

**GIACONDA LIMITED
(ADMINISTRATOR APPOINTED)
ACN 108 088 517 ("GIA")**

TERMS OF ADMINISTRATOR'S APPOINTMENT

Sydney, NSW, 2 March 2011 – The administrator of Giaconda Limited (ASX:GIA) (the "Company"), Mr Nicholas Crouch of Crouch Amirbeaggi Insolvency Accountants, was appointed on Friday 25 February 2011.

The first creditors meeting will be held on Wednesday 9 March 2011 at 2:00pm (Sydney time) at the office of Crouch Amirbeaggi. Shareholders are not invited to this meeting of creditors. The meeting will consider amongst other matters a resolution confirming the appointment of Mr Crouch as administrator.

That meeting will be held at the offices located at Suite 403, 55 Lime Street, King Street, Wharf, Sydney, New South Wales.

Meeting of shareholders will be convened on or about 15 April 2011. Particulars of the shareholders meeting will be provided in due course.

For further information please contact Steve Naidenov on (02) 8262 9333.

- END -

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28 February 2011

NOTICE TO CREDITORS

APPOINTMENT OF ADMINISTRATOR FIRST MEETING OF CREDITORS

GIACONDA LIMITED (ADMINISTRATOR APPOINTED) ACN 108 088 517

I was appointed administrator of the abovenamed company on 25 February 2011.

Declaration of Independence and Relevant Relationships and Indemnities

Please refer to attached declaration of independence and relevant relationships and indemnities.

Dividend

Based upon my initial investigation there are insufficient tangible assets to permit a dividend to be paid to creditors in the event of a liquidation. The company's intangible assets may be valuable and a dividend in liquidation may be possible. I cannot at this time advise of the realisable value of the intangible assets and therefore cannot estimate the quantum of a dividend.

The directors intend to propose a deed of company arrangement, which if successful would permit a dividend to creditors. Details of this deed will be disclosed in my next report.

Full particulars of the company's assets and potential for a dividend in the liquidation and deed scenario shall be disclosed to creditors in my next report.

Effect of appointment

I assume sole responsibility for the insolvent company's operations. Directors have no authority to deal with any of the assets or perform management functions without my express written consent.

I will investigate the company's affairs and prepare a report to creditors evaluating the options for the company's future as detailed below:

1. Entry into a rescue plan known as a deed of company arrangement;
2. Liquidation; or,
3. Return control of the company to the directors.

The future of the company will be determined by the creditors who vote at the second meeting of creditors. This meeting will normally be held 25 business days after the date of my appointment. A report to creditors together with notice of the meeting of creditors will be sent to all known creditors at least 5 business days prior to the meeting.

Future trading

The company ceased trading as at the date of my appointment. Please terminate the supply of all goods and services to the company effective immediately.

Lease contracts and retention of title claims

If you are party to a lease, hire purchase, loan agreement, or you have sold goods on consignment or subject to retention of title contract, you must immediately contact my office



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and provide details of your agreement. No assets may be removed from the company's premises without my prior agreement.

The deadlines imposed by the *Corporations Act 2001* for dealing with assets are strict and very short. Accordingly, creditors have only 3 days from the date hereof to notify my office of their interests in the company's assets. After this time, I will rely upon the advice of the directors regarding ownership of assets and will proceed to realise the assets for the benefit of creditors.

Upon appointment of the administrator it is likely that all insurance policies maintained by the company will be automatically cancelled due to non payment of premiums. If you believe you have an interest in an asset which is currently held by the company, please ensure that you arrange independent adequate insurance for the asset.

Request for information

To assist my investigations into the affairs of the company, creditors are requested to provide details of the following:

1. Evidence of insolvency such as statutory demands, "bounced cheques" and instalment agreements.
2. Evidence of fraud or misconduct by any party associated with the company.
3. Details of all known assets of the company.
4. Details of all known assets of the director and related parties.

Creditors are requested to provide any information which they consider may be relevant to the administration.

Creditors are also invited to express their interest in funding any actions that may exist if a liquidator is appointed to the company.

