



McGrathNicol

McGrathNicol
Partnership

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PrimeSpace Property Investment Limited (Administrators Appointed)
ACN 107 345 317 ("the Company" or "PPIL")

Circular to Creditors

28 April 2015

I advise that Tony McGrath and I were appointed Joint and Several Administrators of the Company on 23 April 2015.

Background

For the benefit of creditors, I provide below a brief outline of PPIL and various matters I have identified to date that may be relevant in the administration.

PPIL acts of has acted as a responsible entity or trustee of various funds and trusts, including as Responsible Entity of the Prime Access Property Fund, trustee of the PrimeSpace Northbourne Trust ("**PSNT**"), trustee of the IQ Investment Trust, trustee of the PrimeSpace Property Trust No. 3 and trustee of the Mona Vale Development Trust. We understand that in the period shortly prior to our appointment, PPIL resigned as the trustee of PSNT and the Mona Vale Development Trust.

The Prime Access Property Fund is the beneficiary of the Prime Retail Property Fund ("**PRPF**") (which is the 100% owner of the Summer Centre Orange Development) and the Prime Office Property Fund (which is the 100% beneficiary of PSNT). We understand that the senior secured lender to the PRPF, Balance Securities Limited, has appointed a receiver over the real property of PRPF.

PSNT is a 38.74% Joint Venture Partner in the IQ Smart Apartments, a development comprising circa 230 residential apartments and circa 10 commercial lots. Titling of the development is anticipated to occur in the coming weeks, after which funds from settlements of sales of apartments will be realised. Funds realised from this development will be a key asset in the administration.

As noted above, shortly prior to the appointment of administrators to PPIL, PPIL was replaced as trustee of PSNT. The administrators are considering the appropriateness of this transaction, the implications of this transaction for the unsecured creditors of PPIL and options that may be available in respect of the transaction.

In addition to the above, I have identified the following further matters for consideration, including:

- The appropriateness of a security over four IQ Smart Apartments purportedly granted by PPIL in respect of debts that relate to the Prime Retail Property Fund; and
- Recoveries that may be available to PPIL from claims we have been advised may exist.

0001 150427 Circular to Creditors - KEV (updated)v2

In association
with



Liability limited by a scheme
approved under Professional
Standards Legislation

Advisory
Forensic
Transactions
Restructuring
Insolvency



At this stage, our investigations are continuing and I have not yet formed a view in relation to these issues.

First statutory meeting of creditors

A first statutory meeting of creditors must be held within eight business days of my appointment. It has been convened for 5 May 2015. The statutory purpose of the first meeting is to allow creditors to determine whether a committee of creditors should be appointed and to appoint an alternative administrator if it is so resolved at the meeting. The meeting will be held at Cliftons, Level 2, 10 Moore Street, Canberra City, ACT on **Tuesday, 5 May 2015 at 1:30 PM**. A formal Notice of Meeting is enclosed.

Creditors who intend to vote at the meeting are required to lodge a formal proof of debt. A blank proof of debt form along with instructions on how to complete it, are enclosed. Creditors who are unable to attend the meeting 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. A blank proxy form is enclosed. Documents may be lodged with me prior to the meeting or may be brought to the meeting.

Creditors who are unable to attend in person may participate via teleconference, subject to providing relevant proof of debt and proxy documents in advance. Please contact us on or before 4 April 2015 should you wish to participate via teleconference.

Report and second meeting

All creditors will receive a detailed report from me regarding the Company's affairs before the second statutory meeting of creditors must be held. A decision on the Company's future will be made at the second statutory meeting.

Declaration of Independence, Relevant Relationships and Indemnities

In accordance with Section 436DA of the Corporations Act 2001 and the Australian Restructuring, Insolvency & Turnaround Association ("ARITA") *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 company or related parties and any indemnities received in relation to this appointment.

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.

Remuneration

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

In accordance with ARITA'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 meeting of creditors.

