

RSM Bird Cameron Partners

Chartered Accountants

CONCENTRIC WEALTH MANAGEMENT PTY LTD (IN LIQUIDATION)

ACN: 109 337 215

ABN: 96 109 337 215

("the Company")

REPORT TO CREDITORS

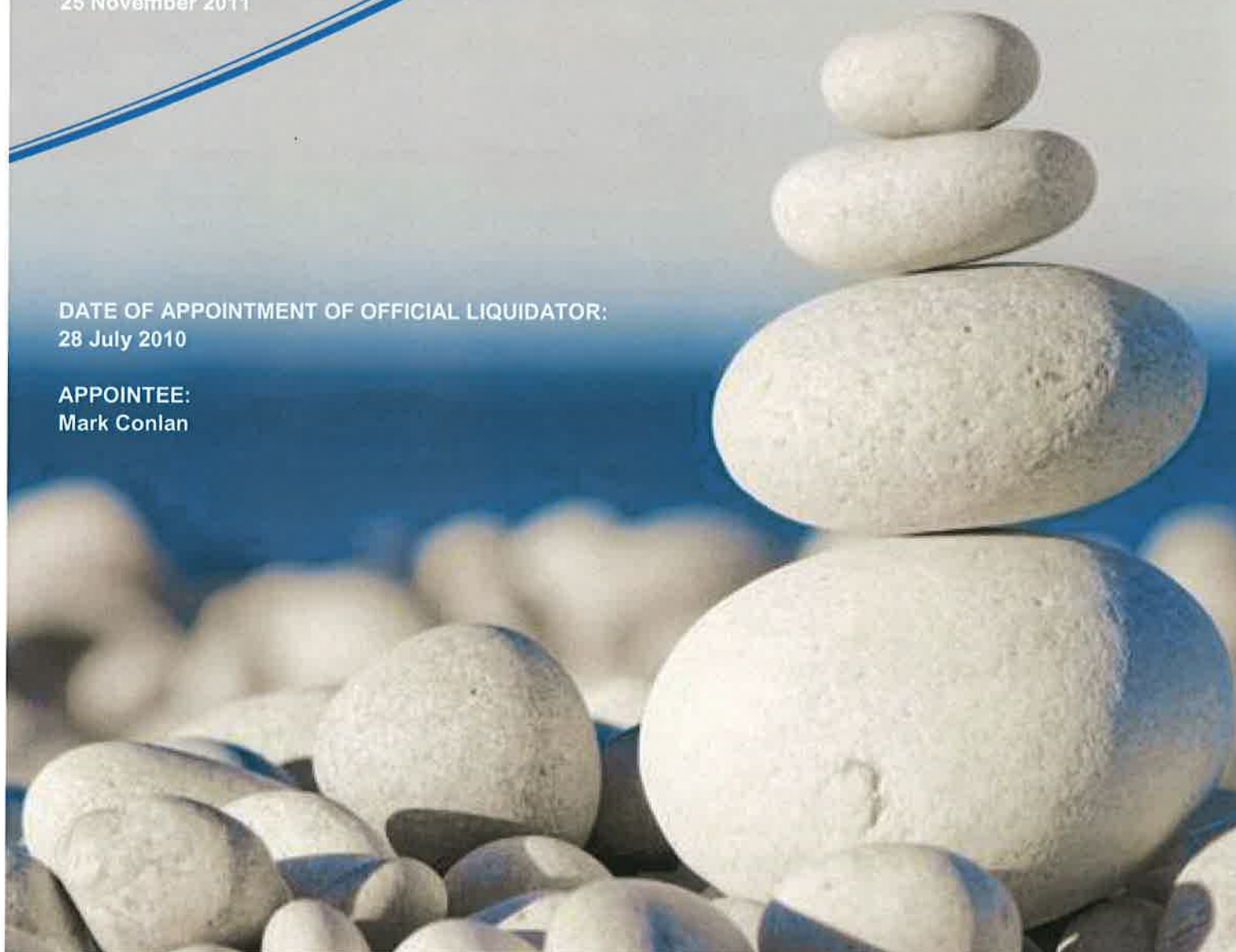
25 November 2011

DATE OF APPOINTMENT OF OFFICIAL LIQUIDATOR:

28 July 2010

APPOINTEE:

Mark Conlan



Contents

1.	Introduction	1
2.	Statutory Information	3
3.	Initial Enquiries	5
4.	Financial Information	6
5.	Voidable Transactions, Insolvent Trading and Director Duties	8
6.	Options for Funding Further Investigations	12
7.	Other Information	13

Annexures

- A – Declaration of Independence, Relevant Relationships and Indemnities
- B – Remuneration Report

Enclosures

- ASIC Information Sheet Summary

1. Introduction

I was appointed as Liquidator of the Company pursuant to an Order of the Federal Court of Australia on 28 July 2010. The application for the winding up of the Company was made by the Deputy Commissioner of Taxation (**ATO**).

