

24 February 2015

2.4 – 150224/MBDC100,MARB200,MARB300,MARB400,AVAL100/VA10

insolvency  
turnaround  
forensics  
advisory

TO THE CREDITOR AS ADDRESSED:

Dear Sir/Madam

**MBD CORPORATION LIMITED**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 087 730 667 (“MBD”)**

**MARBLETREND PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 109 273 912 (“MARBLETREND”)**

**MARBLETREND HOLDINGS PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 127 289 061 (“HOLDINGS”)**

**MARBLETREND INVESTMENTS PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 159 110 577 (“INVESTMENTS”)**

**AVALON INVESTMENTS (AUS) PTY LTD**  
**(ADMINISTRATORS APPOINTED)**  
**A.C.N. 103 074 102 (“AVALON”)**

**(COLLECTIVELY KNOWN AS “THE MARBLETREND GROUP”)**

As advised in our Notice to Creditors dated 30 January 2015, Michael Carrafa, Peter Gountzos and I were appointed Joint and Several Administrators of the above companies on 28 January 2015 pursuant to resolutions of the companies’ directors in accordance with the provisions of Section 436A(1) of the Corporations Act 2001 (“the Act”).

I note that, following our appointments, Craig Shepard and Mark Uebergang of Korda Mentha were appointed Receivers and Managers of MBD, Marbletrend, Holdings and Investments on 28 January 2015, pursuant to the registered security interests of the Westpac Banking Corporation Limited over the above companies, with the exception of Avalon Investments (Aus) Pty Ltd (Administrators Appointed), which is not in receivership.

The First Meetings of Creditors of each of the companies were held on 9 February 2015 in accordance with the provisions of Section 436E of the Act. At these meetings, nominations for alternate Administrators were not forthcoming and committees of creditors were not formed.

SV Partners Insolvency (VIC) Pty Ltd ABN 67 112 145 338  
Level 17, 200 Queen Street, Melbourne Vic 3000

† 03 9669 1100 f 03 9670 4435 e melbourne@svp.com.au svpartners.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

**RESPECT SERVICE TEAMWORK**

Second Meetings of Creditors of each of the companies have now been convened for **Wednesday, 4 March 2015** at the offices of SV Partners, Level 17, 200 Queen Street, Melbourne, 3000 to consider the proposed resolutions to be put under the provisions of Section 439C of the Act at the following times:

- 9.00am Investments;
- 9.30am MBD;
- 10.00am Holdings;
- 10.30am Avalon; and
- 11.00am Marbletrend.

The following documents are enclosed for the Marbletrend Group.

1. Notice of Meetings pursuant to Section 439A(3)(a) of the Act.
2. Our Report to Creditors pursuant to Section 439A of the Act which includes a statement by us, as Joint and Several Administrators of each of the companies, as to whether it is in creditors' interests for:
  - the companies to execute any proposed Deeds of Company Arrangement ("DOCA") (if any);
  - the administrations to end; or
  - the companies to be wound up.

Given that proposals for the companies to execute a DOCA have not been received, we note that, should creditors resolve to place the companies into Liquidation, creditors may seek to appoint alternate Liquidators, if another person(s) are nominated.

If no other nomination for replacement Liquidators are received at the meetings, each of the companies' creditors will be taken to have appointed Michael Carrafa, Peter Gountzos and myself as the Joint and Several Liquidators of each of the companies within the Marbletrend Group.

3. Australian Securities and Investments Commission ("ASIC") Information Sheet.

Annexure packs for each company within the Marbletrend Group are enclosed, which include the following documents:

1. The agenda for the meeting.
2. Appointment of Proxy Form.

An Appointment of Proxy Form is attached to enable you to appoint another person to act on your behalf at the meeting. Your proxy and proof of debt should be returned to this office by no later than 4.00pm on 3 March 2015. These forms may be lodged via **facsimile on (03) 9670 4435** however in accordance with Regulation 5.6.36A of the Act, the original signed copy of the Proxy Form must be lodged with my office within seventy two (72) hours of the lodging of the faxed copy.

**A corporate creditor may only be represented by proxy or by a representative appointed pursuant to its Constitution and under the provisions of either Sections 127 or 250D of the Act. Any proxy lodged on behalf of a corporate creditor must be executed either under Common Seal, using a Power of Attorney or in accordance with the company's Constitution.**

3. Proof of Debt for the Purpose of Voting at Meeting of Creditors

A creditor, or the creditor's proxy, is not entitled to vote at the meeting unless particulars of the debt or claim which is said to be due by the company has been lodged with the chairperson of the meeting. Where a completed proof of debt form is returned by post it should reach the Administrators' office not less than 24 hours before the date and time of the meeting, or alternatively, it may be brought to the meeting and handed to the Chairperson of the meeting.

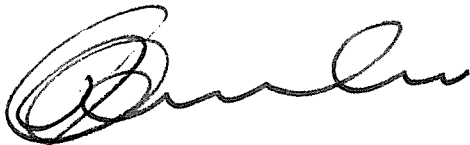
**The proof of debt form attached is to be completed, but will only be used for voting purposes.**

4. A Remuneration Report which incorporates the following:

- A description of work completed and / or to be completed from the beginning of our appointment to the end of the Voluntary Administration together with a summary of our proposed remuneration, which creditors will be invited to approve and cap at the forthcoming meeting;
- SV Partners Scale of Fees and Insolvency Experience Classification Form as at 1 July 2014 (Victoria); and
- A summary of work that we anticipate will be required should creditors resolve to place the company into Liquidation and our proposed remuneration in relation to same.

Should you have any queries regarding this matter, please contact Mr Matthew Avramov of this office.

Yours faithfully



RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

Enclosures

**FORM 529**

Regulation 5.6.12(6)

Corporations Act 2001

**NOTICE OF MEETINGS UNDER SECTION 439A**

**MBD CORPORATION LIMITED**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 087 730 667 ("MBD")**

**MARBLETREND PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 109 273 912 ("MARBLETREND")**

**MARBLETREND HOLDINGS PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 127 289 061 ("HOLDINGS")**

**MARBLETREND INVESTMENTS PTY LTD**  
**(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 159 110 577 ("INVESTMENTS")**

**AVALON INVESTMENTS (AUS) PTY LTD**  
**(ADMINISTRATORS APPOINTED)**  
**A.C.N. 103 074 102 ("AVALON")**

Notice is given that the second meetings of the creditors of each of the abovenamed companies will be held at the offices of SV Partners, Level 17, 200 Queen Street, Melbourne 3000 on Wednesday, 4 March 2015 at the following times:

- 9.00am Investments;
- 9.30am MBD;
- 10.00am Holdings;
- 10.30am Avalon; and
- 11.00am Marbletrend.

**AGENDA:**

1. A resolution by creditors under the provisions of Section 439C:
  - that the companies execute Deeds of Company Arrangement (if proposed); or
  - that the administrations should end; or
  - that the companies be wound up.
2. Such other matters as may be dealt with by the meetings including:
  - remuneration of the Joint and Several Administrators of the companies;
  - remuneration of the Joint and Several Liquidators (if applicable); and
  - if applicable, the appointment of another person(s) as Liquidators of the companies other than Michael Carrafa, Peter Gountzos and myself, if another person(s) is nominated;
  - the appointment of Committees of Inspection;



- that the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidations and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the companies.

DATED: 24 February 2015



RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

---

NOTE: A form of proxy is attached for each company to enable you to appoint another person to act on your behalf at the meetings. **A corporate creditor may only be represented by proxy or by a representative appointed pursuant to its Constitution and under the provisions of either Sections 127 or 250D of the Act. Any proxy lodged on behalf of a corporate creditor must be executed either under Common Seal, using a Power of Attorney or in accordance with the company's Constitution.**

A person is not entitled to vote as a creditor at the meetings unless particulars of the debt or claim are provided to the Administrators before the meetings. **Proof of debt forms for each company for VOTING PURPOSES ONLY are attached for completion.**

*(this page intentionally left blank)*



**MBD CORPORATION LIMITED**

(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 087 730 667 ("MBD")

**MARBLETREND PTY LTD**

(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 109 273 912 ("MARBLETREND")

**MARBLETREND HOLDINGS PTY LTD**

(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 127 289 061 ("HOLDINGS")

**MARBLETREND INVESTMENTS PTY LTD**

(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 159 110 577 ("INVESTMENTS")

**AVALON INVESTMENTS (AUS) PTY LTD**

(ADMINISTRATORS APPOINTED)  
A.C.N. 103 074 102 ("AVALON")

(collectively "the Marbletrend Group")

**Report to Creditors Pursuant to Section 439A of the Corporations Act 2001**

*(this page intentionally left blank)*

## **CONTENTS**

1. SUMMARY
  2. OBJECT OF LAW
  3. LIMITATIONS INHERENT
  4. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES
  5. STATUTORY INFORMATION / BACKGROUND
  6. PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT
  7. FINANCIAL POSITION
  8. JOINT & SEVERAL ADMINISTRATORS RECEIPTS & PAYMENTS
  9. REPORTS AS TO AFFAIRS, ASSETS AVAILABLE AND LIABILITIES IDENTIFIED
  10. GENERAL INVESTIGATIONS
  11. OFFENCES BY OFFICERS
  12. INSOLVENT TRANSACTIONS
  13. OTHER RIGHTS OF ACTION
  14. RESOLUTIONS AVAILABLE TO CREDITORS
  15. POTENTIAL DIVIDENDS
  16. RECOMMENDATION
  17. ADJOURNMENT
  18. REMUNERATION
-

## 1. SUMMARY

Michael Carrafa, Peter Gountzos and I were appointed Joint and Several Administrators of the Marbletrend Group of Companies on 28 January 2015. This followed on from a resolution of the companies' board of directors in accordance with the provisions of Section 436A(1) of the Corporations Act 2001 ("the Act") that in their opinion, the companies were insolvent or likely to become insolvent at some future time.

I note that, following our appointment, Craig Shepard and Mark Uebergang of Korda Mentha were appointed Receivers and Managers of MBD, Marbletrend, Holdings and Investments on 28 January 2015, pursuant to the registered security interests of the Westpac Banking Corporation Limited ("Westpac") over the above companies, with the exception of Avalon Investments Pty Ltd (Administrators Appointed), which is not in receivership.

As a result of their appointment, the Receivers and Managers took control of the companies' assets.

First meetings of the creditors of the companies were held on 9 February 2015 in accordance with Section 436E of the Act. At each of these meetings, a Committee of Creditors was not formed.

The purpose of the appointment of an administrator is to allow for an independent insolvency practitioner to take control of and investigate the affairs of an insolvent company. During that time creditors' claims are put on hold. At the end of that period we are required to provide creditors with information and recommendations to assist creditors to decide upon the company's future. The purpose of this report is therefore to provide creditors with sufficient information for them to make an informed decision about the future of the companies, including:

- background information about the companies;
- the results of our investigations;
- the estimated returns to creditors (if any);
- details of the proposed Deed(s) of Company Arrangement (if any); and
- the options available to creditors and our opinion on each of these options.

Second meetings of the creditors of the Marbletrend Group have been convened for **Wednesday, 4 March 2015 at the offices of SV Partners, Level 17, 200 Queen Street, Melbourne, Victoria** at the following times:

9.00am	Investments;
9.30am	MBD;
10.00am	Holdings;
10.30am	Avalon; and
11.00 am	Marbletrend.

At each of the meetings, creditors will be asked to make a decision by passing a resolution in accordance with Section 439C of the Act that:

1. The company enter into a Deed of Company Arrangement ("DOCA") (if proposed).
2. The company be placed into liquidation. or
3. The Voluntary Administration should end, with control reverting back to the company's director(s).

A proposal for the Marbletrend Group to enter into a DOCA has not been received.

In this report I have recommended that in the absence of any proposal for the Marbletrend Group to enter into a DOCA, it is our opinion that the companies should be placed into liquidation in order to allow for more extensive investigations to be undertaken with a view of initiating potential voidable transaction recovery action.

In this report I have advised that as there has been no proposal received for the Marbletrend Group to enter into a DOCA and due to the various uncertainties associated with the recovery of voidable transactions and any potential insolvent trading claim against the directors of the Marbletrend Group, I am unable to quantify with any certainty the likely dividend that would be available to creditors should the companies be placed into liquidation. Nevertheless, I have provided an estimate of the potential outcome for creditors in section 18 of this report. However, based on the information to hand, any distributions to unsecured creditors will be dependent on the recoveries available to the liquidators of each company.

A distribution to be paid to priority creditors of Marbletrend is dependent on circulating asset realisations by the Receivers and Managers and the potential recoveries available to the Liquidators of Marbletrend. If the Receivers and Managers recover sufficient circulating asset funds, they have indicated that they will attend to payment of a priority dividend for outstanding employee entitlements.

While this summary is to assist creditors in reading and understanding the purpose of this report, it is important that creditors do not solely rely upon this summary in deciding how they will vote at the upcoming meetings. Creditors should read the entire report to fully understand the current financial positions of the Marbletrend Group and the information upon our opinion has been formed.

## 2. OBJECT OF LAW

Section 435A of the Act sets out that the objective of the Voluntary Administration Scheme are:

*“to provide for the business, property and affairs of an insolvent company to be administered in a way that:*

- (a) Maximises the chances of the company, or as much as possible of its business, continuing in existence; or*
- (b) If it is not possible for the company or its business to continue in existence – results in a better return for the company’s creditors and members than would result from an immediate winding up of the company.”*

The recommendations in this report have been prepared on the objectives of Section 435A of the Act.

## 3. LIMITATIONS INHERENT

This report has been prepared on the basis of the following:

- The information contained within the books and records of the Marbletrend Group;

- Information provided by the Marbletrend Group directors and management personnel;
- Information provided by the Marbletrend Group external accountants;
- Information provided by the Receivers and Managers; and
- Our own investigations.

Given the nature of this report and in particular, the limited timeframe within which I have undertaken our investigations, I have not verified all the information therein, nor have I conducted an audit of the Information provided by the Marbletrend Group external accountants; records and financial information to hand.

Creditors should note that this report is not a public document and should not be generally circulated, reproduced or used in any other way other than to assist you in making an informed decision about the future of the companies within the Marbletrend Group.

The Administrators do not assume or accept liability or loss sustained by creditors or any other party as a result of them relying on the information contained in the report. The contents of this report are provided in good faith and I have relied on information provided to us by third parties. In the event that any further information is subsequently provided to us that may materially affect our conclusions or statements, then I reserve the right to review and alter any of the conclusions or statements made in this report.

Creditors should seek their own independent legal advice as to their rights and options available to them at all times.

## **4. DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES**

In accordance with the provisions of Section 436DA of the Act and the Australian Restructuring Insolvency and Turnaround Association (“ARITA”) Code of Professional Practice, our Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) was enclosed within our Notice to Creditors dated 30 January 2015. An updated DIRRI was subsequently tabled at the first meetings of creditors on 9 February 2015 in order to account for an additional relationship which was identified.

This DIRRI disclosed information regarding our independence, any prior personal or professional relationships the Administrators had with the Marbletrend Group, its directors and/or related parties and any up-front payments or indemnities received in relation to our appointment. A copy of the DIRRI is provided at Annexure “A”.

As at the date of this Report, no additional relationships or indemnities to those previously disclosed have been identified.



## 5. STATUTORY INFORMATION / BACKGROUND

### 5.1 Australian Securities & Investments Commission (“ASIC”) Searches

#### MBD

An extract from the ASIC database disclosed that MBD was incorporated in South Australia on 24 May 1999 as Concentrated Capital Pty Ltd. On 4 July 2002, MBD changed its name to Concentrated Capital Limited and became an unlisted public company. MBD reverted from an unlisted public company to a public company on 18 February 2004. On 23 November 2007, MBD changed its name to Marbletrend Group Limited and subsequently to MBD Corporation Limited on 23 November 2012.

Prior to our appointment, MBD’s registered office was located at Salmon Giles Pty Ltd, Level 2, 409 St Kilda Road, Melbourne Vic 3004.

Details of directorships are as follows:

<i>Directors:</i>	Peter Thomas Reilly	- appointed on 30/06/2003
	Michael Nicholas Evett	- appointed on 16/08/2006
	Jeffrey Paul Nicol	- appointed on 4/07/2011
	Hamish MacDougall Giles	- appointed on 21/03/2001
<i>Prior Directors:</i>	Marco Slavatore Carlei	- appointed on 25/09/2007 and ceased on 21/04/2008
	Christopher Kenneth George Rowe	- appointed on 30/06/ 2003 and ceased on 16/08/2006
	Andrew Michael Grace	- appointed on 18/04/2002 and ceased on 30/06/2003
	David Francis Gibbs	- appointed on 18/04/2002 and ceased on 30/06/2003
	David Rose	- appointed on 18/07/2002 and ceased on 30/06/2003
	Graeme Alan Menzies	- appointed on 21/03/2001 and ceased on 18/04/2002
	David Ernest Bird	- appointed on 21/03/2001 and ceased on 18/04/2002
	David George Whiting	- appointed on 24/05/1999 and ceased on 21/03/2001
	Simon Thomas O’Loughlin	- appointed on 24/05/1999 and ceased on 21/03/2001
	Michael Andrew Whiting	- appointed on 24/05/1999 and ceased on 21/03/2001

As at the date of our appointment, MBD had 129,969,360 ordinary shares issued with an amount paid of \$15,089,697.60. A listing of shareholders as at our appointment is enclosed as Annexure “B”.