Other matters

No further credit should be extended to the company without an order signed personally by me as Administrator. A separate circular will be issued to suppliers for authorisation and account arrangements should services be required.



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 Summer Nguyen of my staff on (02) 9338 2608.

Dated: 28 April 2015

A handwritten signature in blue ink, appearing to read 'Shaun Fraser', written over a faint, illegible background stamp.

Shaun Robert Fraser
Joint and Several Administrator

Enclosures:

Notice of Meeting

Proof of Debt

Instructions for Completion of Proof of Debt

Proxy

Instructions 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



FORM 529A
Corporations Act 2001

Subregulation 5.6.12(1)

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

Primespace Property Investment Limited (Administrators Appointed)
ACN 107 345 317 ("the Company")

1. On 23 April 2015 the Company, under Section 436A, appointed Shaun Robert Fraser and Anthony Gregory McGrath of McGrathNicol as Joint and Several Administrators.
2. Notice is now given that a meeting of the creditors of the Company will be held at: Cliftons, Level 2, 10 Moore Street, Canberra City, ACT on **Tuesday, 5 May 2015 at 1:30 PM.**
3. The purpose of the meeting is to determine:
 - (a) whether to appoint a committee of creditors; and
 - (b) if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) remove the Administrators from office; and
 - (b) appoint someone else as Administrator of the Company.

Dated this 28th day of April 2015

Shaun Robert Fraser
Joint and Several Administrator

FORM 535

Subregulation 5.6.49(2)

Corporations Act (2001)

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

To the Administrators of Primespace Property Investment Limited (Administrators Appointed)

1. This is to state that the company was on 23 April 2015 (*date of resolution to wind up*), 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

Dated

Proof of Debt Reference:

**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

Primespace Property Investment Limited (Administrators Appointed)
ACN 107 345 317

APPOINTMENT OF PROXY

I/We (1) _____ of

_____ a creditor/member of **Primespace Property Investment Limited (Administrators Appointed)** appoint

(2) _____ or in his/her absence

(3) _____ as my/our general/special proxy to vote at the meeting of creditors to be held on Tuesday, 5 May 2015 at 1:30 PM or at any adjournment of that meeting.

DATED this _____ day of _____ 2015

(4) 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 _____ 2015

Signature of witness _____

Description _____

Place of residence _____

Notes:

- (1) If a firm strike out "I" and set out the full name of the firm.
- (2) Insert the name of the person appointed.
- (3) 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 5:00 PM on 4 May 2015 to be eligible to vote at the meeting.

RETURN TO: **Primespace Property Investment Limited (Administrators Appointed)**
of care of McGrathNicol
Address: GPO Box 9986, Sydney NSW 2001
Phone: +61 2 9338 2600
Fax: +61 2 9338 2699



Proxy

Notes for your Guidance

- Insert full name and address of creditor, contributory or member on the top line.
- On the second 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 fourth 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".



Primespace Property Investment Limited (Administrators Appointed)
ACN 107 345 317

General Information for Attending and Voting at Meetings of Creditors

Time and Place of Meeting

Pursuant to Corporations Regulations 2001 (**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 Inspection/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 Inspection 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 ("DIRRI")
Primespace Property Investment Limited (Administrators Appointed)
ACN 107 345 317 ("the Company")

The *Corporations Act 2001* and professional standards require the Practitioners appointed to an insolvent entity to make a declaration as set out in this document as to:

- A. their independence generally;
- B. relationships, including:
 - a. the circumstances of the appointment;
 - b. any relationships with the Company and others within the previous 24 months;
 - c. any prior professional services for the Company within the previous 24 months;
 - d. that there are no other relationships to declare; and
- C. any indemnities given or up-front payments made to the Practitioner.

The following declaration addresses these issues and is made on behalf of ourselves, our partners and the firm McGrathNicol:

A. Independence

We, Shaun Fraser and Tony McGrath of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to consenting to our appointment as Administrators of the Company in accordance with the law and applicable professional standards. 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.

