD (ADMINISTRATORS APPOINTED)**  
**ACN 168 989 544**  
**("the Company")**

Proposal 1 for creditor approval

*That the remuneration of the Administrators, their partners and staff from 8 July 2021 to 21 July 2021 be approved up to a maximum amount of \$6,415.80 plus GST, calculated in accordance with the Mackay Goodwin hourly rates as attached and that the Administrators be authorised to draw the remuneration as required."*

Reasons for the proposal and the likely impact it will have on creditors if it is passed

This proposal is a request to creditors for the approval of my remuneration. If my remuneration is approved, I will draw amounts from current funds held and/or from future funds should they become available. This will reduce the dividend payable (if any) to creditors of the Company. Failure to approve my remuneration via a remuneration proposal will require me to call a meeting of creditors which will result in additional costs being incurred by my office which we may seek approval for.

Vote on proposal

Creditors have the option of approving, not approving or objecting to the proposal being resolved without a meeting of creditors. Please select the appropriate Yes, No or Object box referred to below:

- |        |                          |  |
|--------|--------------------------|--|
| Yes    | <input type="checkbox"/> | I approve the proposal   |
| No     | <input type="checkbox"/> | I do not approve the proposal  |
| Object | <input type="checkbox"/> | I object to the proposal being resolved without a meeting of creditors |

Your claim against the Company must be admitted for the purposes of voting by the Administrators for your vote to count. Please select the option that applies:

- I have previously submitted a proof of debt form and supporting documents
- I have enclosed a proof of debt form and supporting documents with this proposal form

Creditor details

Name of creditor:

ACN / ABN (if applicable):

- I am not a related creditor of the Company.
- I am a related creditor of the Company, relationship:

Address:

Name of creditor / authorised person:

Signature:

Date:

The voting forms should be returned, by email to [forum@mcgrathnicol.com](mailto:forum@mcgrathnicol.com), or by post to GPO Box 9986, Sydney NSW 2001 no later than, 18 November 2021.