Remuneration

I propose to be remunerated on a time basis and attach particulars of my proposed charge out rates. I estimate the costs of this matter will be in the range of \$25,000 to \$75,000 (excluding legal costs if required). If the matter becomes complex, costs may materially increase. Please refer to the attached schedule of proposed fees for your review.

Meeting of creditors

I have convened a meeting of creditors and your notice is enclosed. Attendance to the meeting is encouraged but not compulsory.

I **enclose** the following for your information:

1. Declaration of independence and relevant relationships and indemnities;
2. Notice of meeting and agenda of first meeting of creditors;
3. Appointment of proxy (Form 532) valid only at the first meeting of creditors;
4. Proof of debt (Form 535) valid for all meetings;
5. List of creditors. Please note the attached list is only indicative of actual claims of creditors; and
6. Summary of proposed services and guide to hourly rates of remuneration.

Creditors are required to complete and return the enclosed proof of debt and appointment of proxy to this office at least 24 hours prior to the forthcoming meeting of creditors in order to be eligible to vote and participate at the meeting.

Further information

For more on voluntary administration, liquidation, receivership and remuneration of insolvency practitioners visit our website at www.crouch.com.au.

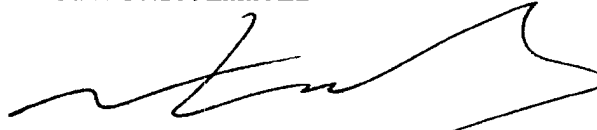
Alternatively visit ASIC at www.asic.gov.au/insolvencyinfosheets or the Insolvency Practitioners Association (IPA) at www.ipa.com.au

The following publications produced are available on the Crouch Amirbeaggi website:

- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Insolvency guide for directors
- Insolvency: a guide for shareholders
- Independence of external administrators: a guide for creditors
- IPA's approving remuneration in external administrations

Vassi Kalamiotis of my office currently has carriage of this matter and I invite you to contact same to discuss the administration.

Yours faithfully,
GIACONDA LIMITED



**NICHOLAS CROUCH
ADMINISTRATOR**

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28 February 2011

GIACONDA LIMITED (ADMINISTRATOR APPOINTED)
ACN 108 088 517

DECLARATION OF INDEPENDENCE RELEVANT RELATIONSHIPS & INDEMNITIES

In accordance with the code of professional practice issued by the Insolvency Practitioners Association effective 1 January 2011 and the *Corporations Act 2001* I, Nicholas Crouch, as the proposed administrator of above named company state the following:

I am a chartered accountant, trustee in bankruptcy and official liquidator with over 18 years' insolvency experience. I am a partner of Crouch Amirbeaggi, a firm of accountants who specialise in personal and corporate insolvency.

I have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as liquidator or administrator of the company. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

Relevant relationships

Subject to any disclosure detailed herein, neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the company, an associate of the company, a former insolvency practitioner appointed to the company or any person or entity that has a charge on the whole or substantially the whole of the company's property.

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

Prior engagement with the insolvent

Neither I, nor my firm, have undertaken any prior engagements for the company.

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

Indemnities

I have an informal indemnity in relation to this administration from Minimum Risk Pty Ltd. Minimum Risk Pty Ltd has held discussions with the directors and proposes to offer financial assistance to the company of around \$500,000 via a proposed Deed of Company Arrangement. Minimum Risk Pty Ltd is not a related entity of the company.

Minimum Risk Pty Ltd has agreed in principle to meet my estimated fees and costs of the voluntary administration which I estimate to be in the range of \$60,000 to \$100,000 in this matter. The terms of payment are \$35,000 within 7 days of the date of appointment with the balance of fees incurred to be paid prior to the second meeting of creditors. The payment of my remuneration and costs is not conditional of any occurrence or outcome of this process, other than to act as voluntary administrator as prescribed by the Act.



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To date no funds have been paid. No formal or written indemnity or agreement has been requested or provided.

There are indemnities that I may be entitled to under statute.

I have not acted for Minimum Risk Pty Ltd in respect of this matter or any other matters.