B. Declaration of Relationships

(i) *Circumstances of appointment*

We were introduced to the directors of the Company by Alan Hayes of Hayes Advisory, the Company's advisors. The reasons we believe that this introduction does not result in a conflict of interest or duty are explained in section (ii) below.

During the period 3 April 2014 and 23 April 2015, Shaun Fraser and Tony McGrath met with the Company's board, (comprising of Anthony McDonald, Brian McGarry, Ian Knox and Paul Kane), Hayes Advisory, and the Company's legal advisors, Colin Biggers & Paisley Lawyers ("CBP") on approximately 5 occasions.

The purpose of these discussions was to:

- understand the Company's businesses and operations;
- understand the Company's current financial position;
- discuss alternative courses of action available to the Company; and
- provide general information about various insolvency processes.

We did not receive any remuneration for our attendances at these meetings.

Shaun Fraser had a telephone discussion with Michael Hogan of Hayes Advisory on 21 April 2015 to discuss McGrathNicol's potential appointment as voluntary administrators. Mr Fraser also had a telephone discussion with Anthony McDonald on the morning of 23 April 2015 in relation to the appointment.

On 23 April 2015, the directors of the Company resolved to appoint Shaun Fraser and Tony McGrath as voluntary administrators.

In our opinion, the above matters do not affect our independence for the following reasons:



- it is recognised by the Courts and the ARITA Code of Professional Practice that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment; and
- the nature of the advice provided was such that it would not be subject to review and challenge during the course of the administration. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to the Company, its directors or its advisors prior to our appointment beyond that outlined in this DIRRI. Further information regarding our prior professional relationship with Hayes Advisory and CBP is detailed below.

(ii) ***Relevant Relationships (excluding Professional Services to the Insolvent)***

We or a member of our firm, have or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Hayes Advisory	<p>Hayes Advisory acted as financial advisors of the Company and referred the Company to McGrathNicol in order to discuss insolvency options, resulting in our appointment as Administrators.</p> <p>Various partners of McGrathNicol have a professional relationship with Alan Hayes, a partner of Hayes Advisory, and have received work or have referred work to Mr Hayes on unrelated matters in the past.</p>	<p>We believe these relationships do not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ McGrathNicol has not undertaken any previous engagement for Hayes Advisory in respect of the Company. ▪ The relationship with Mr Hayes and Hayes Advisory is a professional relationship. ▪ Professional relationships between business advisors are common practice and there are no arrangements between McGrathNicol or its partners, Hayes Advisory or Mr Hayes that impact our independence in carrying out our duty as administrators. <p>Given these factors, our independence in acting as administrators of the Company has not been affected.</p>
CBP	<p>CBP acts as solicitors of the Company.</p> <p>Various partners of McGrathNicol have professional relationships with partners of CBP as well as other solicitors employed by CBP, and have received advice from CBP on unrelated matters in the past.</p>	<p>We believe these relationships do not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ McGrathNicol has not undertaken any previous engagement for CBP in respect of the Company. ▪ The relationship with CBP is a professional relationship. ▪ Professional relationships between lawyers and business advisors are common practice and there are no arrangements between McGrathNicol, its partners or CBP that impact our independence in carrying out our duty as administrators. <p>Given these factors, our independence in acting as administrators of the Company has not been affected.</p>



Name	Nature of relationship	Reasons
Westpac Banking Corporation Limited ("Westpac")	Westpac holds circulating and non-circulating security interests over the whole or substantially the whole of the property of the Company. McGrathNicol undertakes corporate recovery and advisory work from time to time on instructions from Westpac.	We believe these relationships do not result in a conflict of interest or duty because: <ul style="list-style-type: none">▪ Each professional engagement undertaken for Westpac in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment.▪ These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.▪ McGrathNicol has not undertaken an engagement for Westpac for the Company previously. Given these factors, our independence in acting as administrators of the Company has not been affected.