The current secretaries of MBD are Hamish MacDougall Giles and Peter Thomas Reilly.

## **Marbletrent**

An extract from the ASIC database disclosed that Marbletrent was incorporated in Victoria on 27 May 2004. Prior to our appointment, Marbletrent's registered office was located at 22 Jersey Road, Bayswater Vic 3153.

Details of directorships and shareholding are as follows:

<i>Directors:</i>	Peter Thomas Reilly	- appointed on 4/12/2007
	Michael Nicholas Evett	- appointed on 4/12/2007
	Jeffrey Paul Nicol	- appointed on 4/07/2011
	Hamish MacDougall Giles	- appointed on 4/12/2007
<i>Prior Directors:</i>	Robert Gregory Walton	- appointed on 4/12/2007 and ceased on 20/04/2011
	Iain McIntyre Penman	- appointed on 4/12/2007 and ceased on 21/03/2011
	Allan McIntyre Penman	- appointed on 27/05/2004 and ceased on 4/12/2007
	Janice Elizabeth Penman	- appointed on 27/05/2004 and ceased on 4/12/2007
<i>Shareholders:</i>	Marbletrent Holdings Pty Ltd	- 18,465,700 fully paid ordinary shares
<i>Former Shareholders:</i>	John Penman Patterns Pty Ltd	- 18,465,700 fully paid ordinary shares
	Janice Elizabeth Penman	- 1 fully paid redeemable preference share
	Allan McIntyre Penman	- 1 fully paid redeemable preference share

The current secretary of Marbletrent is Hamish MacDougall Giles.

## **Holdings**

An extract from the ASIC database disclosed that Holdings was incorporated in Victoria on 30 August 2007. Prior to our appointment, Holdings' registered office was located at 22 Jersey Road, Bayswater Vic 3153.

Details of directorships and shareholding are as follows:

<i>Directors:</i>	Peter Thomas Reilly	- appointed on 4/12/2007
	Michael Nicholas Evett	- appointed on 4/12/2007
	Jeffrey Paul Nicol	- appointed on 4/07/2011
	Hamish MacDougall Giles	- appointed on 4/12/2007
<i>Prior Directors:</i>	Robert Gregory Walton	- appointed on 4/12/2007 and ceased on 20/04/2011
	Iain McIntyre Penman	- appointed on 4/12/2007 and ceased on 21/03/2011
	Allan McIntyre Penman	- appointed on 30/08/2007 and ceased on 4/12/2007
	Janice Elizabeth Penman	- appointed on 30/08/2007 and ceased on 4/12/2007

*Shareholders:* MBD Corporation Ltd - 15,000,000 fully paid ordinary shares

*Former Shareholders:* John Penman Patterns Pty Ltd - 4,500,000 fully paid ordinary shares

The current secretary of Holdings is Hamish MacDougall Giles.

### **Investments**

An extract from the ASIC database disclosed that Investments was incorporated in Victoria on 21 June 2012. Prior to our appointment, Investments' registered office was located at Level 2, 409 St Kilda Road, Melbourne Vic 3004.

Details of directorships and shareholding are as follows:

<i>Directors:</i>	Peter Thomas Reilly	- appointed on 21/06/2012
	Jeffrey Paul Nicol	- appointed on 7/08/2012
	Hamish MacDougall Giles	- appointed on 21/06/2012

*Prior Directors:* None

*Shareholders:* Marbletrend Holdings Pty Ltd - 100 fully paid ordinary shares

*Former Shareholders:* None

The current secretary of Investments is Hamish MacDougall Giles.

### **Avalon**

An extract from the ASIC database disclosed that Avalon was incorporated in Victoria on 6 December 2002. Prior to our appointment, Avalon's registered office was located at Level 2, 409 St Kilda Road, Melbourne Vic 3004.

Details of directorships and shareholding are as follows:

<i>Directors:</i>	Hamish MacDougall Giles	- appointed on 6/12/2002
-------------------	-------------------------	--------------------------

*Prior Directors:* None

*Shareholders:* MBD Corporation Ltd - 1 fully paid ordinary shares

*Former Shareholders:* None

The current secretary of Investments is Hamish MacDougall Giles.

## 5.2 Personal Property Securities Register (“PPSR”) Search

With the introduction of the Personal Property Securities Act 2009 (“PPSA”), all security interests, including those formerly known as fixed and floating charges, now circulating and non-circulating security interests, were migrated to the PPSR Register effective as of 30 January 2012.

A search undertaken of the PPSR disclosed a number of security interests registered over the Marbletrent Group property as at our appointment. A summary of the registrations for each of the companies in the Marbletrent Group is below.

### **MBD**

The PPSR database discloses the following security interests over MBD:

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201112230243404	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - No exceptions
201112280149145	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - With exceptions
201404090055281	Macquarie Leasing Pty Ltd	09/04/2014	Commercial property	Motor vehicle
201411180035613	Macquarie Leasing Pty Ltd	18/11/2014	Commercial property	Motor vehicle

### **Marbletrent**

The PPSR database discloses the following security interests over Marbletrent:

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201304260010262	AAA Packaging Supplies Pty Ltd	26/04/2013	Commercial property	Other goods
201112203015752	Alleasing Pty Limited	30/01/2012	Commercial property	Other goods
201401300104664	Bidvest Australia Limited	30/01/2014	Commercial property	Other goods
201207110080892	Britannia Jahco Pty Ltd	11/07/2012	Commercial property	All present and after-acquired property - No exceptions
201112290303154	Macquarie Leasing Pty Ltd	30/01/2012	Commercial property	Motor vehicle
201305020056256	Macquarie Leasing Pty Ltd	02/05/2013	Commercial property	Motor vehicle

<b>Registration Number</b>	<b>Secured Party</b>	<b>Registration Start Date</b>	<b>Collateral Type</b>	<b>Collateral Class</b>
201404090055281	Macquarie Leasing Pty Ltd	09/04/2014	Commercial property	Motor vehicle
201408050011959	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050011971	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050013665	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014072	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014296	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014587	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014807	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201411180035613	Macquarie Leasing Pty Ltd	18/11/2014	Commercial property	Motor vehicle
201201110685646	Nuplex Industries (Aust) Pty Limited	30/01/2012	Commercial property	Other goods
201203210016543	Pro-Fork Pty. Ltd.	21/03/2012	Commercial property	Motor vehicle
201204240048560	Pro-Fork Pty. Ltd.	24/04/2012	Commercial property	Motor vehicle
201204240049097	Pro-Fork Pty. Ltd.	24/04/2012	Commercial property	Motor vehicle
201206040026650	Pro-Fork Pty. Ltd.	04/06/2012	Commercial property	Motor vehicle
201210030029060	Pro-Fork Pty. Ltd.	03/10/2012	Commercial property	Motor vehicle
201210030030318	Pro-Fork Pty. Ltd.	03/10/2012	Commercial property	Motor vehicle
201210030030325	Pro-Fork Pty. Ltd.	03/10/2012	Commercial property	Motor vehicle
201210250024782	Pro-Fork Pty. Ltd.	25/10/2012	Commercial property	Motor vehicle
201210250025192	Pro-Fork Pty. Ltd.	25/10/2012	Commercial property	Motor vehicle
201303270065544	Pro-Fork Pty. Ltd.	27/03/2013	Commercial property	Motor vehicle
201303270065846	Pro-Fork Pty. Ltd.	27/03/2013	Commercial property	Motor vehicle

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201304170065414	Pro-Fork Pty. Ltd.	17/04/2013	Commercial property	Motor vehicle
201201051988559	Pro-Pac Packaging (Aust) Pty. Limited	30/01/2012	Commercial property	Other goods
201405290084559	Realstar Finance Pty. Ltd.	29/05/2014	Commercial property	All present and after-acquired property - With exceptions
201405290084730	Realstar Finance Pty. Ltd.	29/05/2014	Commercial property	Other goods
201112203296146	Royal Wolf Trading Australia Pty Limited	30/01/2012	Commercial property	Other goods
201302250045611	Royal Wolf Trading Australia Pty Limited	25/02/2013	Commercial property	Other goods
201212060013623	Upstream Print Solutions Pty Ltd	06/12/2012	Commercial property	Other goods
201112141615407	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - No exceptions
201112280767198	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - With exceptions
201407230053874	Westpac Banking Corporation	23/07/2014	Commercial property	Financial property - Chattel paper
201407230054116	Westpac Banking Corporation	23/07/2014	Commercial property	Intangible property - Account
201407230054320	Westpac Banking Corporation	23/07/2014	Commercial property	Intangible property - General intangible

The directors have advised that Marbletend, Westpac and Realstar Finance Pty Ltd ("Realstar") entered into a Deed of Priority in mid-2014 which provided Realstar with a priority secured position over Westpac of up to \$500,000 for the purpose of specific stock purchases. I understand that the Receivers and Managers are currently seeking advice in this regard.

### **Holdings**

The PPSR database discloses the following security interests over Holdings:

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201112230971905	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - With exceptions

<b>Registration Number</b>	<b>Secured Party</b>	<b>Registration Start Date</b>	<b>Collateral Type</b>	<b>Collateral Class</b>
201112280165466	Westpac Banking Corporation	30/01/2012	Commercial property	All present and after-acquired property - With exceptions
201204050011493	Macquarie Leasing Pty Ltd	05/04/2012	Commercial property	Motor vehicle
201205260024374	Macquarie Leasing Pty Ltd	26/05/2012	Commercial property	Motor vehicle
201206050040674	Macquarie Leasing Pty Ltd	05/06/2012	Commercial property	Motor vehicle
201207090010148	Macquarie Leasing Pty Ltd	09/07/2012	Commercial property	Motor vehicle
201207130012074	Macquarie Leasing Pty Ltd	13/07/2012	Commercial property	Motor vehicle
201207250015271	Macquarie Leasing Pty Ltd	25/07/2012	Commercial property	Other goods
201209280043202	Macquarie Leasing Pty Ltd	28/09/2012	Commercial property	Motor vehicle
201210300008315	Macquarie Leasing Pty Ltd	30/10/2012	Commercial property	Other goods
201211060008239	Macquarie Leasing Pty Ltd	06/11/2012	Commercial property	Motor vehicle
201304020000750	Macquarie Leasing Pty Ltd	02/04/2013	Commercial property	Other goods
201305230024045	Macquarie Leasing Pty Ltd	23/05/2013	Commercial property	Other goods
201309190008574	Macquarie Leasing Pty Ltd	19/09/2013	Commercial property	Motor vehicle
201411180035613	Macquarie Leasing Pty Ltd	18/11/2014	Commercial property	Motor vehicle
201408050011959	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050011971	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050013665	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014072	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014296	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle
201408050014587	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201408050014807	Macquarie Leasing Pty Ltd	05/08/2014	Commercial property	Motor vehicle

### **Investments**

The PPSR database discloses the following security interest over Investments:

Registration Number	Secured Party	Registration Start Date	Collateral Type	Collateral Class
201208240087575	Westpac Banking Corporation	24/08/2012	Commercial property	All present and after-acquired property - With exceptions

### **Avalon**

The PPSR database does not disclose any security interests registered over Avalon.

Following our appointment, I wrote to each of the PPSR security interest holders seeking further details of their registration and quantification of any debt outstanding to them.

As a result of their appointment the Receivers and Managers took control of the Marbletrend Group assets subject to the Westpac's security interest.

Accordingly, I subsequently wrote to each of the PPSR holders providing them with our Notices of Administrators' Intention Not to Exercise Property Rights pursuant to Section 443B(3) of the Act.

Should any PPSR holders have debts outstanding to them following realisation of their security, please provide details of same to our office in order for us to update your claims as an unsecured creditor of the relevant company accordingly.

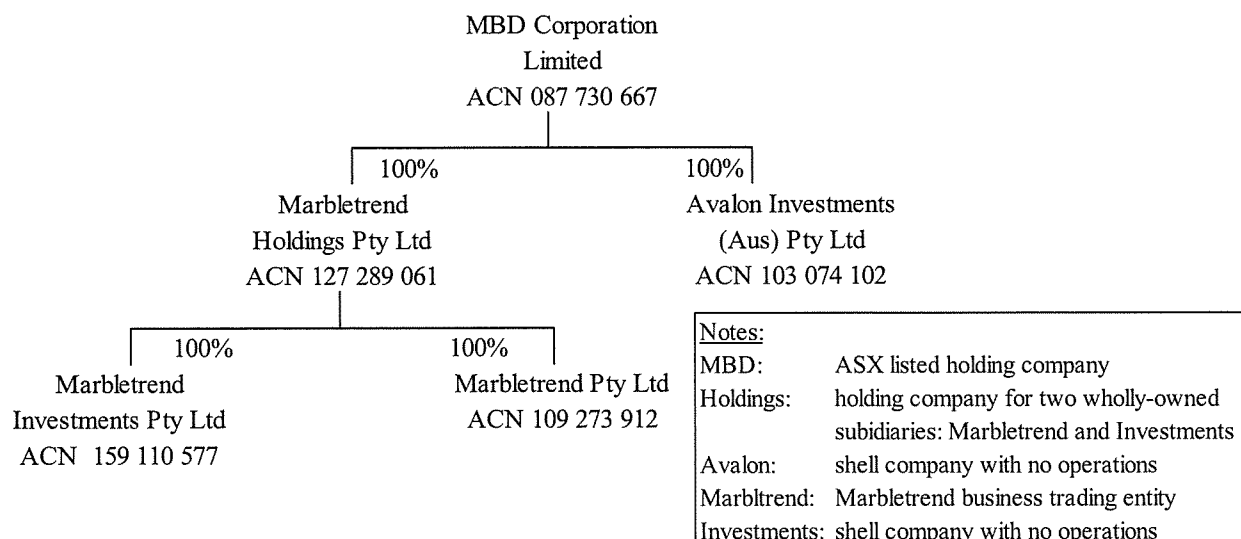
## **5.3 Background**

The Marbletrend Group of Companies traded through the business of Marbletrend and operated as a designer, manufacturer, wholesaler and distributor of bathroom fittings including baths, showers, vanities and toilets.

The Marbletrend head office was based in Bayswater, Victoria with branches in New South Wales, Western Australia, South Australia and Queensland, and agencies in Tasmania and the Northern Territory.



A summary of the current structure of the Marbletrend Group and their activities is provided below:



In August 2012 the Marbletrend Group entered into a joint venture which involved Investments acquiring a 50% shareholding of Citywide Holdings (Aust) Pty Ltd ("Citywide Holdings"). Citywide Holdings held two wholly owned subsidiaries, Citywide Concrete Pty Ltd and Citywide Building Supplies Pty Ltd.

Citywide Holdings and its subsidiaries operated out of a premises located in Port Melbourne. Citywide Concrete Pty Ltd operated as a concrete manufacturing plant and Citywide Building Supplies Pty Ltd operated as a supplier of bulk sand, soil and aggregates.

On or around 20 January 2014, the assets of the operating companies of Citywide Holdings (Citywide Concrete Pty and Citywide Building Supplies Pty Ltd) were tendered for sale.

On 13 May 2014, the fixed assets, stock and license of Citywide Holdings were sold for \$2,750,000 (including GST) to an unrelated third party.

On 31 May 2014, MBD's 50% shareholding in Citywide Group was sold to related party, Ahtpad Pty Ltd.

Over the past four years, the Marbletrend Group have reported challenging market conditions in which to sell its products. The directors have advised that during this period the Marbletrend Group suffered a significant reduction in toilet sales and more recently, vanity sales as a consequence of a major customer of these items seeking a reduction in the price paid for these items.

In addition, in early 2013, the directors have advised that they identified reporting irregularities with respect to the recording of stock. The Board engaged independent forensic accountants to investigate the irregularities however the outcome of the investigation was inconclusive. As a result, Marbletrend incurred significant expenses and the matter was finalised.

In an effort to reduce trading losses and return to profitability, the directors indicated that over the past two years the Marbletrend Group have reduced their workforce by approximately forty (40) percent, moved their focus to higher margin products, implemented initiatives to reduce warehousing and distribution costs and obtained further equity, underwritten by the directors, from trade finance, provided by a third party financier.

Working capital constraints however resulted in stock shortages which resulted in the Marbletrent Group being unable to fill customer orders. In November 2014, the Marbletrent Group became aware that a major customer intended to withdraw an order for vanities valued at \$600,000. As a result, the Marbletrent Group requested a temporary trading halt on the ASX. This further impacted negatively on customer confidence, resulting in a reduction in orders and further trading losses.