The circumstances above, do not preclude me from acting under the Corporations Act 2001 or under the IPA Code of Professional Practice.

Proposed fees

The proposed basis of remuneration of the liquidator and my staff is on a time basis in accordance with the attached schedule of Crouch Amirbeaggi rates. One hour is divided into units of 6 minutes each.

Staff are allocated to duties according to relevant experience and qualifications. A full account of work done will be provided to creditors as appropriate. Requests for approval of remuneration on a prospective basis will be capped beyond which further approval will be required.

Remuneration is estimated to be \$60,000 to \$100,000 (excluding legal costs if required).

If the matter becomes complex or is litigated, costs will materially increase.

My remuneration will include the time costs of staff of Crouch Amirbeaggi. Preliminary inquiries indicate that the company itself has a limited source of funds for the payment of remuneration. I refer to my statement of remuneration for further details on the process of determining my remuneration.

Details of referral

A director of the company, Thomas Julius Borody, was referred to me by O'Neill Partners on or about 24 February 2011.

I have had a professional relationship with O'Neill Partners for approximately one year. In that time I have consented to or accepted appointment of approximately one matter prior to this matter. This is the second matter referred to me by O'Neill Partners.

No fee has or will be paid for such referral.

As at the date of appointment as voluntary administrator I had not spoken to any director or former director of the company, and my contact was through their lawyer as detailed above.

Pre appointment contact

During the 4 weeks prior to my appointment, I met with Giaconda Ltd's legal advisor of O'Neill Partners on two occasions for approximately 30-60 minutes to discuss the matter. The options for the company's future were discussed, including the possibility of undertaking an informal agreement with related parties and the likely appointment of a voluntary administrator of the company, having regard to ASX listing rules.

During the meeting I sought to explain the insolvency process. Prior to this meeting, no prior relationship existed with:


- a) The directors or their associated businesses;
- b) The company, holding or subsidiary companies within the meaning of Corporate Groups;
- c) Any dominant creditor, be it a secured lender, usually a financial institution, or dominant and critical trade supplier, in advising such parties concerning the company;
- d) Any other prior professional or advisory relationship concerning the company, e.g. acting for employees or the dominant union.

No fee was charged for with respect to this meeting and it will not impact on compliance with my statutory and fiduciary duties. For these reasons the advice does not, in my opinion, give rise to a conflict of interest or duty.

I have consciously considered the question of independence and to the best of my knowledge there are no such prior professional or personal relationships, other than those disclosed, of which the creditors should properly be aware that would give rise to any conflict of interest.

The circumstances above, do not preclude me from acting under the Corporations Act 2001 or under the IPA Code of Professional Practice.

Accordingly, I believe that I am independent for the purpose of accepting the appointment as administrator as required by the ethical pronouncements of my profession and the Corporations Act 2001.



NICHOLAS CROUCH
CROUCH AMIRBEAGGI

DATED 28 February 2011

Note: If circumstances change, or new information is identified, I am required under the IPA code of professional practice to update this declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the company's creditors.

28 February 2011

FORM 529A

Paragraph 5.6.12(2)(aa) Corporations Act 2001

TO CREDITORS

NOTICE OF FIRST MEETING OF CREDITORS OF COMPANY UNDER ADMINISTRATION

**GIACONDA LIMITED (ADMINISTRATOR APPOINTED)
ACN 108 088 517**

Notice is given that on 25 February 2011, the company under section 436A appointed Nicholas Crouch of Crouch Amirbeaggi, Suite 403, 55 Lime Street, King Street Wharf, Sydney as the administrator of the company.

Notice is also given that a meeting of the creditors of the company will be held at the offices of Crouch Amirbeaggi on 9 March 2011 at 2:00pm.

The purpose of the meeting is to determine whether to appoint a committee of creditors, and if so, who are to be the committee's members.

At the meeting, creditors may also remove the administrator from office, and appoint someone else as administrator of the company.

Proxies and proofs of debt must be received at least 24 hours prior to the meeting.

Telephone conference facilities will be available for 2 creditors only.

To discuss this matter, please contact Vassi Kalamiotis.