(iii) ***Prior professional services to the Insolvent***

Neither we, nor the firm, have provided any professional services other than those described in this document to the Company within the previous 24 months.

(iv) ***No other relevant relationships to disclose***

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and Up-front Payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 28 April 2015

Shaun Fraser

Tony McGrath

Note:

- A.** If the circumstances change or new information is identified, we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to the creditors/Committee with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors/Committee.
- B.** Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose



relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.



Schedule of Remuneration Methods and Hourly Rates

Initial Advice to Creditors

1 **Basis of remuneration**

1.1 ***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 asset realisations.

- Contingency

The practitioners' fee is structured to be contingent on a particular outcome being achieved.

1.2 ***Method Proposed***

We propose that our remuneration will be calculated on a time basis which will be recorded and charged in six minute increments. Details of the hourly rates for different levels of staff are included below. The complexity and demands of the administration will determine the staff to be utilised for this appointment.

We have chosen the time based method because this method is considered to be most suitable for this appointment as it ensures creditors are only charged for work that is performed in the external administration, which can be difficult to accurately estimate at the date of appointment.



2 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	Guide to qualifications and role	Hourly rate (excl GST)
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$600
Director 1	Generally, Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$563
Director	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$522
Senior Manager	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$464
Manager 1	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than six years of experience, including two years of Manager 2 or equivalent experience. Self-sufficiently conducts small to medium insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$414
Manager	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$369
Assistant Manager	Generally, Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$333



Title	Guide to qualifications and role	Hourly rate (excl GST)
Senior Accountant 1	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than two years of experience, including one year of Senior Accountant or equivalent experience. Completes multiple tasks within workstreams and appointments.	\$288
Senior Accountant	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$257
Accountant 1	Generally, degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with at least one year of Accountant or equivalent experience. Assists with tasks within workstreams and appointments under supervision.	\$225
Accountant	Generally, degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$221
Undergraduate/ Cadet	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$189
Practice Services Director	National Practice Service leaders, generally degree qualified with more than ten years of experience and reporting directly to partners. Technical experts in their specific areas and have team management responsibilities.	\$522
Senior Practice Services	Senior technical, professional or functional expert in national Practice Services. Generally degree qualified with more than seven years of experience. Reports to Practice Service leader and may be responsible for team management.	\$369
Senior Client Administration and Senior Treasury	Appropriately experienced and undertakes senior level administrative support activities or senior Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$189
Client Administration and Treasury	Appropriately experienced and undertakes support activities, including but not limited to Client administration, Treasury and document management functions.	\$144

McGrathNicol reviews its hourly rates six monthly. The hourly rates quoted above remain in force until 31 December or 30 June (whichever occurs first) 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.



3 Disbursements

There are three categories of disbursements which may be charged:

- **Externally provided professional services** – these are on-charged at cost. An example of an externally provided professional service disbursement is legal fees.
- **Externally provided non-professional costs** – such as travel, accommodation, external printing services and search fees – these are on-charged at cost.
- **Internal disbursements** – such as photocopying, printing and postage. These disbursements are generally charged at cost but may include, in the case of disbursements such as telephone calls, photocopying and printing, both direct variable and fixed costs. For example the rate per page for printing includes a reasonable and commercial allowance for paper, toner, depreciation, power and maintenance).

Creditor approval is not required for disbursements. However, details of the basis of recovering internal disbursements in this administration are provided below and full details of actual costs incurred and to be charged to the administration will be provided in future reports.

3.1 *Basis of Disbursement Claim*

Internal Disbursements	Rate (Excl GST)
Advertising	At cost
Courier	At cost
Printing - Black and white	\$0.09 per page
Printing - Colour	\$0.28 per page
Postage	At Cost
Stationery and other incidental disbursements	At Cost
Staff per diem travel allowance*	\$89.00 per day
Staff vehicle use	\$0.63 per km
Telephony – mobile, fixed line and conference calls	At cost

* Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight.



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

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

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.