Attached as Annexure A is my Declaration of Independence, Relevant Relationships and Indemnities (**DIRRI**).

A summary of the pertinent aspects of the winding up of the Company are as follows:

- The director of the Company Mr Mark Travis Goldenberg (**the Director**) was a licensed financial planner and my investigations indicate the Company provided financial planning services to the general public.
- I have not received a Report as to Affairs (**RATA**) relating to the Company.
- Mr Mervyn Kitay of WHK Horwath was appointed Receiver and Manager (**the Receiver**) of the Company on 19 August 2008 by the Company's first ranking fixed and floating charge holders. The Receiver retired on 20 January 2010 with a shortfall to the Secured Creditors.
- Mr Goldenberg is related to a number of other Companies which are also in external administration, including 4 companies of which I am Official Liquidator. Mr Goldenberg and his group of Companies are subject to an ongoing investigation by ASIC. This has resulted in Mr Goldenberg being disqualified from providing financial services indefinitely as well as being banned from managing corporations for 5 years.
- On 11 January 2011, Mr Goldenberg was made bankrupt with the Insolvency and Trustee Service Australia (**ITSA**) as the Official Trustee. ITSA have advised that they do not expect to pay a dividend in respects of Mr Goldenberg's bankrupt estate.
- To date there have been no realisations to meet the priority costs of the petitioning creditor incurred in connection with the winding up of the Company nor the costs of the liquidation. As such, there is insufficient funds to conduct further investigations and there are no funds available for the benefit of creditors.
- I have reported the findings of my investigations to the Australian Securities and Investments Commission (**ASIC**) pursuant to section 533 of the Corporations Act 2001 (**the Act**).
- I am now in a position to finalise the liquidation of the Company within 14 days of this report, subject to creditors wishing to fund any further actions or investigations. Should no creditors contact my office within 14 days regarding same, I will proceed to finalise this liquidation without any further notice to creditors.
- The results of my investigations are set out in the body of this report.

If creditors have any additional information or should they wish to discuss the possibility of funding further investigations and possible recovery actions, I request that they contact Mr Nicholas Kidziak my office within 14 days of the date of this report on telephone number (08) 9261 9100 or facsimile number (08) 9261 9340.

RSM Bird Cameron Partners

Chartered Accountants

There are a number of information sheets published by ASIC and the Insolvency Practitioners Association of Australia (**IPA**) outlining the rights and responsibilities of creditors along with information regarding the liquidation process generally may be downloaded from [http://www.rsmi.com.au/services /turnaround and insolvency.html](http://www.rsmi.com.au/services/turnaround_and_insolvency.html) or www.asic.gov.au. A summary of these information sheets is enclosed

2. Statutory Information

The statutory information for the Company is set out below. This information was obtained from a search of the ASIC database.