Yours faithfully,
GIACONDA LIMITED


**NICHOLAS CROUCH
ADMINISTRATOR**

PLEASE NOTE:

1. That a person may not be entitled to vote as a creditor at the meeting unless particulars of the debt or claim are lodged with the chairman care of Crouch Amirbeaggi at least 24 hours prior to the date of the meeting.
2. Generally, companies must nominate a person to act as their proxy.
3. Creditors may vote in person or may appoint another person (who need not be a creditor) as their proxy to attend and vote in their stead.
4. Creditors personally attending the meeting or partners of firms do not complete the enclosed Proxy Form.
5. A Form of Proxy and Voting Proof are enclosed for those persons entitled to attend and vote at the meeting.
6. Attendance is encouraged, but not compulsory.



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**GIACONDA LIMITED (ADMINISTRATOR APPOINTED)
TRADING AS
ACN 108 088 517**

(Name) _____

Of (Address) _____

a creditor of the abovenamed company appoint (name of person attending or Chairman) _____

or in their absence (name of alternative person attending or Chairman) _____ as *general /*special
(*Circle general to permit proxy to vote as they choose or circle special to direct proxy to vote per instructions as circled below.)

proxy to vote at the meeting of creditors to be held on or about 9 March 2011 at 2:00pm, or at any adjournment of that meeting.

***Circle Your Vote**

Appoint a committee of creditors. Yes/No/Abstain

Remove Nicholas Crouch as the administrator and appoint an alternative person as administrator. Yes/No/Abstain

Vote YES to remove Nicholas Crouch as the administrator
Vote NO to keep Nicholas Crouch as the administrator

Signature and/or Company Seal

Dated ____/____/____

Print Name

I/we authorise the person appointed as proxy detailed above to represent me/us on the committee of inspection if elected.

COMPLETE BELOW ONLY IF CREDITOR IS A BANK OR SECURED CREDITOR

I am a secured creditor and the total amount owed to me after deducting the value of my security is \$ _____

COMPLETE BELOW ONLY IF CREDITOR IS BLIND - Certificate of Witness

This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor must not be witnessed by the person nominated as proxy.

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 ____/____/____

Signature of witness: _____

Please return by fax 02 8262 9300 or mail to Crouch Amirbeaggi, Suite 403, 55 Lime Street, King Street Wharf, Sydney, NSW 2000. Proxies must be received at least 24 hours prior to the meeting. Contact Vassi Kalamiotis on 02 8262 9333 for assistance.

GIACONDA LIMITED (ADMINISTRATOR APPOINTED)
ACN 108 088 517

To the administrator of the abovenamed company: -

This is to state that the company was at 25 February 2011 and still is justly and truly indebted to

(Name) _____

Of (Address) _____ in the sum of

(Amount) \$ _____ dollars.

Particulars of the debt are:

Date	Consideration Detail goods delivered/services rendered/outstanding employee entitlements	Amount	GST	Total Amount

(Attach invoices/statements, or details of goods delivered/services rendered/employee entitlements)

DATED / /

Signature: _____

Occupation: _____

Telephone: _____

Email: _____

ABN: _____

1. 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. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them).*
- [†]2. I am employed by the creditor 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.
- [†]2. I am the creditor's agent duly 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, still remains unpaid and unsatisfied.

* If you represent an employee/employees of the company, you are required to complete a Form 536 Formal Proof of Debt on Behalf of Employees. Please contact this office to obtain a copy.

[†] Strike out whichever is not applicable.

This form must be received by the administrator at least 24 hours prior to a meeting.

Please return completed form by fax 02 8262 9300 or mail to Crouch Amirbeaggi, Suite 403, 55 Lime Street, King Street Wharf, Sydney, NSW 2000. Contact «Staff» on 02 8262 9333 with any issues.