I understand that the Marbletrent Group had sought to renegotiate their existing finance facilities with their major financier, and secured creditor, Westpac. Negotiations continued to mid-January 2015, when Westpac determined that it was not prepared to provide additional facilities and the directors immediately concluded that without the support of the bank, the Marbletrent Group were unable to continue to operate.

As a result, the directors sought independent advice regarding the future of the Marbletrent Group and the options available to them. As a consequence of this advice, they were of the opinion that the affairs of the Marbletrent Group would be best dealt with through the Voluntary Administration process and as such, Michael Carrafa, Peter Gountzos and I were appointed Joint and Several Voluntary Administrators on 28 January 2015.

As creditors are aware, Receivers and Managers were appointed on 28 January 2014 over MBD, Marbletrent, Holdings and Investments.

By way of update, the Receivers and Managers have advised the following in relation to the current status of the sale process:

- Expressions of interests were sought in relation to the Marbletrent Group's assets. It is our understanding that the Receivers and Managers have received a number of credible expressions of interest.
- The Receivers and Managers are currently working through sale negotiations with two (2) interested parties, who have expressed an interest in acquiring all of the Marbletrent Group's plant and equipment, current stock (excluding obsolete and slow moving stock lines), patents and brands.
- The Receivers and Managers are hopeful of finalising a sale by Friday, 27 February 2015.
- The Receivers and Managers intend to attempt to sell obsolete and slow moving stock lines via auction or negotiating consignment based arrangements.
- The Receivers and Managers have advised in the event a sale agreement cannot be reached with either of the parties they are currently in negotiation with, then they anticipate that stock will be realised through a combination of auction realisations and existing customer channels.

Should additional information regarding the sale process be obtained prior to the forthcoming creditors meetings, an update will be provided at the meetings.

## **5.4 Reasons for Failure**

In addition to the above, the directors have provided the following reasons for the failure of the Marbeltrend Group:

- Trading losses resulting from reduced sales and high operating costs;

- Inadequate cash flow and working capital due to reduced sales resulting in stock shortages;
- Decrease in industry demand resulting from a reduction in consumer confidence and reduced new home construction and renovation markets; and
- Inability to obtain further finance from the companies major banking institution.

From our investigations to date I believe that the comments made by the directors as to the reasons for the failure of the Marbletrend Group appear to be reasonable.

## **5.5 Books and Records**

Section 286 of the Corporations Act, 2001 states as follows:-

“A company, registered scheme or disclosing entity must keep written financial records that:

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

I am of the opinion that the records of Marbletrend Group have been maintained in accordance with Section 286 of the Corporation Act, 2001.

I am in receipt of sufficient books and records of the Marbletrend Group which have enabled us to conduct preliminary investigations into the Marbletrend Group’s affairs, in order to provide this report to creditors.

The Marbletrend Group engaged external auditors to prepare their consolidated financial accounts. These reports were also lodged with the ASX for the ultimate holding company, MBD, in order to ensure their compliance with the statutory lodgement obligations of the ASX.

## **6. PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT**

As at the date of this report, a proposal for the companies within the Marbletrend Group to enter into a DOCA has not been received from the directors. Should a proposal be submitted prior to or at the meetings of creditors, an adjournment of each of the meetings may be considered by creditors to allow us sufficient time to consider any proposal submitted and provide our opinion as to whether it is in the creditors’ interests for the Marbletrend Group to enter into a DOCA.

## **7. FINANCIAL POSITION**

The Marbletrend Group engaged an external accountant to prepare annual financial consolidated statements for the Marbletrend Group up to the year ending 30 June 2014 and unaudited consolidated financial statements for the period ending 31 December 2014.

Based on advice received from the Marbletrend Group directors’ and our investigations, the Marbletrend Group have also maintained management accounts up to the date of our appointment.

On the basis of the information in our possession, we have summarised the Marbletrend Group consolidated accounts as shown in Annexure “C”.

Our commentary below with respect to the Marbletrent Group of Companies financial statements and management accounts should be read in conjunction with Section 9 of this Report.

On the basis of this information, I provide the following comments with respect to same:

1. Refer to Sections 9.1.2, 9.2.2, 9.2.3 and 9.4.1 for further information regarding the Marbletrent Group cash and cash equivalents.
2. Refer to Sections 9.1.1 and 9.2.1 for further information regarding the Marbletrent Group trade and other receivables.
3. Refer to Section 9.2.4 for further information regarding the Marbletrent Group inventories.
4. Refer to Section 9.2.5 for further information regarding the Marbletrent Group property, plant and equipment.
5. Refer to Sections 9.1.4, 9.2.9 and 9.4.2 for further information regarding the multiple facilities that form part of Westpac's registered security interest against the Marbletrent Group.
6. Refer to Section 9.2.12 for further information regarding the Marbletrent Group trade and other payables.
7. A review of sales of the Marbletrent Group discloses a decline in sales from the year ended June 2012.
8. The Marbletrent Group cost of sales decreased in line with the decrease in sales from the year ended June 2012.
9. The Marbletrent Group operated at a loss since the financial year ending 30 June 2013. It appears that sales and profitability were materially impacted by difficult market conditions, together with the slow moving stock.

## **8. JOINT & SEVERAL ADMINISTRATORS RECEIPTS & PAYMENTS**

A schedule of Receipts and Payments in Marbletrent for the period of the Voluntary Administration to the date of this report is provided below:

**MARBLETREND PTY LTD  
(ADMINISTRATORS APPOINTED)  
A.C.N. 109 273 912**

**Joint and Several Administrators Receipts and Payments  
as at 24 February 2015**

<b>Receipts</b>	<b>Amount (\$)</b>
Pre-appointment cash at bank	69,266.24
	<u>69,266.24</u>

<b>Payments</b>	
Bank Charges	0.20
	<u>0.20</u>
<b>Cash at Bank</b>	<b><u>\$69,266.04</u></b>

There have been no Receipts and Payments in MBD, Holdings, Investments or Avalon for the period of the Voluntary Administration to date.

The following disbursements have been paid by SV Partners on behalf of the Marbletrent Group to date:

<b>Payment to</b>	<b>Amount (\$)</b>	<b>Description</b>
Copy Place	790.02	Photocopying charges incurred as a consequence of issuing notices/reports to various stakeholders including creditors of the Marbletrent Group.
ASX Settlement Pty Ltd	25.52	Costs incurred in listing documentation/ announcements on the ASX website for MBD.

Additional disbursements which have been incurred by us to date are as follows:

#### **MBD**

<b>Description</b>	<b>Note</b>	<b>Amount \$</b>
Facsimile	1	19.00
Scanning	1	23.00
Postage	2	65.39
Legal Searches	4	56.84
Advertising	5	29.80
<b>Total</b>		<b><u>194.03</u></b>

#### **Marbletrent**

<b>Description</b>	<b>Note</b>	<b>Amount \$</b>
Facsimile	1	36.00
Photocopying	1	1,202.20
Scanning	1	105.00
Postage	2	443.22
Travel	3	190.78
Legal Searches	4	473.29
Vehicle Searches	4	42.00
Advertising	5	29.80
Venue Hire	6	664.36
<b>Total</b>		<b><u>3,186.65</u></b>

### Holdings

Description	Note	Amount
		\$
Facsimile	1	8.00
Scanning	1	3.00
Postage	2	29.52
Legal Searches	4	65.35
Advertising	5	29.80
<b>Total</b>		<b>135.67</b>

### Investments

Description	Note	Amount
		\$
Facsimile	1	14.00
Scanning	1	18.00
Postage	2	15.46
Legal Searches	4	71.84
Advertising	5	29.80
<b>Total</b>		<b>149.10</b>

### Avalon

Description	Note	Amount
		\$
Facsimile	1	14.00
Scanning	1	11.00
Postage	2	14.84
Legal Searches	4	71.84
Advertising	5	29.80
<b>Total</b>		<b>141.48</b>

### Notes:

1. Facsimile, photocopying and scanning charges incurred as a consequence of issuing notices and/or correspondence to various stakeholders including creditors of the company;
2. Postage charges incurred as a consequence of issuing notices and/or correspondence to various stakeholders, including creditors of the company;
3. Travel expenses were incurred as a consequence of our attendance at the company's premises.
4. Vehicle searches relate to fees charged for conducting searched with Vic Roads. Legal searches relate to the fees charged for searches with the ASIC, PPSR, SRO FOI and the Victorian Land Titles Office.
5. Adverting expenses were incurred as per our statutory obligations.
6. Costs incurred for Venue Hire for the Marbletrend Group of Companies Creditor meetings'.

## 9. REPORTS AS TO AFFAIRS

Pursuant to Section 438B(2) of the Act, a director of a company in administration is required to provide the Joint and Several Administrators with a Report as to Affairs ("RATA") within five (5) business days from the date of the Joint and Several Administrators' appointment. A RATA is a summary of a company's financial position as at the date of the appointment of an Administrator. This summary details the company's assets and liabilities on both a book value and realisable value basis.

Detailed below are schedules of the assets and liabilities of each of the Marbletrend Group companies within the Marbletrend Group based on their RATA's, as completed by the directors of the companies as at the date of our appointment. I have also included what we believe the realisable value of the assets to be based on our investigations to date.

As disclosed in our previous notice to creditors, a Deed of Cross Guarantee was entered into between MBD, Marbletrend, Holdings and Avalon ("Group Entity") on 21 September 2011 and lodged with ASIC in October 2011. Investments was not a party to the Deed of Cross Guarantee as Investments was not incorporated until June 2012 and our investigations have not identified any subsequent Assumption Deed(s) being entered into and lodged with ASIC in order to include Investments.

The Deed of Cross Guarantee was entered into as a result of ASIC Class Order 98/1418, in accordance with to Section 341(1) of the Act, which the ASIC website summarises as follows:

***Relief for wholly owned entities under Class Order 98/1418***

*Under Class Order [CO 98/1418], certain wholly-owned subsidiaries may be relieved from the requirement to prepare and lodge audited financial statements under Chapter 2M of the Corporations Act 2001, where they enter into deeds of cross guarantee with their parent entity and meet certain other conditions.*

*Relief under this class order is based on similar relief available to corporate groups since the 1980s. The deed of cross guarantee makes the group of companies that are parties to that deed akin to a single legal entity in many respects. Creditors and potential creditors can then focus on the consolidated position for those entities rather than the individual financial statements of the wholly-owned subsidiaries that are parties to the deed.*

The effect of the Deed of Cross Guarantee is that each Group Entity covenants with the Trustee (being MBD), for the benefit of each creditor, that the group guarantees payment of all debts of the creditor in accordance with the Deed of Cross Guarantee. It would appear that the Deed of Cross Guarantee however does not become enforceable until the *winding up* of that Group Entity.

Thus, creditors of one of these Group Entity may have the ability to claim against each of the other Group Entity subject to the Deed of Cross Guarantee, in the event that the Group Entities are wound up (ie. in liquidation).

At the forthcoming meetings, should creditors resolve that each of the Group Entities should be wound up, then creditors appear to have the ability to make claims against the Group Entities accordingly.

I note that the directors' RATAs for each of the Marbletrend Group companies (as summarised below) do not consolidate the debts of the Group Entity subject to the Deed of Cross Guarantee in order for the individual debts of the Marbletrend Group companies to be clearly reflected.

I further note that due to the appointment of the Receivers and Managers over all circulating and non-circulating assets of the companies (excluding Avalon, which does not hold any assets) and in order to constrain costs, I have limited the conduct of our investigations into the assets of the companies.

Following the realisation of the Marbletrend Group's assets by the Receivers and Managers, I will request that they provide us with an accounting of their realisations, in order for us to ensure that the assets have been dealt with appropriately.

## **9.1 MBD**

	<b>Report Section</b>	<b>Book Value \$</b>	<b>Realisable Value \$</b>	<b>Administrators' Realisable Value \$</b>
<b>Assets</b>				
Debtors	9.1.1	1,830,555	Nil	Nil
Cash at Bank	9.1.2	22,913	22,913	22,913
Other Assets	9.1.3	51,525	51,525	Unknown
<b>Total Assets</b>		<b>1,904,993</b>	<b>74,438</b>	<b>22,913</b>
<b>Liabilities</b>				
Secured Creditors	9.1.4	1,407,500	1,407,500	5,941,171
Unsecured Creditors	9.1.5	90,311	90,311	810,311
<b>Total Liabilities</b>		<b>1,497,811</b>	<b>1,497,811</b>	<b>6,751,482</b>
<b>Total Surplus / (Deficiency)</b>		<b>407,182</b>	<b>(1,423,373)</b>	<b>(6,728,569)</b>

### **9.1.1 Debtors**

The RATA discloses debtors totalling \$1,830,555. This amount relates to claims against the following related parties:

- Marbletrend \$1,538,788
- Investments \$291,767

The estimated realisable value of these intercompany loans appears to be nil given these companies are now in Voluntary Administration and any realisations from Marbletrend will be payable to the secured creditors in the first instance and it does not appear that Investments has any realisable assets.

### **9.1.2 Cash at Bank**

The RATA discloses cash at bank in the amount of \$22,913. I understand that this relates to funds held with the Westpac Banking Corporation Limited ("Westpac") and in accordance with Westpac's security interest.

I have written to Westpac with respect to this account, however I am yet to receive a response in this regard.

### **9.1.3 Other Assets**



The RATA discloses other assets consisting of:

- Pre-payments for ASX listing fee for the period February to June 2015 in the sum of \$5,209
- Dividend of \$21,566
- PSL shareholding (investment) of \$24,750

Our investigations into the dividend amount revealed that this sum was held in the Westpac account as at our appointment, and as such appears to have been double counted.

I have sought further information in relation to the PSL shareholding from the directors, however I am yet to receive a response in this regard.

As a consequence of the appointment of the Receivers and Managers, any recoveries in this regard will be undertaken by the Receivers and Managers. As at the date of this report I am not privy to the outcome of these recoveries (if any).

#### 9.1.4 Secured Creditors

The RATA discloses amounts owing to Westpac in the sum of \$687,500 in accordance with its registered security interest over MBD, as well as three (3) convertible note holders totalling \$720,000.

Details of the convertible note holders are as follows:

<b>Convertible Note Holder</b>	<b>Principal Amount (\$)</b>
Realstar Finance Pty Ltd	300,000
Tribulation Pty Ltd	300,000
Hambleton Street Nominees Pty Ltd	120,000
<b>Total</b>	<b>720,000</b>

From our investigations to date, it appears that the convertible note holders do not hold a registered security interest over MBD and therefore these claims represent unsecured debts of MBD. As such, I have included these claims as unsecured creditors in Section 9.1.5 of this report.

I note that as the Westpac debt is cross collateralised against MBD, Marbletrend, Investments and Holdings. Based upon advice from the Receivers and Managers and subject to costs of the Receivership, the Westpac debt, excluding interest and fees, at our appointment totals \$5,941,171.

#### 9.1.5 Unsecured Creditors

The RATA discloses unsecured creditors totalling \$90,311, detailed as follows:

<b>Unsecured Creditor</b>	<b>Amount (\$)</b>
Parmelia Pty Ltd	3,750
Salmon Giles Pty Ltd	33,224
Michael Evett	3,750
Lexis Nexis	335
Citywide Holdings	40,238
Unclaimed Dividends	9,014
<b>Total</b>	<b>90,311</b>

Taking into consideration the convertible note holders as outlined above, unsecured creditor claims total \$810,311. I note that a number of the above unsecured creditors are also related entities. I refer to Section 9.1.6 below for further information in this regard. I am currently awaiting further details from the directors with respect to a breakdown of individuals who have unclaimed dividends.

I note that in the event that the Group Entities are placed into liquidation at the forthcoming meetings, and subject to further investigations, it appears that the effect of the Deed of Cross Guarantee may combine all creditor claims of MBD, Marbletrent, Holdings and Avalon, increasing the total unsecured creditor claims in MBD to approximately \$7,636,245.

## 9.1.6 Related Entities

I note that in accordance with the Statement of Best Practice as set out by the ARITA, related entities (as defined by the provisions of the Act) who claim to be a creditor of a company, must be disclosed.

Related entities are defined by the Act to be any of the following:

- A promoter of the body;
- A relative, or de facto spouse, of such a promoter;
- A relative of a spouse, or of a de facto spouse, of such a promoter;
- A director or member of the body or of a related body corporate;
- A relative, or de facto spouse, of such a director or member;
- A relative of a spouse, or of a de facto, of such a director or member;
- A body corporate that is related to the first mentioned body;
- A beneficiary under a trust of which the first mentioned body is or has at any time been a Trustee;
- A relative, or de facto spouse, of such a beneficiary;
- A relative of a spouse, or of a de facto spouse, of such a beneficiary;
- A body corporate, one of whose directors is also a director of the first mentioned body;
- A Trustee of a trust under which a person is a beneficiary, where the person is a related entity of the first mentioned body because of any other application or applications of this definition.