Company name (including former names)	Concentric Wealth Management Pty Ltd Formerly – Concentric Financial Advice Pty Ltd – ceased on 2/04/07 Formerly – Kensington Financial Group Pty Ltd – ceased on 27/6/05
ACN	109 337 215
ABN	96 109 337 215
Registered Office Address	Level 1, 29 Napoleon Street COTTESLOE WA 6011
Principal Place of Business	Level 1, 29 Napoleon Street COTTESLOE WA 6011
Date of incorporation	01 June 2004
Registered Charges	Fixed and floating charge registered on 21/09/2007 in favour of both St. George Finance Limited and Westpac Banking Corporation. Fixed and floating charge registered on 9/9/09 in favour of Mr Richard Gooch & Ms Chrysoulla Gooch.
Director(s)	Mr Mark Travis Goldenberg
Former Directors	Mr Paul Chapman – ceased 1/07/2005 Mr Mark Edman – ceased 1/07/2005
Related Entities	Terra Firma Capital Pty Ltd (Under External Administration (EXAD)) Concentric Accounting Pty Ltd - (EXAD) Concentric Private Wealth Management Pty Ltd - (EXAD) Concentric Wealth Management Pty Ltd - (EXAD) Silver Property Development Pty Ltd - (EXAD) Concentric Risk Management Pty Ltd - Deregistered Goldenberg Property Group Pty Ltd – Deregistered Orbit Financial Group Pty Ltd – Registered Somery Property Development Pty Ltd – Deregistered Mortimer Close Pty Ltd – Deregistered Lease to Purchase Pty Ltd - Deregistered Aqua Property Development Pty Ltd – Deregistered Black Property Development Pty Ltd – Deregistered Blue Property Development Pty Ltd – Deregistered Gold Property Development Pty Ltd – Deregistered Green Property Development Pty Ltd – Deregistered Grey Property Development Pty Ltd – Deregistered Orange Property Development Pty Ltd – Deregistered Pink Property Development Pty Ltd – Deregistered Purple Property Development Pty Ltd – Deregistered

RSM Bird Cameron Partners

Chartered Accountants

	Red Property Development Pty Ltd – Deregistered Yellow Property Development Pty Ltd – Deregistered
Authorised & issued share capital & Shareholders	2 ordinary shares fully paid – held by the Trustee for the Goldberg Family Trust

3. Financial Information

3.1 Books and Records

A Liquidator is required to conduct an investigation into the financial position of the Company and the conduct of its directors, subject to the availability of books and records and available funds to meet the costs of those enquiries.

Section 286(1) of the Act provides that a company must keep written financial records that:

- correctly record and explain its transactions and financial position and performance; and
- would enable true and fair financial statements to be prepared and audited.

Upon my appointment I issued a demand to the Director for the delivery of Company books and records. I have not received a response from the Director. I have received minimal records from the former Receivers.

Notwithstanding the above the books and records in my possession are insufficient to fully comply with section 286 of the Corporations Act 2001. I have reported this contravention of the Act to ASIC.

3.2 Liquidators Estimated Realisable Value

Mr Goldenberg has not provided me with a RATA. I have report this breach to ASIC.

From my investigations and from the claims received to date I understand the financial position of the Company to be summarised below with indicating the estimated realisable value (ERV).

	Notes	Liquidator's ERV \$
ASSETS		
Other Assets	3.2.1	Nil
Total Assets		Nil
LIABILITIES		
Unsecured Creditors	3.2.2	698,834
Statutory Liabilities	3.2.3	191,237
Employee Entitlements	3.2.4	40,836
Secured Creditors	2.3.5	985,000
Total Liabilities		1,915,907
Surplus / (Shortfall)		(1,915,907)

Note: - The above financial analysis does not include the costs of the winding up.

3.2.1 Other Assets

I have not identified any assets in the name of the Company. Any creditors with information regarding assets are requested to contact my office as a matter of urgency.

3.2.2 Unsecured Creditors

I am aware of a judgement order, made by Mr Jonathan Clarke and Ms Jacqueline Clarke against the Company, in the amount of 698,834 plus interest.

3.2.3 Statutory Liabilities

The ATO have submitted a claim in the amount of \$191,237.22 representing unpaid Running Balance Account of BAS amounts. I have not received any other claims from unsecured creditors at this stage.

3.2.4 Employee Entitlements

The ATO has submitted a priority claim in the amount of \$40,836, representing unpaid Superannuation Guarantee Charges and Interest.

3.2.5 Secured Creditors

St George and Westpac (**Secured Creditors**) jointly hold a current Fixed and Floating charge over the Company which was registered with ASIC on 21 September 2007. As previously advised Mr Mervyn Kitay of WHK Horwath was appointed Receiver and Manager of the Company on 19 August 2008.

The Receiver retired on 20 January 2010. A Final Receipts and Payments account supplied by the Receiver indicates that the Secured Creditors was still owed approximately \$985,000 upon his retirement.