Office Use Only			
File No.		Accepted	\$
Processed By:		Rejected	\$ Date Sent :
Date Processed		Under Consideration	\$

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GIACONDA LIMITED (ADMINISTRATOR APPOINTED)
ACN 108 088 517

List of Creditors as at 25 February 2011

CREDITOR NAME	Amount \$
Anthony Ronald Moon	26,696.00
Australian Taxation Office	3,884.68
Centre for Digestive Diseases	979,167.00
Christopher Robert Bilkey	147,304.00
D&O Insurance	19,983.63
FB Rice & Co	31,500.80
Minimum Risk Pty Ltd	50,000.00
Optus	TBA
Patrick Laughlin McLean	980,865.00
Professor Thomas Julius Borody	1,315,722.00
Richard Andrew Wade Woods	27,879.00
Sprusons & Ferguson	4,195.59
Telstra	TBA
Trevor Moore	76,000.00
Walker Wayland	11,000.00
	3,674,197.70

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SUMMARY OF PROPOSED SERVICES

Administrator remuneration

I detail below an extract from the IPA's creditor information sheet pertaining to remuneration.

The information sheet goes on to discuss:

- Information to be provided to creditors by administrator
- Who may approve fees
- Deciding if fees are reasonable
- What you can do if the fees are not reasonable
- Queries and complaints

Remuneration methods

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

a. 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.

b. 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.

c. Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

d. Contingency

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

Method chosen

Given the nature of this administration I propose that my remuneration be calculated on a time basis. This is because it is the method most commonly used in the industry and our systems will permit a cost effective method of assessing the merit of the work undertaken.

Explanation of hourly rates

The rates for my remuneration calculation are set out in the attached 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.

For time based remuneration claims, the practitioner must also include his or her best estimate of the costs of the administration to completion or to a specified milestone.

Particulars of our budgeted costs are attached.



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I expect the costs of attending to our initial investigations which include the identification and securing of all assets and liaison with creditors and directors to be in the range of \$40,000-\$100,000, varying in accordance with the complexity and volume of work to be undertaken.

Work undertaken by administrators

The work undertaken by administrators depends on the type of administration concerned and the issues that need to be resolved. Some issues are straightforward, while others are more complex.

However, what is common amongst all administration types is that an administrator is, by law, required to undertake a number of tasks which may not directly benefit creditors (for example, the preparation of reports to the Australian Securities and Investments Commission or the preparation of six monthly receipts and payments). An administrator is still entitled to remuneration for undertaking these statutory tasks.

For more information on the tasks involved in different administrations, see ASIC's information sheets: 'Liquidation: a guide for creditors' and 'Voluntary administration: a guide for creditors'.

Entitlement to fees and costs

An administrator is entitled:

- to be paid reasonable *fees*, or remuneration, for the work they perform, once these fees have been approved by a creditors' committee, creditors or a court, and
- to be reimbursed for out-of-pocket *costs* incurred in performing their role (these costs do not need creditors' committee, creditor or court approval).

Administrators are entitled to an amount of fees for the necessary work that they and their staff properly perform in the administration.

Out-of-pocket costs that are commonly reimbursed include:

- legal fees
- valuer's, real estate agent's and auctioneer's fees
- trading costs involved in running the company's business during the administration (e.g. for the purchase of stock)
- stationery, photocopying, telephone and postage costs
- retrieval costs for recovering the company's computer records, and
- storage costs for the company's books and records.

Creditors have a direct interest in the level of fees and costs, as the administrator will, generally, be paid from the company's available assets before any payments to creditors are made.

If there are not enough assets, the administrator may arrange for a third party, for example another creditor, to pay any shortfall. As a creditor, you should receive details of such arrangements.

If there are not enough assets to pay the fees and costs, and there is no third party payment arrangement, any shortfall is not paid and the administrator is in effect 'out of pocket'.

Calculation of fees

Fees of an administrator may be calculated using one of a number of different methods, such as:

- on the basis of *time spent* by the administrator and their staff, according to hourly rates,
- a quoted *fixed fee*, based on an estimate of the costs, or
- a *percentage*, usually of asset realisations.

Charging on the basis of time spent is the most common method. Administrators have a scale of hourly rates, with different rates for each category of staff working on the administration, including the administrator.

If the administrator intends to charge on a time basis, you should receive a copy of these hourly rates before the administrator requests approval of their fees.