Should creditors resolve that the Marbletrent Group execute a DOCA (if applicable), any creditor of the Marbletrent Group may apply to the Court for an Order to set aside or modify the resolution which authorised the execution of the DOCA, if the resolution was carried as a consequence of a related entity's vote. Conversely, a failed resolution for the Marbletrent Group to be wound up may be declared to have been carried, if it was defeated due to the vote of a related entity.

At the date of this report and based on the information to hand, it would appear that the following creditors are related parties pursuant to the provisions of the Act:

<b>Name</b>	<b>Relationship</b>	<b>Claim Type</b>	<b>Amount</b>
			<b>\$</b>
Parmelia Pty Ltd	Related entity of director, Peter Reilly	Unsecured	3,750
Salmon Giles Pty Ltd	Related entity of director, Hamish Giles	Unsecured	33,224
Michael Evett	Director	Unsecured	3,750
Citywide Holdings	Related entity of director, Hamish Giles	Unsecured	40,238

Since our appointment I have undertaken a review of the books and records of the Marbletrent Group with respect to these debts. Furthermore, I have written to the related entities requested that they provide us with all relevant documentation to substantiate their debt.

Based upon our investigations and information received from the directors to date, these claims appear to relate to the following:

- Parmelia Pty Ltd- Director fees
- Salmon Giles Pty Ltd- Director and secretarial fees and accountancy services
- Michael Evett- Director fees
- Citywide Holdings- unreconciled intercompany loan accounts

## 9.2 Marbletrent

	Report Section	Book Value \$	Realisable Value \$	Administrators' Realisable Value \$
<b>Assets</b>				
Debtors	9.2.1	3,414,625	2,497,870	Unknown
Cash on Hand	9.2.2	1,616	1,616	1,616
Cash at Bank	9.2.3	137,611	137,611	137,611
Stock	9.2.4	4,199,839	2,099,919	Unknown
Plant and Equipment	9.2.5	1,196,476	401,422	Unknown
Other Assets	9.2.6	190,289	190,289	Unknown
Contingent Assets	9.2.7	10,978	10,978	Unknown
<b>Total Assets</b>		<b>9,151,434</b>	<b>5,339,705</b>	<b>139,227</b>
<b>Liabilities</b>				
Secured Creditors	9.2.8	5,449,439	5,449,439	6,331,171
Preferential Creditors	9.2.9	507,948	507,948	507,948
Priority Claims	9.2.10	932,707	932,707	932,707
Unsecured Creditors	9.2.11	5,556,035	5,556,035	6,851,917
Contingent Liabilities	9.2.8	306,762	306,762	306,762
<b>Total Liabilities</b>		<b>12,752,891</b>	<b>12,752,891</b>	<b>14,930,505</b>
<b>Total Deficiency</b>		<b>3,601,457</b>	<b>7,413,186</b>	<b>14,791,278</b>

### 9.2.1 Debtors

The RATA disclosed recoverable debtors totalling \$2,497,870.

The Receivers and Managers have confirmed that all books debts of Marbletrent are subject to the Debtor Finance Facility held with Westpac and that, they are currently liaising with the debtors regarding collection. I understand that they have recovered \$213,019.79 as at 20 February 2015.

The Receivers and Managers have advised that they are currently seeking legal advice and liaising with Realstar with respect to the Deed of Priority between Realstar, Westpac and Marbletrent, in order to determine who holds the priority over certain debtor realisations. I will seek further updates from the Receivers and Managers in due course.

### 9.2.2 Cash on Hand

The RATA disclosed cash on hand totalling \$1,616.

This amount consists of petty cash and any cash sales which had not been banked as at the date of our appointment.

The Receivers and Managers have taken control of these funds in accordance with Westpac's security interest.

### **9.2.3 Cash at Bank**

The RATA discloses cash at bank consisting of \$137,611. The directors have advised that this amount related to funds held with both Westpac and the Commonwealth Bank of Australia Limited ("CBA"), however no breakdown has been provided.

Following our appointment correspondence was sent to all the major banks and financial institutions notifying them of our appointment and subsequently, cash at bank in the amount of \$69,266.24 was received from the CBA. We are yet to receive a response from Westpac in this regard.

As at the date of this report, the funds received from the CBA are held in our Marbletrend Administration account. As Joint and Several Administrator, I am entitled to a lien with respect to our remuneration and expenses incurred prior to the appointment of the Receivers and Managers on the afternoon of 28 January 2015.

As at the date of this report, I am yet to receive a request for the transfer of these funds from the Receivers and Managers and will provide them with an accounting of same in due course.

### **9.2.4 Stock**

The RATA details stock with a book value of \$4,199,839 and realisable value of \$2,099,919. On our appointment, the stock was located at the various Marbletrend premises' and with two (2) agents, on consignment.

Enquiries made of the directors as to the discrepancy between the realisable value of stock compared to the book value indicates that the discrepancy is as a result of the realisable value reflecting the cost value for fast selling items and the auction realisation value for slower selling and obsolete items.

Notwithstanding the above, the Receivers and Managers have taken control of the stock and will realise same as outlined in Section 5.3 of this report.

The Receivers and Managers have indicated that they anticipate priority creditor claims will be satisfied in full from circulating asset realisations in accordance with the Act, with the balance being applied against the liabilities of the secured parties as detailed in Section 9.2.8 below.

## 9.2.5 Plant and Equipment

The RATA discloses plant and equipment, after deducting items which are subject to hire purchase agreements, with a book value of \$1,196,476 and realisable value of \$401,422.

Based on advice provided by the directors, the realisable value is less due to the book value including the cost of leasehold improvements, which they suggest is not recoverable.

As detailed in Section 9.2.1, the Receivers and Managers are currently investigating the Deed of Priority between Realstar, Westpac and Marbletrent to determine how non-circulating asset realisations are to be applied between the secured creditors.

I note that based on advice provided by the Marbletrent Group directors and our investigations to date, it would appear that the quantum of the debt due to Westpac and Realstar collectively is likely to exceed the expected realisations. Accordingly, it is unlikely there will be any surplus funds available to unsecured creditors.

## 9.2.6 Other Assets

The RATA discloses other assets totalling \$190,289 which are made up on the following:

- Term Deposit with Westpac in the sum of \$65,289;
- Overseas deposit with Neptum (US\$20,000) estimated to be AU\$25,000; and
- Various Pre-payments in the sum of \$100,000 (estimate).

The Westpac term deposit represents funds held by Westpac as security for five (5) bank guarantees provided by Westpac on behalf of Marbletrent for various lease and other such agreements in the sum of \$306,762. The Receivers and Managers recovery of these amounts will be dependent on the release of the bank guarantees.

Advice from the Receivers and Managers indicates that all five (5) bank guarantees have now been called upon and/or paid. I understand that the funds paid out exceed by Westpac the funds held in term deposit and as such, the shortfall will be added to Westpac's debt, as detailed in Section 9.2.8.

With respect to the overseas deposit, enquiries made with the Receivers and Managers indicate that this relates to a deposit paid to Neptum for stock supply, however, as Neptum is also a significant creditor, they do not anticipate that this prepayment will be recovered.

I have sought further information from the Receivers and Managers in relation to the various prepayments and the likely recoverability of same. The Receivers and Managers have provided me with a schedule of approximately forty (40) prepayments and advised that they are currently in the process of assessing their potential recoverability.

Accordingly, I am unable to provide confirmation as to the likely realisable value of other assets. Notwithstanding this, any realisation from these assets would be utilised by the Receivers and Managers to meet the outstanding debts of secured parties.

## 9.2.7 Contingent Assets

The RATA discloses a contingent asset in the amount of \$207,187 in relation to foreign currency exchange contracts as at the date of our appointment, for which the anticipated net gain totals \$10,978.

I advise that no documentation has been made available with respect to these contracts at this time and in any event, any recoveries will form part of the assets subject to the control of the Receivers and Managers, which will be applied against the debts of secured parties.

## 9.2.8 Secured Creditors

The RATA states that amounts owing to secured creditors total \$5,449,439, detailed as follows:

<b>Preferential Creditor</b>	<b>Description of debt</b>	<b>Amount (\$)</b>
Real Star Finance	Import finance	390,000
Westpac	Commercial bill	2,637,400
Westpac	Bank Guarantees (shortfall on term deposit per Section 9.2.6)	306,762
Westpac	Invoice Finance Facility	2,115,277

I note that as the Westpac debt is cross collateralised against MBD, Marbletrend, Investments and Holdings. Based upon advice from the Receivers and Managers and subject to costs of the Receivership, the Westpac debt, excluding interest and fees, at our appointment totals \$5,941,171.

As noted in Sections 9.2.1 and 9.2.5, the Receivers and Managers are currently seeking legal advice with respect to the priority of non-circulating asset distributions between Westpac and Realstar.

I will seek further updates on the outcome of this advice and the realisations of the Marbletrend assets that will be applied against these secured debts in the first instance.

As noted in section 9.2.6 any shortfall from the Westpac term deposit will be added to their secured debt. The RATA discloses contingent liabilities in this regard in the amount of \$306,762, I note that this appears to have been double counted by the directors in the secured creditor and contingent liabilities sections.

## 9.2.9 Preferential Creditors (PPSR Holders / Premises)

### PPSR Holders

The RATA discloses preferential creditors totalling \$507,948. These claims are partly secured claims as a result of various PPSR security interest registered by the following parties over specific items supplied to Marbletrend:

<b>Preferential Creditor</b>	<b>Description of debt</b>	<b>Amount (\$)</b>
Royal Wolf Trading Australia Pty Ltd	Hire of equipment- shipping containers	1,663
Pro-fork Pty Ltd	Hire of equipment- forklifts	21,775
Upstream Print Solutions Pty Ltd	Hire of equipment- printers	28,119
AAA Packaging Supplies Pty Ltd	Packaging materials	6,110
Nuplex Industries (Aust) Pty Ltd	Production of raw materials	56,650
Macquarie Leasing Pty Ltd	Hire Purchase- Vehicles, Racking, Software	372,808
Alleasing Pty Ltd	Hire Purchase- Racking	20,823

Enquiries made of the Receivers and Managers in this regard confirm that they are currently working through PPSR registrations, as outlined in Section 5.2, and have taken the following actions to date:

- AAA Packaging Supplies Pty Ltd and Royal Wolf Trading Australia Pty Ltd have both collected their goods;
- Disclaimers have been issued to Macquarie Leasing Pty Ltd for all motor vehicles, Pro-fork Pty Ltd for some forklifts and Upstream Print Solutions Pty Ltd for all but one printer;
- Investigations are continuing in relation to the claims of Nuplex Industries (Aust) Pty Ltd and Alleasing Pty Ltd;
- Bidvest Australia Ltd and Pro-Pac Packaging Pty Ltd do not have any debt outstanding; and
- Britannia Jahco Pty Ltd goods will be released.

I note that any shortfall to the above creditors, after realisation of their security, will represent an unsecured claim against Marbletrend.

### **Premises**

Marbletrend leased premises in Queensland, Western Australia, New South Wales, South Australia and Victoria. Following our appointment, I wrote to each of the landlords notifying them of our and the Receivers and Managers appointment and requesting details in relation to any amounts outstanding to them.

I am yet to receive details of any landlords' claims, however the Receivers and Managers have confirmed that to date, they have disclaimed the following rented premises:

- Property located at 9 Clay Place, Eastern Creek NSW 2766; and
- National Storage Unit 597, Seven Hills, 6 Abbott Road, Seven Hills NSW 2147.

I note that any amounts outstanding to landlords will represent unsecured creditor claims against Marbletrend.

### **9.2.10 Priority Claims / Employees**

The RATA discloses that Marbletrend employed sixty-two (62) staff members of which the directors have advised three (3) were part-time employees, with the remainder being full-time. The statement discloses outstanding employee entitlements totalling \$932,706.76, broken down as follows:

<b>Entitlements</b>	<b>Amount (\$)</b>
Superannuation	45,706.45
Wages	61,783.54
Annual Leave	120,290.84
Long Service Leave	83,660.57
Retrenchment	621,265.36
<b>Total</b>	<b>932,706.76</b>

The priority claim of the directors, and a related party of the directors, against Marbletrend are capped pursuant to Section 556 (1A), (1B) and (1C) of the Corporations Act 2001, being \$2,000 for superannuation and wages and \$1,500 for annual leave and long service leave. No priority is given for retrenchment payments. The remainder of those entitlements ranks as unsecured claims against Marbletrend.

Included in the above amounts are the capped entitlements of Mr Jeffrey Nicol, one of the directors of

Marbletrent, in accordance with the Act. The remaining directors were not classified as employees of Marbletrent and as such, do not have any outstanding entitlements.

The final level of priority creditor claims may vary pending the receipt of any additional claims and the formal adjudication of all claims (if applicable) lodged against Marbletrent.

I am advised by the Receivers and Managers that they may recover sufficient circulating asset realisations in order to meet priority creditor claims. Pursuant to Section 556 of the Act, priority creditor claims are paid in priority to secured creditor claims in respect to funds which are obtained from the realisation of circulating assets.

#### Fair Entitlements Guarantee (“FEG”)

In the event that Marbletrent is placed into Liquidation and there are insufficient funds from the realisation of the Marbletrent’s circulating assets to pay outstanding employee entitlements, FEG will become available to employees.

FEG is a scheme which was introduced on 5 December 2012 by the Federal Government for the purpose of providing employees of incapacitated entities with the ability to claim their entitlements where it is likely that insufficient monies will be realised in the Liquidation to provide for payment of same.

Any employee (excluding directors and related parties) may be eligible under FEG (subject to meeting the FEG eligibility criteria) to receive payment for their employee entitlements or unpaid wages, annual leave, annual leave loading, long service leave, payment in lieu of notice and redundancy pay, where applicable, up to a maximum annual wage capped at \$129,300 (for the 2014/15 year). Any claims over the capped amount that are not covered by FEG retain their priority under the Act and a dividend in respect to same will be dependent on the recovery of the assets of the company.

**Superannuation is not covered under FEG.**

### **9.2.11 Unsecured Creditors**

The RATA discloses one hundred and twenty-three (123) unsecured creditor claims totalling \$5,470,549.94. It does not appear that the balance of Mr Nicols’ unsecured claim for employee entitlements has been included in this regard.

The directors have excluded three (3) intercompany loans in the amount of \$2,002,450 from the above total as these related party debts were set off against receivables in other entities within the Marbletrent Group.

As outlined in Section 9.2.9, the RATA has classified some PPSR holders as preferential creditors in the amount of \$509,365.51. In the event that a shortfall arises, these amounts (and any additional PPSR holder claims) will represent unsecured creditor claims of Marbletrent.

A list of all known Marbletrent’s creditors as at the date of this report is enclosed as Annexure “D”. As at the date of this report, the known unsecured creditor claim amount totals \$6,798,298.69.

I note that at the first meeting of creditors, ACN 159 146 906 Pty Ltd (Formerly “Citywide Holdings (Aust) Pty Ltd”) submitted a claim in the amount of \$1,155,552.51, as opposed to the amount of \$11,123 disclosed in the RATA. Our investigations into the validity of this claim are ongoing at this time.



I further note that the value of unsecured creditors is likely to increase by shortfall amounts to PPSR creditors and secured creditors after realisation of their respective securities.

In the event that the companies are placed into liquidation at the forthcoming meetings, and subject to further investigations, it appears that the effect of the Deed of Cross Guarantee may combine all creditor claims of MBD, Marbletrent, Holdings and Avalon, increasing the total quantum of unsecured creditor claims to \$7,636,245.

## 9.2.12 Related Entities

At the date of this report and based on the information to hand, it would appear that the following creditors are related parties pursuant to the provisions of the Act:

- Jeffrey Nicol (priority employee creditor)
- ACN 159 146 906 Pty Ltd (Formerly "Citywide Holdings (Aust) Pty Ltd")
- Salmon Giles Corporate Pty Ltd
- Salmon Giles Pty Ltd

At the date of this report and based on the information to hand, it would appear that the following creditors are related parties pursuant to the provisions of the Act:

Name	Relationship	Claim Type	Amount \$
Jeffrey Nicol	Director	Priority	3,500.00
Salmon Giles Corporate Pty Ltd	Related entity of director, Hamish Giles	Unsecured	7,865.00
Salmon Giles Pty Ltd	Related entity of director, Hamish Giles	Unsecured	37,037.00
ACN 159 146 906 Pty Ltd (Formerly "Citywide Holdings (Aust) Pty Ltd")	Related entity of director, Hamish Giles	Unsecured	1,155,552.51

Based upon our investigations and information received from the directors to date, these claims appear to relate to the following:

- Jeffrey Nicol- employee entitlements;
- Salmon Giles Corporate Pty Ltd- professional advice services;
- Salmon Giles Pty Ltd- Director and secretarial fees and accountancy services; and
- ACN 159 146 906 Pty Ltd (Formerly "Citywide Holdings (Aust) Pty Ltd")- outstanding loans.