4. Initial Enquiries

4.1 Investigations

I have undertaken various searches as set out below:

- Bank account searches were conducted with numerous financial institutions to ascertain whether the Company held any bank accounts. No accounts were identified as a result of these enquiries other than bank accounts held with the first ranking fixed and floating chargeholders.
- Property searches have not identified any properties in the name of the Company.
- A search of the state Sheriff's Office indicates that the Sheriff does not hold any goods, monies or unexecuted warrants or writs for the six months prior to my appointment.
- Searches of the state Office of State Revenue and ASIC websites have not identified any unclaimed monies in the Company's name.
- An ASIC personal name search of the directors indicates that they are not current directors of any other Companies.
- A search made pursuant to the Freedom of Information Act was made of the Australian Taxation Office.

4.2 Report to ASIC

I am required to lodge a report with ASIC pursuant to Section 533 of the Act in circumstances where a past or present officer may have been guilty of an offence, or if it is unlikely that the Company will be able to pay its unsecured creditors more than 50 cents in the dollar.

I confirm that such a report is required in this case as it appears that there will not be a dividend to creditors of more than 50 cents in the dollar and I have lodged my report accordingly. The Report is subject to privilege and is not available to creditors.

The Regional Commissioner for ASIC have advised that it does not intend to commence an investigations at this time. However, they may use the Report should they decide to take further action against the director.

5. Voidable Transactions, Insolvent Trading and Director Duties

Pursuant to Part 5.7B of the Act, a liquidator may void certain transactions of a company in respect of money, property or other benefits for the benefit of creditors. Such voidable transactions may consist of:

5.1 Voidable Transactions

5.1.1 Unfair Preference (Section 588FA)

These are transactions between the company and a creditor resulting in the creditor receiving more than the creditor would receive if the transactions were set aside and the creditor claimed for this amount in the winding-up. Any such voidable transactions must arise in the period beginning six months prior to the relation back day and ending on the date of liquidation.

Based on the investigations conducted to date from the records I hold I have not identified any unfair preferences.

5.1.2 Uncommercial Transactions (Section 588FB)

These are transactions entered into that a reasonable person would not have entered into having regard to the benefit to the company, the detriment to the company and the benefit to the other parties involved in the transaction. In this instance, it is not necessary for a creditor to be a party to the transaction. Such transactions are only voidable if the company was insolvent at the time of the transaction.

Based on the investigations conducted to date from the records I hold I have not identified any uncommercial transactions.

5.1.3 Insolvent Transactions (Section 588FC)

These transactions are unfair preferences or uncommercial transactions (refer above) entered into when the company was insolvent or became insolvent as a result of entering into the transaction. Only unfair preferences which have occurred within six months of the relation back day and uncommercial transactions which have occurred within two years of the commencement of the liquidation can be recovered.

Based on the investigations conducted to date from the records I hold I have not identified any insolvent transactions.

5.1.4 Unfair Loans to a Company (Section 588FD)

These transactions are those representing loans made to the company where interest or other charges on the loan were extortionate. These transactions can be recovered regardless of when they were entered into.

Based on the investigations conducted to date from the records I hold I have not identified any unfair loans.

5.1.5 Unreasonable Director-Related Transactions (Section 588FDA)

Being transactions that a reasonable person in the company's circumstances would not have entered into having regard to the benefit to the company (and other parties to the transaction) and the detriment to the company. These transactions may be voided if they occurred within four years of the relation back day.

Based on the investigations conducted to date from the records I hold I have not identified any unreasonable director related transactions.

5.1.6 Related Party Transactions (Section 588FE(4))

These transactions are those representing insolvent transactions (unfair preferences or uncommercial transactions) with a related party within four years prior to the relation back day.

Based on the investigations conducted to date from the records I hold I have not identified any related party transactions.

5.1.7 Transactions Entered into for the Purpose of Defeating Creditors (Section 588FE(5))

These transactions are those representing insolvent transactions (unfair preferences or uncommercial transactions) entered into for the purpose of defeating, delaying or interfering with the rights of creditors within ten years prior to the commencement of the liquidation.

Based on the investigations conducted to date from the records I hold I have not identified any transactions entered into for the purpose of defeating creditors.

5.2 Insolvent Trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

In these circumstances there may be enforceable claims against either current or former officers. However, the commercial value of such a claim or claims is dependent upon the capacity of those persons to pay, and the associated costs and potential benefits of such proceedings. Further detailed investigations would be required which would require funding.

As advised previously, on 11 January 2011 Mr Goldenberg was made bankrupt with ITSA as the Official Trustee. In a Report to Creditors dated 30 March 2011, ITSA advised that a dividend was not expected to be paid from Mr Goldenberg's Bankrupt Estate. I would consider submitting a claim for the shortfall of the liquidation at a time when I am advised that there will be a distribution from Mr Goldenberg's Bankrupt Estate.