The administrator and their staff will record the time taken for the various tasks involved, and a record will be kept of the nature of the work performed.

It is important to realise that administrators are professionals who are required to have accounting qualifications and maintain up-to-date knowledge of accounting, business and legal issues. They have serious responsibilities under the law. Their hourly rates and those of their qualified staff reflect this.

The hourly rates do not represent an hourly wage for the administrator and their staff. The administrator is running a business - an insolvency practice - and the hourly rates will be based on the cost of running the business, including overheads such as rent for business premises, utilities, wages and superannuation for staff who are not charged out at an hourly rate (such as personal assistants), information technology support, office equipment and supplies, insurances, and taxes with allowance then made for profit.

Many of the costs of running an insolvency practice are fixed costs that must be paid, even if there are insufficient assets available to pay the administrator for their services.

These are all matters that committee members or creditors should be aware of when considering the fees presented. However, regardless of these matters, creditors have a right to question the administrator about the fees and whether the rates are negotiable.

It is up to the administrator to justify why the method chosen for calculating fees is an appropriate method for the particular administration. As a creditor, you also have a right to question the administrator about the calculation method used and how the calculation was made.

More information

For more on voluntary administration, liquidation, receivership and remuneration of insolvency practitioners visit our website at www.bankruptcy.net.au/creditors.htm.

Alternatively visit ASIC at www.asic.gov.au/insolvencyinfosheets or the Insolvency

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Practitioners Association (IPA) at www.ipaa.com.au The IPA website also contains various codes of Professional Practice for Insolvency Practitioners.

The following publications produced by ASIC and the IPA, are available: -

- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency guide for directors
- Insolvency: a guide for shareholders
- Independence of external administrators: a guide for creditors
- Approving fees: a guide for creditors
- IPA creditor information sheet: Approving remuneration in external administrations.

Budgeted Work - Average Small Matter: First 30 days

ASSETS			
General Description		Amount	
Sale of Business as a Going Concern	Preparing an information memorandum		
	Liaising with purchasers		
	Internal meetings to discuss/review offers received		
Plant and Equipment	Liaising with valuers, auctioneers and interested parties	4,000	8,000
	Reviewing asset listings		
Sale of Real Property	Liaising with valuers, agents, and strata agent		
	Attendance at auction		
Assets subject to specific charges	All tasks associated with realising a charged asset	3,000	7,000
Debtors	Correspondence with debtors		
	Reviewing and assessing debtors ledgers	2,000	5,000
	Liaising with debt collectors and solicitors		
Stock	Conducting stock takes		
	Reviewing stock values	1,000	5,000
	Liaising with purchasers		
Other Assets	Tasks associated with realising other assets		
Leasing	Reviewing leasing documents		
	Liaising with owners/lessors	1,000	5,000
	Tasks associated with disclaiming leases		
Other			

Budgeted Work - Average Small Matter: First 30 days

CREDITORS			
General Description		Amount	
Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members	2,500	5,000
Retention of Title Claims	Receive initial notification of creditor's intention to claim Provision of retention of title claim form to creditor Receive completed retention of title claim form Maintain retention of title file Meeting claimant on site to identify goods Adjudicate retention of title claim Forward correspondence to claimant notifying outcome of adjudication Preparation of payment vouchers to satisfy valid claim Preparation of correspondence to claimant to accompany payment of claim (if valid)		
Secured creditor reporting	Preparing reports to secured creditor Responding to secured creditor's queries	2,000	5,000
Creditor reports	Preparing 439A, investigation, meeting and general reports to creditors		
Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD's when not related to a dividend	1,000	5,000
Meeting of Creditors	Preparation 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. Preparation and lodgement minutes of meetings with ASIC Respond to stakeholder queries and questions immediately following meeting	2,500	5,000
Shareholder enquires	Initial day one letters ITAA Section 104-145(1) declarations Responding to any shareholder legal action	2,000	5,000
Other			

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Budgeted Work - Average Small Matter: First 30 days