## 9.3 Holdings

	Report Section	Book Value \$	Realisable Value \$	Administrators' Realisable Value \$
<b>Assets</b>				
Other Assets (investment)	9.3.1	14,549,854	Nil	Nil
<b>Total Assets</b>		<b>14,549,854</b>	<b>Nil</b>	<b>Nil</b>
<b>Liabilities</b>				

Secured Creditor	9.3.2	Nil	Nil	5,941,171
Unsecured Creditors	9.3.3	Nil	Nil	Nil
<b>Total Liabilities</b>		<b>Nil</b>	<b>Nil</b>	<b>5,941,171</b>
<b>Total Surplus / (Deficiency)</b>		<b>14,549,854</b>	<b>Nil</b>	<b>(5,941,171)</b>

### 9.3.1 Other Assets (investments)

The RATA discloses that Holdings has an investment in Marbletrend in the amount of \$14,549,854. Our investigations indicate that this amount consists of intercompany loans to Marbletrend.

Any distribution in this regard will be dependent on the recoveries available to a liquidator of Marbletrend as the asset realisations will be payable to the secured creditors in the first instance.

### 9.3.2 Secured Creditor

The RATA does not disclose any liabilities.

I note however, that the Westpac debt is cross collateralised against MBD, Marbletrend, Investments and Holdings. Accordingly, based upon advice from the Receivers and Managers and subject to costs of the Receivership, the Westpac debt, excluding interest and fees, at our appointment totals \$5,941,171.

### 9.3.3 Unsecured Creditors

The RATA does not disclose any outstanding liabilities.

However, as detailed previously, in the event that the companies are placed into liquidation at the forthcoming meetings, and subject to further investigations, it appears that the effect of the Deed of Cross Guarantee may combine all creditor claims of MBD, Marbletrend, Holdings and Avalon, increasing the total unsecured creditors in Holdings to \$7,636,245.

## 9.4 Investments

	Report Section	Book Value \$	Realisable Value \$	Administrators' Realisable Value \$
<b>Assets</b>				
Cash at Bank	9.4.1	261	261	261
<b>Total Assets</b>		<b>261</b>	<b>261</b>	<b>261</b>
<b>Liabilities</b>				
Secured Creditor	9.4.2	338,414	338,414	5,941,171
Unsecured Creditors	9.4.3	1,341,682	1,341,682	1,341,682
<b>Total Liabilities</b>		<b>1,680,096</b>	<b>1,680,096</b>	<b>7,282,853</b>
<b>Total Deficiency</b>		<b>1,679,835</b>	<b>1,679,835</b>	<b>7,282,592</b>

The above should be read in conjunction with the notes below.

#### 9.4.1 Cash at Bank

The RATA discloses cash at bank in the amount of \$261. I understand the account is held with Westpac and subject to its registered security interest. Accordingly, the Receivers and Managers have taken control of this account.

I have written to Westpac regarding their debt, however I am yet to receive a response.

#### 9.4.2 Secured Creditor

The RATA discloses Westpac as a secured creditor in the amount of \$338,414 in relation to a commercial bill.

I have written to Westpac for details of their claim and I am yet to receive a response, however according to the companies' records, the commercial bill is in the vicinity of \$338,314 and is subject to Westpac's security interest over all circulating and non-circulating assets of Investments.

I note that as the Westpac debt is cross collateralised against MBD, Marbletrend, Investments and Holdings. Based upon advice from the Receivers and Managers and subject to costs of the Receivership, the Westpac debt, excluding interest and fees, at our appointment totals \$5,941,171.

#### 9.4.3 Unsecured Creditors

The RATA details the following unsecured creditors of Investments:

Unsecured Creditor	Amount (\$)
MBD	292,867
Marbletrend	500,252
Citywide Holdings Pty Ltd (Ahtpad Pty Ltd)	548,563
<b>Total</b>	<b>1,341,682</b>

As stated previously in Section 9 of this report, Investments is not a party to the Deed of Cross Guarantee, and as such, these liabilities remain debts of Investments in its own right.

#### 9.4.4 Related Entities

At the date of this report and based on the information to hand, the unsecured creditors appear to be related parties pursuant to the provisions of the Act as follows:

Name	Relationship	Amount \$
MBD	Related entity in the Marbletrend Group of Companies	292,867
Marbletrend	Related entity in the Marbletrend Group of Companies	500,252
Citywide Holdings Pty Ltd (Ahtpad Pty Ltd)	Related entity of director, Hamish Giles	548,563

The debts to MBD and Marbletrend relate to intercompany loans and require further investigations to determine their validity and quantum.

## 9.5 Avalon

	Report Section	Book Value \$	Realisable Value \$	Administrators' Realisable Value \$
<b>Assets</b>	9.5.1	Nil	Nil	Nil
<b>Total Assets</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Liabilities</b>	9.5.2	Nil	Nil	Nil
<b>Total Liabilities</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Deficiency</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### 9.5.1 Assets

The RATA does not disclose any assets of Avalon. I understand Avalon did not trade and our investigations to date have not identified any assets associated with Avalon.

### 9.5.2 Liabilities

The RATA does not disclose any liabilities of Avalon. As Avalon did not trade, it does not appear Avalon incurred any liabilities on its behalf.

I note that in the event that the companies are placed into liquidation at the forthcoming meetings, and subject to further investigations, it appears that the effect of the Deed of Cross Guarantee may combine all creditor claims of MBD, Marbletrent, Holdings and Avalon, increasing the total unsecured creditor claims of Avalon to \$7,636,245.

## 10. GENERAL INVESTIGATIONS

### Sheriff's Office

I advise that correspondence was forwarded to the Sheriff's Office in Victoria, New South Wales, Queensland, South Australia and Western Australia requesting that they advise us as to whether they are in possession of any property of the Marbletrent Group or whether there are any civil actions pending or finalised as against the Marbletrent Group.

The Sheriff's Office in Victoria and South Australia have advised that there have been no civil actions, pending or finalised, as against the Marbletrent Group within the past six (6) months.

I am awaiting a response from the Sheriff's Office in New South Wales, Queensland and Western Australia in this regard.

## **Credit File Search**

I have conducted a search with the Public Access Division of Veda Advantage Information Services Solutions Limited.

As at that date of this report, I have yet to receive a response to same.

## **Property**

Searches conducted with the Land Title's Office in Victoria, Queensland and Western Australia revealed that the Marbletrent Group are currently not the registered proprietors of any property in those States.

I have been unable to conduct property searches in New South Wales and South Australia at this time.

## **11. OFFENCES BY OFFICERS**

Pursuant to the Corporations Act, 2001 I am required to consider whether the directors have committed any of the following offences:

- Section 180-183, Directors and officers duties.
- Section 184, Directors and officers – criminal offences.
- Section 286, Obligation to keep financial records (see section 1.3 of this report).
- Section 588G, Insolvent trading.
- Section 590, Offences by officers.
- Section 596, Frauds by officers.

Based upon the time constraints imposed by the Act, the investigations undertaken by an Administrator are not at the same level as a Liquidator, if one was appointed.

In the circumstances, our investigations are ongoing with respect to identifying any offences that may have been committed by the directors.

## **12. INSOLVENT TRANSACTIONS**

I am required to report on any transaction which appears voidable, ie where property or other benefits may be recoverable by a Liquidator under Part 5.7B of the Act. These provisions will not apply if the Marbletrent Group enters into a DOCA.

These investigations centre on transactions entered into by the Marbletrent Group that a Liquidator may seek to void or challenge where the Marbletrent Group companies are wound up. Investigations of this nature allow an Administrator to inform creditors of what funds may become available in the event that the Marbletrent Group companies are wound up.

An Administrators' obligation with respect to investigations of this type is not to the same level as a Liquidator. A liquidator may take many months to investigate these matters before a conclusion is drawn as to any potential claims that may be recoverable.

These transactions generally fall into the categories as set out below, being unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and related entity benefits resulting from insolvent transactions. The information provided below is based on our investigations to date. Further, more detailed investigations would be required before any final view could be reached as to the matters addressed.

I note that the outcomes of our investigations are centered around Marbletrend, as the majority of all income and expenses and liabilities incurred were accounted for in the accounts of Marbletrend, the trading entity in the Marbletrend Group. The below table provides a description of each company's role in the Marbletrend Group:

<b>COMPANY NAME</b>	<b>DESCRIPTION</b>
<b>MBD</b>	ASX Listed Holding Company
<b>Marbletrend</b>	Trading Entity
<b>Holdings</b>	Holding Company For 2 Wholly Owned Subsidiaries - Marbletrend Investments Pty Ltd - Marbletrend Pty Ltd
<b>Investments</b>	Shell Company With No Operations
<b>Avalon</b>	Shell Company With No Operations

As stated previously, the Group Entities (excluding Investments) executed a Deed of Cross Guarantee and in the event the Group Entities are placed into liquidation it appears all these entities will become liable for each other's liabilities.

## 12.1 Solvency Investigation

In order for a transaction to be void as against a Liquidator, the company must have been insolvent at the time of the transaction. The Act provides that a company is insolvent if, and only if, it is unable to pay all its debts as and when they become due and payable.

Insolvency is a question of fact to be ascertained from a consideration of the company's financial position as a whole and must have regard to commercial realities. A cash flow test needs to be applied when determining insolvency.

I refer to Section 13 of this report for a further detailed analysis of insolvency.

## 12.2 Unfair Preferences

Section 588FA of the Act provides that:

*A transaction is an unfair preference given by a company to a creditor of the company if, and only if:*

- (a) the company and the creditor are parties to the transaction (even if someone else is also party); and*
- (b) the transaction results in the creditor receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in a winding up of the company;*

*even if the transaction is entered into, is given effect to, or is required to be given effect to, because of an Order of an Australian Court or a director by an agency.*

Unfair preferences apply to transactions entered into in a period of up to six (6) months prior to commencement of a winding up. In the case of the Marbletrent Group of Companies, this is the period from 29 July 2014 to 28 January 2015.

I have undertaken the following investigations into transactions of this nature:

- Review of the Marbletrent Group bank statements for the six (6) month period prior to the relation back date;
- Analysis of the ageing of the Marbletrent Group creditors as at our appointment and for the six (6) month period prior to the relation back date;
- Quantify the value of transactions that may constitute unfair preferences; and
- Investigations into the creditor correspondence to hand.

Given the time constraints imposed by the Act and due to the fact that the Receivers and Managers have possession/control of the majority of the books and records of the Marbletrent Group (including the electronic management file), I have been unable to conduct a full analysis of all of the transactions within the Marbletrent Group at this time.

Notwithstanding this, on the basis of our preliminary investigations to date and subject to further review, it would appear that the Deputy Commissioner of Taxation may have received preferential payments in excess of one million dollars from Marbletrent.

In addition, I have identified numerous bulk payments that were made in the relation back period, however I have been unable to verify the recipients of these payments at this time as a consequence of not being in possession of all the Marbletrent Group books and records.

A final determination of whether rights of action exist and their likely recoverability will require a complete review of the books and records of the Marbletrent Group. Should each of the Marbletrent Group Companies proceed into liquidation, further investigations into this matter will be carried out.

If any payments were to constitute a preference, the extent of any claim by a Liquidator will depend on a number of factors, including the extent to which a running account was maintained by the Marbletrend Group and the creditor concerned.

Creditors have various defences available to them pursuant to Section 588FA of the Act and as such, any recovery in this regard is not capable of being quantified. Furthermore, given the associated costs of pursuing this form of recovery, any eventual return to creditors remains uncertain.

Should the Marbletrend Group proceed into liquidation, further investigations will be carried out subject to there being sufficient funds available in the liquidations to meet the costs associated with such investigation.

## 12.3 Uncommercial Transactions

Section 588FB of the Act provides that:

*A transaction of a company is an uncommercial transaction of the company if, and only if, it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:*

- (a) the benefits (if any) to the company of entering into the transaction; and*
- (b) the detriment to the company of entering into the transaction; and*
- (c) the respective benefits to other parties to the transaction of entering into it; and*
- (d) any other relevant matter.*

This provision is especially relevant to circumstances where there has been an unreasonable director related transaction (Sections 588FDA and 588FF).

I have undertaken the following investigations into transactions of this nature:

- Review of the financial statements to identify material assets acquired and disposed of for period commencing four (4) years prior to the date of appointment;
- Review of the Marbletrend Group available bank statements;
- Identify reoccurring or large round payments, if any, and prepare a list of same; and
- Consider whether the transactions identified were on commercial terms.

### Disposal of Citywide Holdings

As previously discussed in section 5.3 of this report, the assets of the operating companies of Citywide Holdings (Citywide Concrete Pty and Citywide Building Supplies Pty Ltd) were tendered for sale.

The fixed assets, stock and license of Citywide Group were sold for \$2,750,000 (including GST) to an unrelated third party.

Based on information to hand it appears that the breakdown allocation of the funds received from the sale as follows:



Description	Amount
	\$
Hire Purchase Loans	1,163,134
Bank Loans	1,205,937
Citywide Creditors	40,510
Sales Costs	90,419
GST on Transaction	250,000
<b>Total</b>	<b>2,750,000</b>

As at the date of this report I am yet to receive sufficient documentation in order to accurately determine whether the above transaction has the characteristics of an uncommercial transaction. Should the Marbletrend Group be placed into liquidation, further investigations will be undertaken in this regard, subject to sufficient funds available in the liquidations to meet the costs associated with such investigations.

## 12.4 Unfair Loans

Section 588FD of the Act provides that:

*Sub-section (1)*

*A loan to a company is unfair, if and only if:*

- (a) the interest on the loan was extortionate when the loan was made, or has since become extortionate because of a variation; or*
- (b) the charges in relation to the loan were extortionate when the loan was made, or have since become extortionate because of a variation.*

*even if the interest is, or the charges are, no longer extortionate.*

*Sub-section (2)*

- (a) whether interest on a loan was or became extortionate at a particular time as mentioned in paragraph (1)(a); or*
- (b) whether charges in relation to a loan were or became extortionate at a particular time as mentioned in paragraph (1)(b);*

*regard is to be had to the following matters as at the time:*

- (c) the risk to which the lender was exposed; and*
- (d) the value of any security in respect of the loan; and*
- (e) the terms of the loan; and*
- (f) the schedule for payments of interest and charges and for repayments of principal; and*
- (g) the amount of the loan; and*
- (h) any other relevant matter.*

I have undertaken the following investigations into transactions of this nature:

- Review of the terms of financial arrangements to the Marbletrend Group;
- Review the Marbletrend Group loan repayments and drawings;

- Consider whether the interest rates on the identified arrangements are on commercial terms; and
- Consider whether the transactions identified were on commercial terms.

On the basis of our investigations to date, it does not appear that there are any amounts recoverable as unfair loans.

Should the Marbletrend Group proceed into liquidation, further investigations will be carried out subject to there being sufficient funds available in the liquidations to meet the costs associated with such investigations.

## 12.5 Unreasonable Director Related Transactions

Section 588FDA of the Act provides that:

*Sub-section (1)*

*A transaction of a company is an unreasonable director related transaction of the company if, and only if:*

- (a) *the transaction is:*
  - i. *a payment made by the company; or*
  - ii. *a conveyance, transfer or other disposition by the company of property of the company; or*
  - iii. *the issue of securities by the company; or*
  - iv. *the incurring by the company of an obligation to make such a payment, disposition or issue; and*
- (b) *the payment, disposition or issue is, or is to be, made to:*
  - i. *a director of the company; or*
  - ii. *a close associate of a director of the company; or*
  - iii. *a person on behalf of, or for the benefit of, a person mentioned in subparagraph (i) or (ii); and*
- (c) *it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction, having regard to:*
  - i. *the benefits (if any) to the company of entering into the transaction; and*
  - ii. *the detriment to the company of entering into the transaction; and*
  - iii. *the respective benefits to other parties to the transaction of entering into it; and*
  - iv. *any other relevant matter.*

*The obligation referred to in subparagraph (a)(iv) may be a contingent obligation.*

*Note: Subparagraph (a)(iv) – This would include, for example, granting options over shares in the company.*

*Subsection (2)*

*To avoid doubt, if:*

- (a) *the transaction is a payment, disposition or issue; and*
- (b) *the transaction is entered into for the purpose of meeting an obligation the company has incurred;*

*the test in the paragraph (1)(c) applies to the transaction taking into account the circumstances as they exist at the time when the transaction is entered into (rather than as they existed at the time when the obligation was incurred).*

*Subsection (3)*

*A transaction may be an unreasonable director related transaction because of subsection (1):*

- (a) whether or not a creditor of the company is a party to the transaction; and*
- (b) even if the transaction is given effect to, or is required to be given effect to, because of an Order of an Australian Court or a direction by an agency.*

I have undertaken the following investigations into transactions of this nature:

- Identified related parties of the Marbletrend Group;
- Review the available bank statements for payments to related parties; and
- Identified reoccurring payments to directors or related parties throughout the period.