5.3 Directors Duties

In the course of my investigations, I have considered whether there have been any breaches by the directors and/or officers in the conduct of their duties pursuant to the Act.

Pursuant to Section 9 of the Act, an officer is defined to include a director, secretary or a person participating in decision making that affects the whole or a substantial part of the business of the corporation or a person in accordance with whose instructions or wishes the directors of the corporation are accustomed to act.

Pursuant to Part 2D.1 of the Act, officers of a company have duties to ensure that:-

- Section 180 – They exercise their powers and discharge their duties with due care and diligence;
- Section 181 – They act in good faith;
- Section 182 – They do not use their position to gain an advantage; and
- Section 183 – They do not misuse company information to gain an advantage.

The directors and officers of a company are subject to a civil duty of care and discipline as provided for in Section 180(1) of the Act. Subsection 180(c) provides that a director or other officer who makes a "business judgement" is taken to have met the requisite statutory duty and the equivalent requirements in Common Law and in Equity, in respect of the judgement if they:-

- Make the judgement in good faith for a proper purpose;

RSM Bird Cameron Partners

Chartered Accountants

- Do not have a material personal interest in the subject matter of the judgement;
- Inform themselves about the subject matter of the judgement to the extent they would reasonably believe to be appropriate; and
- Rationally believe that the judgement is in the best interest of the company.

From the limited information available and on the basis of my preliminary investigations of the Company's affairs to date, it may be reasonable to assert that the director has not attempted to make rational judgements in the best interests of the Company. I have reported director duty breaches to ASIC pursuant to section 533 of the Act.

6. Options for Funding Further Investigations

I currently have no funds in this matter to satisfactorily progress my investigations or initiate litigation. I have been unable to thoroughly investigate the recoverability of any voidable transactions, or to ascertain whether there is sufficient evidence to support a claim for insolvent trading. Options for funding are as follows:

6.1 Litigation – Funding by Litigation Funder

A litigation funder is an organisation that can provide funds to meet the costs of legal actions including the costs of solicitors, barristers and insolvency practitioners as well as providing indemnities for any adverse costs should such legal action prove to be unsuccessful. Litigation Funding allows practitioners to initiate actions that would otherwise not be possible due to lack of funds.

In return for the funder being exposed to the risk of being unsuccessful, the funder will charge an additional “risk premium” in addition to his costs if successful. This premium is usually within the range of 15% to 50% of the gross amount awarded. Considering the risks involved, a funder is only likely to be willing to fund actions that have a high probability of success and are likely to result in a substantial return.

6.2 Funding from Creditors

Part 5.9 of the Act provides that an application may be made to the Court to summon a person for examination who may be able to provide information about the Company’s examinable affairs. The examination is conducted before a Court and the examinee is required to provide evidence on oath and / or produce books and records relating to the Company’s examinable affairs.

Creditors should be aware that the Liquidation currently has insufficient funds to enable me to make such an application for an examination. Accordingly, if I am to conduct further investigations and enquiries, including an examination of the officers and other parties, I will require creditors or other parties to provide the requisite funding so that I may satisfactorily progress matters. Should creditors wish to provide funding for my investigations/public examination, I request they confirm their intention in writing to me within 14 days from the date of this Report.

6.3 Assetless Administration Fund

The Assetless Administration Fund (**AA Fund**) was established by the Federal Government and is administered by ASIC. It finances preliminary investigations and reports by liquidators into the failure of companies with few or no assets, where it appears to ASIC that enforcement action may result from the investigation and report. A particular focus of the AA Fund is to curb fraudulent phoenix activity. The AA Fund enables a liquidator to carry out a proper investigation and report, which then helps ASIC decide whether to commence enforcement action (e.g. director banning under section 206F of the Act). Consideration has been given to lodging an application for funding an investigation into the affairs of the Company and the conduct of the director and at this stage I do not intend to request funding.

7. Other Information

7.1 Expected Return to Creditors

I advise that realisations are currently insufficient to meet the costs of the winding up including any of my professional time costs incurred during the course of the winding up. As such, it is unlikely that there will be a distribution to any class of creditor.