EMPLOYEES			
General Description		Amount	
Employees enquiry	Receive and follow up employee enquiries via telephone Maintain employee enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Preparation of letters to employees advising of their entitlements and options available Receive and prepare correspondence in response to employees objections to leave entitlements	2,000	5,000
GEERS	Correspondence with GEERS Preparing notification spreadsheet Preparing GEERS quotations Preparing GEERS distributions		
Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements	2000	5000
Employee dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Preparing distribution Receipting POD's Adjudicating POD's Ensuring PAYG is remitted to ATO		
Workers compensation claims	Review insurance policies Receipt of claim Liaising with claimant Liaising with insurers and solicitors regarding claims Identification of potential issues requiring attention of insurance specialists Correspondence with Willis regarding initial and ongoing workers compensation insurance requirements Correspondence with previous brokers		
Other employee issues	Correspondence with Child Support Correspondence with Centrelink		

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Budgeted Work - Average Small Matter: First 30 days

TRADE ON			
General Description		Amount	
Trade On Management	Liaising with suppliers Liaising with management and staff Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt vouchers Preparing and authorising payment vouchers Liaising with superannuation funds regarding contributions, termination of employees employment Liaising with OSR regarding payroll tax issues		
Processing receipts and payments	Entering receipt and payments into accounting system		
Budgeting & financial reporting	Reviewing company's budgets and financial statements Preparing budgets Preparing weekly financial reports Finalising trading profit or loss Meetings to discuss trading position		
INVESTIGATION			
General Description		Amount	
Conducting investigation	Collection of company books and records Correspondence with ASIC to receive assistance in obtaining company's books & records and Report as to Affairs Reconstruction of financial statements Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with the ASIC Preparation and lodgement of supplementary report if required	12,000	25,000
Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available		
Litigation / Recoveries	Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters		
ASIC reporting	Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC		
Other			

Budgeted Work - Average Small Matter: First 30 days

DIVIDEND			
General Description		Amount	
Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of PODs Maintain POD register Adjudicating PODs 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 Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend		

ADMINISTRATION			
General Description		Amount	
Correspondence			
Document maintenance/file review/checklist	First month, then 6 monthly administration review Filing of documents File reviews Updating checklists		
Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with Willis regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers		
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers	1,500	5,000
ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms	1,500	5,000
ATO & other statutory reporting	Notification of appointment Preparing BAS' Completing group certificates		
Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP		
Planning / Review	Discussions regarding status of administration		
Books and records / storage	Dealing with records in storage Sending job files to storage		
Est. Total:		40,000	100,000

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GUIDE TO HOURLY RATES OF REMUNERATION

CLASSIFICATION	RATE	EXPERIENCE
Partner	460.00	Registered Liquidator/Trustee. Partner bringing his/her specialist skills to Administrations and/or Insolvency tasks.
Senior Manager	390.00	10 years experience. May be qualified to take appointments in own name or have specialist commercial abilities. Well developed technical skills.
Manager	340.00	6-10 years experience. May be qualified to take appointments in own name. Well developed technical and commercial skills.
Supervisor	275.00	4-6 years experience. Typically Qualified. Will have conduct of minor administrations and control junior staff.
Senior	225.00	2-4 years experience. Typically Graduate/Qualified. Assist in planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.
Intermediate	165.00	Up to 2 years experience. Graduate with little or no professional experience.
Secretary	145.00	Appropriate skills including machine usage.
Clerk	105.00	Appropriate skills including machine usage.
Typist	85.00	Appropriate skills including machine usage.
Junior	75.00	Appropriate skills including machine usage.

The hourly rates are exclusive of GST.

Notes:

1. Time spent on matters is recorded and charged in six (6) minute intervals.
2. The firm rates are effective as at 1 October 2008.
3. Photocopying: - 45 cents per page plus GST
4. Facsimiles: - \$1.50 per page (local), \$2.00 per page (STD), \$3.00 per page (International) - All add GST
5. Postage charged at \$0.80 (Standard), \$1.50 (Large) - All add GST
6. All clients incur a stationery and administration fee between \$100 - \$700 plus GST, depending on size of matter.



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