Based on our investigations it appears that related companies Salmon Giles Pty Ltd and Salmon Giles Corporate Pty Ltd received payments totaling \$197,008 and \$441,433 in the financial years 2014 and 2013 respectively in relation to accounting, taxation, administrative and corporate advisory services to the Marbletrend Group.

Based on comments made in the 2014 Annual Report, these services were charged at normal market prices. Furthermore, these fees were disclosed in the Annual Reports provided to shareholders and made available on the ASX website, we are not aware of any objections being made with respect to these fees. Accordingly whilst these payments may have the characteristics of Unreasonable Director Related Transactions it appears that there may be defences available in this regard.

Should the Marbletrend Group proceed into liquidation, further investigations will be carried out subject to there being sufficient funds available in the liquidations to meet the costs associated with such investigation.

## **12.6 Related Entity Benefit Resulting from Insolvent Transaction**

Section 588FH of the act provides that:

*Subsection (1)*

*This section applies where a company is being wound up and a transaction of the company:*

- (a) is an insolvent transaction of the company; and*
- (b) is voidable under Section 588FE; and*
- (c) has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise and whether contingent or otherwise) of a related entity of the company.*

*Subsection (2)*

*The company's Liquidator may recover from the related entity, as a debt due to the company, an amount equal to the amount referred to in paragraph (1)(c).*

I have undertaken the following preliminary investigations into transactions of this nature:

- Identified related parties of the Marbletrend Group;
- Review the bank statements for payments to related parties; and
- Identified reoccurring payments to directors or related parties throughout the period.

I note that the transactions outlined above as Uncommercial Transactions and Unreasonable Director Related Transactions may also constitute transactions of this nature.

It must be noted that, if any payments were to constitute a related entity benefit resulting from an insolvent transaction, the extent of any claim by a Liquidator will depend on a number of factors, including the extent to which a running account was maintained by the Marbletrend Group and the creditor concerned.

Creditors have various defences available to them pursuant to Section 588FA of the Act and as such, any recoveries (if any) are not capable of being quantified. Furthermore, given the associated costs of pursuing this form of recovery, any eventual return to creditors always remains uncertain.

Should the Marbletrend Group proceed into Liquidation, further investigations will be carried out, subject to there being sufficient funds available in the Liquidations to meet the costs associated with such investigation.

## 13. OTHER RIGHTS OF ACTION

### Insolvent Trading

Should the Marbletrend Group eventually pass into liquidation, the directors or a holding company may be exposed to an action under Division 4 of Part 5.7B of the Act which relates to insolvent trading and may be ordered to compensate the insolvent entities for liabilities incurred whilst the companies were insolvent. A right under insolvent trading proceedings, except in exceptional circumstances, will not be available if the Marbletrend Group enters into a DOCA. Considerations of whether an action exists may be important in considering whether a DOCA should be accepted.

As stated previously, Holdings is the holding company of Marbletrend and Investments and MBD is the holding company of Holdings and Avalon which together operate as the Marbletrend Group.

Pursuant to Section 588W of the Act, a Liquidator, if one is appointed, may have a claim against Holdings and MBD for debts incurred by its subsidiaries for insolvent trading. Pursuant to Section 588V, Holdings and MBD are deemed to be in contravention of this section if at the time there are reasonable grounds to suspect that the subsidiary company was insolvent, or would become insolvent as the case may be, and either of the following applies:

- i. Holdings and MBD, or one of its directors, is or are aware at that time that there are grounds to suspect the subsidiary or subsidiaries could not pay its debts when they fell due;

- ii. Holdings and MBD, in the circumstances, it is reasonable to expect that Holdings and MBD, or its directors were aware that the subsidiary or subsidiaries could not pay its debts when they fell due.

As stated previously, four (4) wholly owned subsidiaries were placed under External Administration. Should these subsidiaries proceed into Liquidation, then potential claims may arise against Holdings and MBD, as a debt due to the subsidiaries for the loss or damage suffered as a result of insolvent trading. The quantum of the loss or damage would represent the amount of any insolvent trading claim, should a claim of this nature arise.

A full discussion of insolvent trading, including the defences available, is beyond the scope of this report. I have however, set out below some of the more relevant matters:

- (i) The provisions apply where debts are incurred at a time when the directors knew or should reasonably have suspected that the Marbletrend Group companies were insolvent. In effect, the provisions call for the Court to reach a subjective conclusion on the basis of objective facts. Some of the objective facts which a Court may rely upon are:
- Continuing losses
  - Liquidity ratios below 1
  - Overdue Commonwealth & State taxes
  - Poor relationship with present bank, including inability to borrow further funds
  - No access to alternative finance
  - Suppliers placing companies on COD or otherwise demanding special payments before resuming supply
  - Inability to raise further equity capital
  - Creditors unpaid outside trading terms
  - Issuing of post dated cheques
  - Dishonoured cheques
  - Special arrangements with selected creditors
  - Solicitors' letters, summons, judgments or warrants issued against the Marbletrend Group
  - Payments to creditors of rounded sums which are not reconcilable to specific invoices
  - Inability to produce timely and accurate financial information to display the Marbletrend Group trading performance and financial position and make reliable forecasts
- (ii) Insolvency in the context of the Section means an inability to pay debts as and when they fall due out of the debtor's own money, where there is no realistic prospect of generating funds by the sale of assets or further financial accommodation. The debtor's own monies are not limited to cash resources immediately available. They extend to monies which can be procured by realisation of assets within a relatively short time (relative to the nature and amount of the debts and the circumstances, including the nature of the business of the debtor) and not simply pious expectations.
- The phrase "able to pay all its debts as and when they become due" does not mean an expectation that assets exceed liabilities, but instead that the Marbletrend Group would be able to meet its current financial obligations.
- (iii) An action may only be brought by a Liquidator or creditor with the permission of the Liquidator or the Court.
- (iv) A failure by a director to involve him / herself with the management of the Marbletrend Group is not a defence and non-executive directors are just as liable to an action as executive

directors unless they can prove that because of illness or other good reasons, they could not take part in the management of the Marbletrent Group.

- (v) The defences available are that there were reasonable grounds to expect that the Marbletrent Group companies were solvent; there were reasonable grounds to rely upon information provided by others that the Marbletrent Group was solvent; or if all reasonable steps were taken to prevent the Marbletrent Group incurring the debt(s).

### Preliminary Determination

Set out below is a summary of our preliminary investigations and our preliminary determination as to the Marbletrent Group solvency based on the financial records and other information to hand.

### Support from Shareholders/Investors

Based on our investigations, it appears that the Marbletrent Group required ongoing financial support of shareholders, investors and related entities in the form of the following:

- \$1,284,193.60 of additional capital raised through a rights issue on or around August 2014;
- A Trade Facility was entered into with Realstar Finance Pty Ltd on or around July 2014, which provided the Marbletrent Group with a further \$500,000 for the purchase of stock; and
- As disclosed at 9.1.4 of this Report, convertible notes in the sum of \$720,000 were provided to MBD on 30 January 2013.

### Aged Payables Review

The table below sets out an analysis of the aged payables for the period 31 December 2012 to 28 January 2015:

		0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
<b>28 January 2015</b>	<b>Total Creditors</b>	\$494,142	\$1,084,756	\$805,739	\$2,588,269	\$4,972,907
	<b>Percentage of Total</b>	9.93%	21.81%	16.20%	52.05%	
<b>31 December 2014</b>	<b>Total Creditors</b>	\$1,037,197	\$1,102,161	\$633,969	\$2,494,046	\$5,267,374
	<b>Percentage of Total</b>	19.69%	20.92%	12.04%	47.35%	
<b>30 September 2014</b>	<b>Total Creditors</b>	\$1,108,791	\$874,134	\$364,706	\$2,317,818	\$4,665,451
	<b>Percentage of Total</b>	23.77%	18.74%	7.82%	49.68%	
<b>30 June 2014</b>	<b>Total Creditors</b>	\$1,937,005	\$786,201	\$586,903	\$2,064,480	\$5,374,590
	<b>Percentage of Total</b>	36.04%	14.63%	10.92%	38.41%	

<b>31 March 2014</b>	<b>Total Creditors</b>	\$1,015,294	\$1,029,757	\$466,524	\$1,964,939	\$4,476,515
	<b>Percentage of Total</b>	22.68%	23.00%	10.42%	43.89%	
<b>31 December 2013</b>	<b>Total Creditors</b>	\$905,947	\$1,040,440	\$532,997	\$1,365,945	\$3,845,330
	<b>Percentage of Total</b>	23.56%	27.06%	13.86%	35.52%	
<b>30 September 2013</b>	<b>Total Creditors</b>	*Do not have September figures	*Do not have September figures	*Do not have September figures	*Do not have September figures	*Do not have September figures
	<b>Percentage of Total</b>	*Do not have September figure	*Do not have September figure	*Do not have September figure	*Do not have September figure	*Do not have September figure
<b>30 June 2013</b>	<b>Total Creditors</b>	\$200,491	\$1,201,571	\$497,406	\$1,303,597	\$3,203,066
	<b>Percentage of Total</b>	6.26%	37.51%	15.53%	40.70%	
<b>31 March 2013</b>	<b>Total Creditors</b>	\$235,606	\$614,340	\$1,301,484	\$1,264,415	\$3,415,846
	<b>Percentage of Total</b>	6.90%	17.99%	38.10%	37.02%	
<b>31 December 2012</b>	<b>Total Creditors</b>	\$830,001	\$999,171	\$840,213	\$1,785,026	\$4,454,413
	<b>Percentage of Total</b>	18.63%	22.43%	18.86%	40.07%	

The above table does not include amounts owed to the Deputy Commissioner of Taxation.

The above table indicates that more than half of the Marbletrend Group creditors upon our appointment were outstanding for greater than ninety (90) plus days.

It also appears to indicate that in excess of approximately fifty (50) percent of the creditor claims (with the exception of December 2013 and June 2014) were outstanding for greater than sixty (60) days from as early as 31 December 2012.

## Profitability, Cashflow and Working Capital

### Profitability

The profit results for the financial years ending 30 June 2012, 30 June 2013 and 30 June 2014, as well as the period ended 31 December 2014 are tabled below:

	<b>(Management Accounts) 31 December 2014 \$</b>	<b>(Financial Statements) 30 June 2014 \$</b>	<b>(Financial Statements) 30 June 2013 \$</b>	<b>(Financial Statements) 30 June 2012 \$</b>
Net Profit / (Loss)	(1,287,253)	(5,994,425)	(6,977,159)	790,567

The Marbletrend Group financial accounts suggest that its trading performance deteriorated from 30 June 2012.

## Working Capital Position

The working capital position of the Marbletrent Group for the financial years ending 30 June 2012, 30 June 2013 and 30 June 2014 as well as the period ended 31 December 2014 are tabled below:

	(Management Accounts) 31 December 2014 \$	(Financial Statements) 30 June 2014 \$	(Financial Statements) 30 June 2013 \$	(Financial Statements) 30 June 2012 \$
Current Assets	9,516,388	10,437,765	12,432,278	17,119,483
Current Liabilities	14,249,836	15,212,160	14,461,060	8,125,490
<b>Working Capital / (Deficiency)</b>	<b>(4,733,448)</b>	<b>(4,774,395)</b>	<b>(2,028,782)</b>	<b>8,993,993</b>
<b>Working Capital Ratio</b>	<b>0.67</b>	<b>0.69</b>	<b>0.86</b>	<b>2.11</b>

The working capital ratio appears to have been less than one (1) from as early as 30 June 2013. This would suggest that the Marbletrent Group may have had difficulties meeting their current obligations as and when they fall due from this time.

It appears that the deterioration in the working capital position is as a direct consequence of the decrease in the value of finished goods (at lower of cost and net realisable value) and a decrease in the value of trade and other receivables, together with the bank overdraft and interest bearing loans and borrowings being re-categories from Non-Current Liabilities to Current Liabilities in accordance with the Marbletrent Group repayment obligations.

## Net Assets

The net asset position of the Marbletrent Group for the financial years ending 30 June 2012, 30 June 2013 and 30 June 2014 as well as the period ended 31 December 2014 are tabled below:

	(Management Accounts) 31 December 2014 \$	(Financial Statements) 30 June 2014 \$	(Financial Statements) 30 June 2013 \$	(Financial Statements) 30 June 2012 \$
Total Assets	14,386,832	15,520,614	23,085,956	22,915,127
Total Liabilities	14,724,090	15,731,935	17,396,234	12,507,550
<b>Net Assets</b>	<b>(337,257)</b>	<b>(211,321)</b>	<b>5,689,722</b>	<b>10,407,577</b>
<b>Liquidity Ratio</b>	<b>0.98</b>	<b>0.99</b>	<b>1.33</b>	<b>1.83</b>

The above analysis discloses a negative net asset position from as early as 30 June 2014. This suggests that the Marbletrent Group had more debt than assets and that its assets were being financed more through debt than equity (i.e. highly leveraged).

The equity position decreased from \$5,689,723 in 30 June 2013 to \$(211,321) at 30 June 2014 (a decrease of \$5,901,044), which appears to be as a direct consequence of the disposal of Citywide Holdings.

## Payment of statutory commitments including Superannuation Guarantee Charge ("SGC")



The records disclose that the following statutory payments were due for payment at the date of our appointment:

### **Superannuation Guarantee Charge**

Based on the directors' RATA the total SGC liability as at the date of our appointment totals \$45,706.45. I am yet to receive a Formal Proof of Debt from the Deputy Commissioner of Taxation ("DCT") in respect to the Marbletrend Group's SGC debt.

### **RBA Deficit Debt**

Based on the Formal Proof of Debt forms received from the DCT for each of the Marbletrend Group Companies, I make the following comments:

#### **Marbletrend**

An amount of \$1,012,103.49 has been claimed as being outstanding with respect to Running Balance Account deficit debt in respect of GST from as early as November 2012. This amount represents the Joint and Several Liabilities incurred by Marbletrend as the representative of the Marbletrend Group GST Reporting Group.

#### **Holdings:**

An amount of \$521,097.12 has been claimed as being outstanding with respect to Running Balance Account deficit debt in respect of BAS from as early as November 2012. It appears that the DCT have submitted a claim against Holdings as a consequence of Holdings also being a representative of the Marbletrend Group GST Reporting Group. As such, it would appear that Holdings are jointly and severally liable for these debts incurred by the GST Reporting Group.

#### **Investments:**

An amount of \$521,097.12 has been claimed as being outstanding with respect to Running Balance Account deficit debt in respect of BAS from as early as November 2012. It appears that the DCT have submitted a claim against Investments as a consequence of Investments also being a representative of the Marbletrend Group GST Reporting Group. As such, it would appear that Investments are jointly and severally liable for these debts incurred by the GST Reporting Group.

#### **MBD:**

The DCT has advised that there is presently no claim against MBD, however a claim may exist should the income tax return for the period July 2014 to our appointment be lodged.

#### **Avalon:**

The DCT has advised that there is presently no claim against Avalon, however a claim may exist should the income tax return for the period July 2014 to our appointment be lodged.

Based on our investigation to date, it appears that the DCT's claims in Holdings and Investments may be a duplicate of amounts that the DCT claimed in Marbletrend. The directors' RATAs do not disclose the DCT as a creditor in either Holdings or Investments.

It appears that numerous payment arrangements were entered into with the DCT for the repayment of its debts from as early as November 2012.

Below are some of Marbletrent's dealings with the DCT in the lead up to our appointment:

- On 31 May 2012, the DCT issued Marbletrent with a Fringe Benefits Tax Account advising that as at 28 May 2012 the amount of \$16,681.42 was overdue.
- On 7 November 2012, the DCT and Marbletrent entered into a payment arrangement.
- On 3 June 2013, the DCT issued Marbletrent with a Fringe Benefits Tax Account advising that as at 29 May 2013 the amount of \$5,156.80 was overdue.
- On 13 June 2013, the DCT issued Marbletrent with a payment demand for urgent action with respect to outstanding Fringe Benefits Tax in the amount of \$5,156.80. The DCT advised if the Marbletrent did not respond to the letter by 3 July 2013 they will begin recovery action.
- On 30 August 2013, the DCT issued Marbletrent with a letter confirming the terms of their agreed payment arrangement.
- On 2 June 2014, the DCT contacted Marbletrent's tax agent and confirmed the agreed payment arrangement.

### **Legal Action Taken by Creditors**

A Creditor's Statutory Demand was issued against Marbletrent by Mainfreight Distribution Pty Ltd in December 2014 with respect to monies owing in the amount of \$163,543.61 for services rendered.

### **Payment Arrangements with Creditors**

Our preliminary investigations disclose that creditors entered into various payment arrangements with the Marbletrent with respect to monies owing as early as November 2012.

### **Presumption of Insolvency – Inadequate Books and Records**

Failure to keep or retain adequate books and records in accordance with Section 286 of the Act provides a rebuttable presumption of insolvency under Section 588E of the Act. A Liquidator can rely on the presumption of insolvency in litigation including:

- Compensation claims arising from insolvent trading; and,
- Recovery of voidable transactions from related entities.