In these circumstances, I do not propose to call for Proofs of Debt at this stage, but I ask creditors to keep me informed of any changes of address. I do not expect to prepare any further reports unless there are significant developments regarding the Company, material realisations or funding from creditors.

7.2 Liquidator's Remuneration

I advise that the period from my appointment to 18 November 2011 my office has incurred time costs totalling \$15,920 plus GST, regarding necessary tasks in completing the liquidation of the Company.

Further costs will be incurred in finalising the liquidation.

Due to insufficient asset recoveries, I do not intend at this time to seek fee approval from Company creditors. Where the liquidation is finalised without the potential recovery action being pursued I will proceed to write off my time costs.

Please find enclosed as Annexure B my initial advice to creditors regarding my remuneration, including a guide to hourly rates for RSM Bird Cameron Partners.

7.3 Receipts and Payments

There have been no receipts and payments to date.

Creditors are advised that a detailed account of the Liquidator's receipts and payments is lodged with ASIC every six months from the date of my appointment as required by s539 of the Act. A copy may be obtained through ASIC or inspected during normal office hours at the offices of RSM Bird Cameron Partners.

Dated this 25 day of November 2011.



Mark Conlan
Official Liquidator

Annexure A – Declaration of Independence, Relevant Relationships and Indemnities

CONCENTRIC WEALTH MANAGEMENT PTY LTD (IN LIQUIDATION)
ACN 109 337 215 (“the Company”)

This document requires the Practitioner appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i. the circumstances of the appointment;
 - ii. any relationship with the Insolvent and others within the previous 24 months;
 - iii. any prior professional services for the Insolvent within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my partners, RSM Bird Cameron Partners, RSM Bird Cameron, RSM Bird Cameron Financial Services Pty Limited and RSM Bird Cameron Corporate Pty Limited.

A. Independence

I, Mark Conlan, of RSM Bird Cameron Partners have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Official Liquidator of the Company in accordance with the law and applicable professional standards. 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.

B. Declaration of Relationships

i. Circumstances of Appointment

I was approached to act as Official Liquidator by the Deputy Commissioner of Taxation (“the Petitioning Creditor”) and after undertaking the abovementioned assessment, I signed a consent to act. I was subsequently appointed as Official Liquidator by the Federal Court of Australia on 28 July 2010.

ii. Relevant Relationships with the Insolvent

Neither I nor my firm have, or have had within the preceding 24 months, any relationships with the Company, any associate of the Company or any former insolvency practitioner appointed to the Company, that should be disclosed.

iii. Prior Professional Services to the Insolvent

Neither I nor my firm have provided any professional services to the Company in the previous 24 months.

iv. Relevant Relationships with the Secured Creditor

I, and other partners in my firm, have over the past 24 months consented to act in a number of administrations of insolvent entities as Receiver and Manager, Voluntary Administrator, Liquidator, Official Liquidator, Provisional Liquidator, Controlling Trustee and/or Trustee at the request of St George and also with Westpac (“the Secured Creditors”) which has a charge over the whole or substantially the whole of the Company’s property.

Neither I nor my firm have ever undertaken any work for the Secured Creditors specifically in respect of the Company. The work that I and my firm undertake for the Secured Creditors will not influence my ability to be able

to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.

v. Relevant Relationships with the Petitioning Creditor

I and other partners of my firm are on a panel of practitioners maintained by the Petitioning Creditor for selection for appointment. This is a purely professional relationship based on the quality of service and expertise provided.

I and other partners in my firm have over the past two 24 months consented to act at the request of the Petitioning Creditor in a number of administrations of insolvent entities. The Petitioning Creditor (who is unsecured) shares a common interest with other unsecured creditors to the extent they might benefit from any recoveries made in the administration.

The subject of the Company was discussed with the Petitioning Creditor prior to my appointment for the purposes of obtaining information about the Company and providing a consent to act.