The presumption cannot be relied upon in the recovery of unfair preference from an unrelated entity.

Our preliminary view is that the Marbletrent Group maintained adequate books and records in accordance with Section 286. Accordingly, the presumption of insolvency under Section 588E would not be available.

Based on our investigations to date and the information above, it appears that the Marbletrent Group financial position severely deteriorated in the first half of the 2013 financial year and may have traded whilst insolvent from as early as 30 June 2013. I have formed this view on the basis of the following:

<b>Indicators</b>	<b>Date</b>
Special Arrangements with Creditors to Repay Debts	December 2012
Failure to meet statutory obligations	December 2012
Ageing of Creditors	December 2012
Auditor opinion: Material uncertainty regarding going concern	30 June 2013
Working capital deficiencies	30 June 2013
Incurred significant trading losses	30 June 2013
Liquidity ratio decreased below one (1)	30 June 2014
Statutory demand	December 2014

I note however that based upon our investigation to date, it appears that the liabilities of the Marbletrend Group decreased during the period June 2013 to our appointment.

I am unable to provide an accurate assessment of the likely amount that would be recovered in the case where the Marbletrend Group were placed into liquidation due to the uncertainties as to the level of any claim (if any) that is likely, the defences that would be available to the directors and the actual capacity of the directors to meet any successful claim.

I am however obliged to conduct some preliminary investigations to assess the directors' capacity to meet such a claim if one was instigated by a Liquidator. I have written to the directors' requesting details of their personal asset and liability position. I note however that the directors' are not under any statutory obligation to provide us with their personal information. As at the date of this report I am yet to receive a response.

Regardless of the above, I have undertaken various searches and provide the following information in this regard.

### **Hamish MacDougall Giles**

- **Property**

A search of the Victoria land titles database reveals that Mr Giles is not a proprietor of any property.

- **Directorships**

Based on a search conducted with the ASIC, it appears that Mr Giles is also a director or officer of the following entities:

- A.C.N. 153 432 092 Pty Ltd
- A.C.N. 158 510 064 Pty Ltd
- A.C.N. 159 146 906 Pty Ltd
- Ahtpad Pty Ltd
- Bellarine Property Nominees Pty Ltd
- Cornelius Partners Limited
- Grow Room Investments (Aust) Pty Ltd
- Salmon Giles Corporate Pty Ltd
- Salmon Giles Pty Ltd
- Scotchmans Hill Pty Ltd
- Shg Ip Pty Ltd
- Stardoor Pty. Limited
- Starway Corporation Pty Ltd

- Teneo Partners (Australia) Pty Ltd
- Territory Biofuels Limited
- The Matrice Thoroughbred Corporation Pty Ltd.

- **Shareholdings**

Based on a search conducted with the ASIC it appears that Mr Giles is a current shareholder of the following entities:

- Salmon Giles Pty Ltd;
- Stardoor Pty. Limited; and
- Samada Street Nominees Pty Ltd.

### **Jeffrey Paul Nicol**

- **Property**

A search of the Victoria land titles database reveals that Mr Nicol is not a proprietor of any property.

- **Directorships**

Based on a search conducted with the ASIC, it appears that Mr Nicol is not a director or officer of any other entities.

- **Shareholdings**

Based on a search conducted with the ASIC, it does not appears that Mr Nicol is not a Shareholder of any other entities.

### **Michael Nicholas Evett**

- **Property**

A search of the Victoria land titles database reveals that Mr Evett is not a proprietor of any property.

- **Directorships**

Based on a search conducted with the ASIC, it appears that Mr Evett is also a director or officer of the following entities:

- Evett Field Partners Pty Ltd;
- Lotus Filters Holdings Pty Ltd;
- Lotus Filters Pty Ltd; and
- Missenden Consulting Pty Ltd.

- **Shareholdings**

Based on a search conducted with the ASIC it appears that Mr Evett is a current shareholder of the following entity:

- Missenden Consulting Pty Ltd.

### **Peter Thomas Reilly**

#### • **Property**

I advise that a Victoria Land Title's office search revealed that Mr Reilly is a proprietor of the following properties:

<b>Proprietor</b>	<b>Property Address</b>	<b>Mortgagee</b>	<b>Other Encumbrance(s)</b>	<b>Equity Position</b>
Joint Proprietors: Peter Thomas Reilly & Dianne Margaret Reilly	88 Cochranes Road Seaspray Vic 3851	Bendigo Bank Ltd	N/A	Unknown
Sole Proprietor: Peter Thomas Reilly	630 Riversdale Road Camberwell Vic 3124 (Lot 1 On Plan Of Subdivision)	Westpac Banking Corporation	N/A	Unknown
Sole Proprietor: Peter Thomas Reilly	630 Riversdale Road Camberwell Vic 3124 (Lot 2 On Plan Of Subdivision)	Westpac Banking Corporation	N/A	Unknown
Sole Proprietor: Peter Thomas Reilly	630 Riversdale Road Camberwell Vic 3124 (Lot 3 On Plan Of Subdivision)	Westpac Banking Corporation	N/A	Unknown

#### • **Directorships**

Based on a search conducted with the ASIC, it appears that Mr Reilly is also a director or officer of the following entities:

- Aapb Pty Ltd
- Able Australia Services
- Australian Nutrition & Sports Ltd
- Agents Supports Systems
- Bellarine Property Nominees Pty Ltd
- Chevron Corporation Pty. Ltd.
- Caulfield Drive Pty. Ltd.
- Dalecare Pty. Ltd.
- Dame Nellie Melba Opera Trust
- Emerald Glades Property Pty Ltd
- Emerald Glades Hostel Pty Ltd
- Farwell Nominees Pty. Ltd.
- Lifeview Pty. Ltd.
- Park Orchards Aged Services Property Pty Ltd
- Ptjr Pty Ltd

- Residential Aged Services Pty Ltd
- Residential Aged Services Nominees Pty Ltd
- Scotchmans Hill Pty Ltd
- Shg Ip Pty Ltd
- Westwood Wine Agencies Pty. Ltd.
- Wheelers Hill Aged Services Pty Ltd
- Whitehaven Retirement Home Curae Nobis Seniores Pty. Ltd.
- Willow View Pakenham Aged Services Pty Limited
- Willow Wood Cranbourne Aged Services Pty Limited
- Nabawa Pty. Limited
- Parmelia Pty. Limited

- **Shareholdings**

Based on a search conducted with the ASIC it appears that Mr Reilly is a current shareholder of the following entities:

- Nabawa Pty. Limited
- Cadifern Service Exposure Pty Ltd
- Aapb Pty Ltd
- Cadifern Constructions Pty Ltd
- Reilly Super Company Pty Ltd
- Phillip Street Bare Pty Ltd
- Coalcliff Bare Pty Ltd
- Ptjr Pty Ltd
- Farwell Nominees Pty. Ltd.
- Chevron Corporation Pty. Ltd.

A liquidator, if one was appointed, would need to assess the personal net asset position of the directors' when considering whether to commence an insolvent trading action in the event that further detailed investigations determine that a monetary claim exists.

As I am yet to receive Statutory Declarations from the directors' regarding their personal asset and liability positions, I am unable to provide any definitive comment at this stage as to whether a potential claim against the directors in liquidation scenarios may be viable.

Should the Marbletrend Group be placed into liquidation, detailed investigations would be undertaken subject to there being sufficient funds available in the liquidations to meet the costs associated with such investigations.

Given MBD and Holdings are in voluntary administration and based on their net asset deficiency as outlined earlier in this report, it does not appear that either MBD or Holdings have the financial capacity to meet any insolvent trading claim (if any) in this regard.

## **Care and Diligence / Good Faith**

The directors and other officers of the Marbletrend Group have fiduciary duties to the Marbletrend Group. Broadly, directors and officers must exercise their power and discharge their duties:

- With reasonable care and diligence (Section 180); and

- In good faith and in the best interests of the corporation and for proper purposes (Section 181).

If an officer is found to have breached these obligations, he may be ordered to compensate the Marbletrent Group for such breaches.

At this stage, our investigations are ongoing with respect to identifying whether any actions were taken by the directors which may be considered as constituting a breach of their obligations with respect to acting with reasonable care and diligence and / or acting in good faith and in the interests of the Marbletrent Group and its creditors

Should the Marbletrent Group proceed into liquidation, further investigations will be carried out subject to there being sufficient funds available in the liquidations to meet the costs associated with such investigation.

## **Improper Use of Position and/or Information**

A director or officer must not improperly use their position to:

- Gain an advantage for themselves or someone else; or
- Cause detriment to the corporation (Section 182).

Furthermore, directors, other officers and employees who obtain information because of their position must not improperly use the information to:

- Gain an advantage for themselves or someone else; or
- Cause detriment to the corporation (Section 183).

Based upon our preliminary investigations transaction of this nature are yet to be identified however our investigations are ongoing with respect to identifying any matters that may fall within the above provisions.

Should the Marbletrent Group be placed into Liquidation further detailed investigations would need to be carried out in this regard.

## **Employee Entitlements Protected**

Part 5.8A of the Act contains provisions exposing directors and persons other than directors to a liability to compensate the Marbletrent Group where agreements and/or transactions have been entered into for the purpose of avoiding or reducing the payment of employee entitlements.

At this stage of our investigations, I am unaware of any transactions that all under these provisions.

A further assessment of these provisions will be undertaken should the Marbletrent Group be placed into liquidation, as these new provisions are closely linked with the insolvent trading provisions under the Act.

## 14. RESOLUTIONS AVAILABLE TO CREDITORS

At each of the upcoming meetings of the Marbletrent Group companies, creditors may resolve that:

1. The company enter into a DOCA.

As there is no proposal for the company to enter into a DOCA, this is not an option available to creditors.

2. The company be placed into liquidation.

If creditors resolve that the company be placed into liquidation, the Liquidators shall proceed to wind up the company's affairs, including the sale of its assets, if any, together with conducting further investigations aimed at establishing whether rights of action exist and, if relevant, distributing amounts to creditors.

It is open to creditors to appoint an alternate Registered Liquidator(s) to act as the Liquidator(s) for the company.

3. The Voluntary Administration should end.

If creditors resolve that the Voluntary Administration should end, control of the company will pass back to its director(s). It will also mean that the moratorium inherent in the legislation preventing creditors legally pursuing the company will be lifted.

Should creditors resolve to place the Marbletrent Group companies into liquidation, creditors may also seek to appoint an alternate liquidator, if another person is nominated. We note that if no other nomination for an alternate liquidator is received at the meeting or any adjournment therein, the Marbletrent Group creditors will be taken to have appointed Michael Carrafa, Peter Gountzos and myself, as the Joint and Several Liquidators of the Marbletrent Group companies.

## 15. POTENTIAL DIVIDENDS

### Liquidation Scenario

As stated in Section 9 of this report, a Deed of Cross Guarantee was entered into between Marbletrent, MBD, Holdings and Avalon which effectively provides that creditors of one of these entities may have the ability to claim against each of the other entities, upon the winding up of the Marbletrent Group.

Given the Deed of Cross Guarantee, the cross collateralised claim of Westpac and the quantum of intercompany loans between the Marbletrent Group (including Investments), it is my opinion that a pooling determination pursuant to Section 571 of the Act would be prudent in the event that creditors resolve to place the Marbletrent Group into liquidation.

In order for a pooling determination to occur, subsequent meetings of creditors will need to be convened following the liquidation of each of the Marbletrent Group companies.



The effect of a pooling determination would be that creditors of all the Marbletrent Group companies would be grouped and all realisations of any assets of these entities (if any) would be available to that group of creditors.

As such, I have prepared the below liquidation scenario estimate for the Marbletrent Group on the basis that creditors make such a determination with respect to pooling.

In the event that creditors resolve not to make a pooling determination with respect to the Marbletrent Group of Companies, any potential dividend may only be payable to the creditors of Marbletrent, subject to a final determination being made with respect to provable creditors in accordance with the Deed of Cross Guarantee between MBD, Marbletrent, Holdings and Avalon.

On present information, it appears unlikely that sufficient funds will be realised from the sale of the Marbletrent Group assets to provide for a return to creditors. Any return to creditors will be dependent on any successful antecedent proceeding which may be available to the Liquidators of the Marbletrent Group of Companies pursuant to Part 5.7B of the Act.

Given that these potential Part 5.7B claims require further and more substantial investigations should Liquidators be appointed over the Marbletrent Group, I am unable to provide an accurate estimate of the timing of a return to creditors in the event of successful recovery actions of this nature until these investigations and subsequent proceedings, if instigated, are completed. Should actions of this nature be instigated by the Liquidators of the Marbletrent Group, I anticipate such recoveries could take at least twelve (12) months.

The estimate noted above has been calculated as follows:

	Notes	Low \$	Mid \$	High \$
<b>Inflows</b>				
Cash at Hand and Cash at Bank	1	162,401	162,401	162,401
Trade Debtors	2	213,020	1,241,017	2,497,870
Stock	3	Unknown	Unknown	Unknown
Plant & Equipment	4	Unknown	Unknown	Unknown
Other Assets	5	Unknown	Unknown	Unknown
Contingent Assets	6	Unknown	Unknown	Unknown
<b>Total Assets subject to Secured Creditor interests</b>		<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>
<b>Funds Available to meet Secured Creditor Claims</b>				
		<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>
Estimated Secured Creditor Claims	7	6,331,171	6,331,171	6,331,171
<b>Funds Available to meet Priority Creditor Claims</b>				
		<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>
Estimated Priority Creditor Claims	8	932,707	932,707	932,707
<b>Recoveries Available to a Liquidator</b>				
Insolvent Trading claims	9	Nil	Nil	Nil

Unfair Preference recoveries	10	800,000	1,200,000	1,500,000
Unreasonable Director Related Transactions	11	Nil	Nil	Nil
<b>Total</b>		<b>800,000</b>	<b>1,200,000</b>	<b>1,200,000</b>
<b>Outflows</b>				
Estimated Joint and Several Administrators Fees and Disbursements (excluding GST)	12	173,000	173,000	173,000
Estimated Joint and Several Liquidators Fees and Disbursements (excluding GST)	13	145,000	165,000	200,000
<b>Funds Available to meet Unsecured Creditor Claims</b>		<b>482,000</b>	<b>862,000</b>	<b>827,000</b>
Estimated Unsecured Creditor Claims	14	8,184,808	8,184,808	8,184,808
<b>Estimated Return to Unsecured Creditors (cents in the dollar)</b>		<b>5.89</b>	<b>10.53</b>	<b>10.10</b>

**Notes:**

1. Refer to Sections 9.1.2, 9.2.2, 9.2.3 and 9.4.1 of this report.
2. Refer to Sections 9.1.1 and 9.2.1 and note that the low is based on Receivers and Managers collections to date, mid is based on the value of the 'current' aged trade debtors as per the Marbletrend RATA, high is based on directors realisable value.
3. Refer to Section 9.2.4 of this report.
4. Refer to Section 9.2.5 of this report.
5. Refer to Sections 9.1.3, 9.2.6 and 9.3.1 of this report.
6. Refer to Section 9.2.8 of this report.
7. Refer to Sections 9.1.4, 9.2.9, 9.3.2 and 9.4.2 of this report and note that any shortfall from the realisation of the companies' assets will represent an unsecured creditor claim.
8. Refer to Section 9.2.11 of this report and note that in the event that the circulating asset realisations are insufficient to meet these claims in full, the unpaid portion of these claims will have priority in respect to any recoveries made by a liquidator, as outlines in Sections 12 and 13 of this report.
9. We refer to Section 13 of this report.
10. We refer to Section 12.2 of this report.
11. Refer to Section 12.5 of this report.
12. We note that our remuneration and costs of the Administration are entitled to be paid out in priority to creditors and would be applied against the realisation of the companies' assets (if any) and any other potential recoveries available as outlined above. We refer creditors to Section 18 of this report for details of the basis of remuneration sought.
13. We note that our remuneration and costs of the Liquidation are entitled to be paid out in priority to creditors and would be applied against the realisation of the companies' assets (if any) and any other potential recoveries available as outlined above. We refer creditors to Section 18 of this report for details of the basis of remuneration sought.
14. We advise that the estimated unsecured creditor claims include the related party claims (excluding intercompany loans between the Marbletrend Group) as outlined in Sections 9.1.6, 9.2.12 and 9.4.4 of this report. Should the related parties not lodge a claim for dividend purposes, then based on investigations to date, the estimated unsecured creditors claim would be reduced by

approximately \$1,207,955 to \$6,976,853. We note that all creditor claims are subject to formal adjudication of their debt prior to any distributions being made.