In these circumstances I consider that such dealings will not influence my ability to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Company in an objective and impartial manner.

vi. No Other Relevant Relationships to Disclose

I am also the Official Liquidator of related companies as summarised below:-

Name	Nature of Relationship	Reasons why no conflict of interest or duty
Concentric Accounting Pty Ltd	Appointed Official Liquidator on 8 Oct 2008	The group of companies operated as a group providing financial services to the general public. The nature of the operations mean that the liquidations can be conducted more efficiently by one practitioner.
Concentric Private Wealth Management Pty Ltd	Appointed Official Liquidator on 20 Jan 2009	
Concentric Financial Planning Pty Ltd	Appointed Official Liquidator on 26 Nov 2008	At the time of my appointments, I was not aware of any conflicts of interest between the companies. Should such a conflict arise, I will keep creditors informed and take appropriate action to resolve the conflict.
Terra Firma Capital Pty Ltd	Appointed Official Liquidator on 7 Oct 2008	

With the exception of the above relationships, neither myself, nor my Firm, have, or have had within the preceding 24 months prior to my appointment, any relationships with the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company property.

C. Indemnities and Up-Front Payments

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

Dated: 25 November 2011



Mark Conlan
Official Liquidator

Notes:

- 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.*
- 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.*

Annexure B – Remuneration Report

1. *Initial Advice to Creditors*

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 assets realisations.

- **Contingency**

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

1.2 **Method chosen**

Given the nature of this administration I propose that our remuneration be calculated on Time based / hourly rates. This is because:

- This method reflects our practice of assigning staff at the appropriate level to conduct the necessary work. Individuals are required to record the nature of the work performed at intervals of six minutes. This method ensures creditors are only charged for work that is performed and provides complete transparency.
- Fixed fee and Percentage method are inappropriate as I am unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration. In addition I am required to perform a number of tasks which do not relate to the realisation of assets, e.g., statutory obligations, responding to creditor queries, and reporting to ASIC.

It is proposed that the remuneration of the Liquidator be calculated on an hourly basis at the hourly fees charged by RSM Bird Cameron Partners.

1.3 Explanation of Hourly Rates

The current rates for my 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.

Classification	Guide to Level of Insolvency Experience	Rate per Hour \$
Appointee	Registered Liquidator / Trustee. Partner bringing his / her specialist skills to the administration or insolvency task.	530
Principal	Qualified. 12+ years experience. Capable of controlling all aspects of an administration and/or insolvency task.	450
Senior Manager	Typically qualified, 7+ years experience. Well developed technical and commercial skills. Assist appointee in the planning and control of all administrations and/or insolvency tasks. Responsible for supervision of junior staff.	365
Manager	Typically qualified, 6-7 years experience. Well developed technical and commercial skills. Assist appointee in the planning and control of all administrations and/or insolvency tasks. Responsible for supervision of junior staff.	300 – 320
Supervisor	4-6 years experience. Qualified or almost completed CA/CPA/IPAA. Conduct of small appointments, assists in planning and control of medium to larger appointments. Also supervises junior staff.	230 – 270
Senior 1	2-4 years experience, undertaking CA/CPA/IPAA. Assist planning and control of small to medium jobs and performs some more difficult tasks on larger jobs. Assists in supervision of junior staff.	215
Senior 2	1-3 years experience, undertaking CA/CPA/IPAA, Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	170
Intermediate 1	1-2 years experience, graduate, undertaking CA/CPA/IPAA. Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	160
Intermediate 2	0-2 years experience, typically will have graduated. Assist in day to day fieldwork of administrations and/or insolvency tasks under supervision of more senior staff.	130
Secretary	Assists all levels of staff undertaking general administrative and secretarial duties.	185
Treasury	Responsible for integrity of all aspect of cash receipts and payments, bank account reconciliations, preparation of statutory lodgements with ATO and ASIC	150
Treasury Assistant	Assists all levels of staff with administrative and bookkeeping tasks and managing Insolvency CORE software.	110
Junior	Data input and computer skills. Maintains data entry into specialised insolvency computer system, including receipts and payments and financial information, also prepares bank reconciliations, Form 524's and BAS returns.	70

Notes:

1. The scale of fees is intended to be a guide as to the qualifications and experience of the staff engaged. In some instances staff may be engaged under an appropriate classification principally due to experience.
2. The term "Qualified" means that the staff member has completed either the Institute of Chartered Accountants in Australia or Certified Practising Accountants in Australia's education program and the Insolvency Practitioners Association of Australia's education program.
3. Time spent on matters is recorded and charged in 6 minute intervals.
4. The above rates are effective as at 1 July 2011.
5. The above rates exclude Goods and Services Tax.



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

- Insolvency: a glossary of terms
- 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: a guide for shareholders
- Insolvency: a guide for directors
- Independence of external administrators: a guide for creditors
- Approving fees: a guide for creditors

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.

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.