## 16. RECOMMENDATION

I am of the opinion that:

1. As a proposal for a DOCA has not been put forward to creditors of the Marbletrent Group, this option is not available to creditors in this regard.
2. Each company within the Marbletrent Group should be placed into liquidation in order to allow for an orderly realisation of their assets and full investigations of their affairs to be undertaken.
3. The Voluntary Administrations should not end, with control of each of the Marbletrent Group companies reverting back to the directors, as this would not provide creditors with the opportunity of dealing with the Marbletrent Group affairs in accordance with each of the provisions of the Act.

## 17. ADJOURNMENT

Creditors should note that the Act provides that a meeting convened under Section 439A may be adjourned by a resolution of creditors, but only for a period of up to forty five (45) business days from the date of the second meeting.

Please note that at this point in time, I do not believe that an adjournment of these meetings is warranted.

## 18. REMUNERATION

As previously advised in our Notice to Creditors dated 24 February 2015, it is up to creditors to consider and if thought fit, approve our remuneration in acting as the Joint and Several Administrators of each of the Marbletrent Group companies and Joint and Several Liquidators of each of the Marbletrent Group companies.

At the forthcoming meetings, creditors will be asked to consider and approve our remuneration for the amounts as set out below for each of the respective periods of our appointments:

### ▪ Voluntary Administration

- For the period from the commencement of the voluntary administrations to the second meetings of creditors, fixed to maximum amounts as follows:

Company	Amount (\$)
MBD Corporation Limited	\$25,000
Marbletrent Pty Ltd	\$95,000
Marbletrent Holdings Pty Ltd	\$15,000
Marbletrent Investments Pty Ltd	\$15,000

Avalon Investments (Aus) Pty Ltd

\$15,000

▪ **Liquidation**

- For the period of the liquidations, capped to the following amounts:

<b>Company</b>	<b>Amount (\$)</b>
MBD Corporation Limited	\$30,000
Marbletrent Pty Ltd	\$60,000
Marbletrent Holdings Pty Ltd	\$15,000
Marbletrent Investments Pty Ltd	\$15,000
Avalon Investments (Aus) Pty Ltd	\$15,000

To assist creditors in considering the remuneration sought I have enclosed a remuneration report in the relevant annexure pack of each entity which sets out the following:

- SV Partners Scale of Fees as at 1 July 2014;
- Description of work completed and/or to be completed for each Voluntary Administration period and a summary of our costs therein;
- Description of work to be completed for the period of each Liquidation (if applicable) and a summary of our proposed remuneration therein.

Creditors should note that the estimates provided in respect to our proposed Liquidators fees are based on the information to hand. Subsequent events may increase this amounts and where applicable, I may be required to seek further approval for our remuneration.

Where possible, I seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

Dated: 24 February 2015



RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

## **ANNEXURE A**

*(this page intentionally left blank)*



*Corporations Act 2001  
Section 436DA  
Section 60(1)*

**DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND  
INDEMNITIES**

**MBD CORPORATION LIMITED  
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 087 730 667 ("MBD")**

**MARBLETREND PTY LTD  
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 109 273 912 ("MARBLETREND")**

**MARBLETREND HOLDINGS PTY LTD  
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 127 289 061 ("HOLDINGS")**

**MARBLETREND INVESTMENTS PTY LTD  
(ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 159 110 577 ("INVESTMENTS")**

**AVALON INVESTMENTS (AUS) PTY LTD  
(ADMINISTRATORS APPOINTED)  
A.C.N. 103 074 102 ("AVALON")**

**STATEMENT CONCERNING SV PARTNERS**

The Joint and Several Administrators of:

- MBD Corporation Limited (Administrators Appointed) (Receivers and Managers Appointed) A.C.N. 087 730 667;
- Marbletrend Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) A.C.N. 109 273 912;
- Marbletrend Holdings Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) A.C.N. 127 289 061;
- Marbletrend Investments Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) A.C.N. 159 110 577; and
- Avalon Investments (Aus) Pty Ltd (Administrators Appointed) A.C.N. 103 074 102,

(collectively known as "the Marbletrend Group") are directors of SV Partners Insolvency (VIC) Pty Ltd.

SV Partners Insolvency (VIC) Pty Ltd is part of the SV Partners Group of Companies ("SVP") which operates an independent specialist insolvency and forensic accounting practice with offices in Victoria, New South Wales and Queensland. An overview of our practice is presented at [www.svpartners.com.au](http://www.svpartners.com.au).

## **A. Independence**

This declaration is made in respect of ourselves, our Directors and our firm.

We have undertaken a proper assessment of the risks to our independence in accordance with the law, Corporations Act 2001, the Australian Restructuring Insolvency & Turnaround Association (“ARITA”) Code of Professional Practice and applicable professional standards prior to accepting the appointment as Joint and Several Administrators of the Marbletrent Group. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting the appointment.

## **B. Declaration of Relationships**

### **i. Circumstances of Appointment**

The Marbletrent Group was referred to us by the companies’ accountants, Salmon Giles Pty Ltd.

Prior to our appointment as Joint and Several Administrators, we had the following telephone discussions/meetings in respect of the Marbletrent Group, which are summarised as follows:

<b>Date</b>	<b>Details of contact</b>	<b>Purpose</b>
4/12/2014	Telephone conversation between one of the Marbletrent Group directors, Mr Hamish Giles, and Mr Richard Cauchi of SVP.	<ul style="list-style-type: none"><li>▪ To discuss the current trading condition of the Marbletrent Group and obtain sufficient information to clarify and advise the directors on the solvency of the Marbletrent Group.</li></ul>
19/1/2015	Email correspondence between Mr Giles and Mr Michael Carrafa.	<ul style="list-style-type: none"><li>▪ To arrange a meeting to discuss the Marbletrent Group.</li></ul>
20/1/2015	Meeting between Mr Giles and Mr Peter Riley of the Marbletrent Group and Mr Carrafa of SVP at the offices of Salmon Giles.	<ul style="list-style-type: none"><li>▪ Discussion regarding the Marbletrent Group’s affairs to obtain information about the company and its current financial position to clarify and advise on the consequences of insolvency &amp; the alternative courses of action in the case of insolvency;</li><li>▪ To obtain sufficient information about the Marbletrent Group, any unique stakeholders or circumstances that would affect our appointment;</li><li>▪ To obtain sufficient information about the Marbletrent Group to assess the resources required to be engaged by SV Partners upon our appointment; and</li></ul>



<b>Date</b>	<b>Details of contact</b>	<b>Purpose</b>
		<ul style="list-style-type: none"> <li>▪ To obtain sufficient information about the Marbletrent Group to assess any conflicts of interest or potential future conflicts of interest.</li> </ul>
23/1/2015	Mr Giles emailed Mr Cauchi and Mr Carrafa of SVP.	<ul style="list-style-type: none"> <li>▪ To advise of a proposed Trading Halt to be sent to the ASX and requested appointment documentation be prepared.</li> </ul>
27/1/2015	Meeting with board of directors of Marbletrent Group and Mr Cauchi, Mr Carrafa of SVP at SVP offices.	<ul style="list-style-type: none"> <li>▪ Discussion regarding the Marbletrent Group's affairs to obtain updated information about the company and its current financial position to clarify and advise on the consequences of insolvency &amp; the alternative courses of action in the case of insolvency; and</li> <li>▪ Discussion regarding the trading status of the Marbletrent Group and concerns regarding future funding availability.</li> </ul>
27/1/2015	Telephone conversation between Garrett Murphy of Westpac with Mr Cauchi and Mr Carrafa.	<ul style="list-style-type: none"> <li>▪ Discuss regarding the status of the Marbletrent Group and likely impending appointment.</li> </ul>
28/1/2015	Meeting with board of directors of Marbletrent Group and Mr Cauchi, Mr Carrafa, Ms Colleen O'Loughlin and Mr Matthew Avramov of SVP at Marbletrent Group trading premises in Bayswater, Victoria.	<ul style="list-style-type: none"> <li>▪ For the execution of appointment documents for the Marbletrent Group for the appointments of Voluntary Administrators</li> </ul>

These meetings/teleconferences do not affect our independence for the following reasons:

- a. the Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- b. the nature of the advice provided to the Marbletrent Group is such that it would not be subject to review and challenge during the course of the voluntary administrations; and

- c. the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administrations in an objective and impartial manner.

We have not received any remuneration for any advice.

**ii. Relevant Relationships (excluding professional services to the insolvent)**

We, or a Director of our firm have had within the preceding twenty four (24) months, a relationship with:

<b>Name</b>	<b>Nature of relationship</b>	<b>Reasons why not an impediment or conflict</b>
Salmon Giles Pty Ltd	From time to time, SVP are engaged by various accounting organisations, including Salmon Giles Pty Ltd to advise their clients on their solvency, consequences of insolvency and the alternative course of action in the case of insolvency. We note that Hamish Giles is a Principle of Salmon Giles Pty Ltd and also a director of all companies within the Marbletrend Group.	Any other work undertaken for or by Salmon Giles Pty Ltd, will not influence our ability to comply with the statutory obligations associated with these appointments.
Australian Taxation Office (ATO)	We are members of the ATO preferred panel of insolvency practitioners.	Neither we, nor SVP, have ever undertaken any work for the ATO in respect of the Marbletrend Group. Any professional relationship with the ATO will not influence our ability to comply with the statutory obligations associated with the appointments in an objective and impartial manner.
Australian Securities & Investments Commission (ASIC)	Michael Carrafa of SVP Victoria is a member of the ASIC preferred panel of insolvency practitioners.	Neither we, nor SVP, have ever undertaken any work for the ASIC in respect of the Marbletrend Group. Any professional relationship with the ASIC will not influence our ability to comply with the statutory obligations associated with the appointments in an objective and impartial manner.
Westpac Banking Corporation Limited	From time to time, SVP are engaged by various banking organisations, including Westpac to act in the interest of such	Neither we, nor SVP, have ever undertaken any work for the Westpac in respect of the Marbletrend Group. Any work undertaken for Westpac

Name	Nature of relationship	Reasons why not an impediment or conflict
("Westpac") (Secured Creditor)	banking organisations. Also, such banking organisations are creditors of other administrations to which SVP are appointed	will not influence our ability to comply with the statutory obligations associated with these appointments.
Director of the Marbletrend Group and Caulfield Drive Pty Ltd (In Liquidation) (Formerly Receivers and Managers Appointed) ("Caulfield"), and Secretary of Agents Support Systems Pty Ltd (In Liquidation) ("Agents Support"), Peter Reilly	<p>Mr Richard Cauchi and Mr David Lofthouse were the former Joint and Several Receivers and Managers of Caulfield of which Mr Peter Reilly is also a director. Mr Richard Cauchi and Mr David Lofthouse resigned as Joint and Several Receivers and Managers on 9 January 2015.</p> <p>Mr Richard Cauchi and Mr Michael Carrafa were appointed Joint and Several Liquidators of Agents Support, of which Mr Peter Rielly is a Secretary, on 18 July 2013. We note that this matter is expected to be finalised in the near future.</p>	<p>We note that Caulfield and the Marbletrend Group are related by a common director only and it appears that they have not had any intercompany dealings that would result in a perceived conflict or impediment.</p> <p>We note that Agents Support and the Marbletrend Group are related by a common office holder (secretary/director) only and it appears that they have not had any intercompany dealings that would result in a perceived conflict or impediment.</p>
Directors of the Marbletrend Group and other related entities / associates (excluding Peter Rielly and Hamish Giles above)	Other than disclosed previously, we have no relevant relationships with the Directors of the Marbletrend Group, any related entities or any associates other than providing advice in relation to the alternative courses of action in the event of insolvency.	<p>Other than the communications and relationships outlined previously, neither our other Directors or staff have had any contact with the Directors of the Marbletrend Group.</p> <p>The communications were limited to providing information to the Directors about their obligations and the options available to the Marbletrend Group in respect of the appointment of external administrators. Discussions of this nature are common in insolvency appointments.</p> <p>These pre-appointment discussions will not impede our independence and will not influence or affect our ability to comply with our statutory and fiduciary duties as Joint and Several Administrators.</p>

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

**iii. Prior Professional Services to the Company**

Neither we, nor the other Directors of our firm have undertaken any prior professional services for the Marbletrent Group in the preceding 24 months.

**iv. No other Relevant Relationships to Disclose**

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

**C. Indemnities and Up-Front Payments**

We have not been indemnified nor are we in a position to advise whether we anticipate the provision of any future indemnities in relation to these administrations, other than any indemnities that we may be entitled to under statute. Furthermore, we advise that we have not received any upfront payments in respect to our remuneration or disbursements.

DATED: 6 February 2015



RICHARD J CAUCHI  
Joint and Several Administrator



MICHAEL CARRAFA  
Joint and Several Administrator



PETER GOUNTZOS  
Joint and Several Administrator

**Notes:**

1. If circumstances change, or new information is identified, we are required under the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meetings of the Marbletrent Group's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the Declaration of Independence, Relevant Relationships and Indemnities (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**

**MBD CORPORATION PTY LTD**  
**(RECEIVERS AND MANAGERS APPOINTED)**  
**(ADMINISTRATORS APPOINTED)**  
**A.C.N. 087 730 667**

**A listing of shareholders on appointment**

<b>Shareholder</b>	<b>Number of Shares</b>
Parmelia Pty Ltd	29,899,938
Parmelia Pty Limited	16,892,393
Starway Corporation Pty Ltd	10,657,340
Samada Street Nominees Pty Ltd	10,270,870
Benger Superannuation Pty Limited	7,000,000
Muzbird Pty Ltd	4,955,676
Mr Brian Garfield Benger	3,000,000
Locope Pty Ltd	2,700,000
Mr Tony Stella & Mrs Enea Stella	1,789,380
Mr Mario Spiller & Ms Karim Marchiorato	1,651,412
Shandora One Pty Ltd	1,640,000
Weltran Pty Ltd	1,528,400
Mr Richard Charles Baker	1,339,402
Bell-Allen Holdings Pty Ltd	1,000,000
Mr Anthony St Clair & Mrs Shona St Clair	999,100
Mr Alexander James Green	896,237
Elmside Pty Ltd	880,000
Mr Richard John Calver	813,763
Terbium Investments Pty Ltd	702,500
Invia Custodian Pty Limited	700,000
Mr Trevor Wellby	677,500
Mr Antonio Stella	644,157
Mr Anthony William St Clair	584,530
Mrs Shona May St Clair	578,742
Robjil Investments Pty Ltd	561,074
Rathaney Pty Ltd	528,181
Mr Michael Nicholas Evett	525,000
Starlet Properties Pty Ltd	491,483
Hathorn Holdings Pty Ltd	440,195
Sir Lenox Hewitt	440,000
Tribulation Pty Ltd	438,096
Mr Emidio Masi	421,611
Estelville Nominees Pty Ltd	417,522
Mr Stephen Richard Nicholls & Ms Paula Susan Nunnery	403,923
Citicorp Nominees Pty Limited	400,000
Mentiplay Pty Ltd	400,000
Barfam Nominees Pty Ltd	400,000
Mr Steven Witt & Mr Brian Witt	367,200
Mrs Joyce Lai Ping Lau	360,000
Mr Michael Evett	354,758
Mr Phillip Royce & Mrs Elaine Royce	332,097
Mrs Susan Marie Benger	304,500
Mrs Vicki Margaret Campbell	300,000
Ga & Am Leaver Investments Pty Ltd	300,000
Mr Jeffrey Nicol	300,000
Realstar Finance Pty Ltd	298,230

Mr Tony Stella & Mrs Enea Stella	298,230
Eleventh Klingon Pty Ltd	298,000
Mr Jan De Groot	273,207
Mr Jeffrey Nicol	250,000
Ms Lauraine Diggins & Mr Michael Blanche	248,127
Mr Phillip Royce & Mrs Elaine Royce	245,000
Estelville Nominees Pty Ltd	238,584
Antel Pty Ltd	238,584
Stelgian Nominees Pty Ltd	238,584
Stephanie Grose Advertising Pty Ltd	230,000
Ms Carole Joan Lanyon & Mr James John Allan English	214,725
Mr Milton Yannis	202,400
Raglan Park Investments Pty Ltd	200,000
Mr Gregory Buckley & Mrs Julie Buckley	200,000
Mr Stuart James Hercules	200,000
Austin Superannuation Pty Ltd	200,000
Loquela Pty Ltd	200,000
Mr Lewis John William Smith & Mrs Mary Rose Smith	200,000
Aknco Pty Ltd	200,000
Loquela Pty Ltd	200,000
Federal Service & Repairs Pty	200,000
Mr Geoffrey Neville Rose	200,000
Mr William Juarez	200,000
Mr David R Rose & Mrs Lynette Rose	200,000
Mr Christopher H Aeschliman	200,000
Mrs Lesley Lynette Bailey	182,000
Hooraysies Pty Ltd	179,381
Mr Hamish Macdougall Giles	171,780
Mr John Arthur Griffin	170,000
Mr Ronald Edward Tait & Mrs Kaye Elizabeth Tait	160,000
Ms Heather Lorraine Sanderson	150,000
Grayne Nominees Pty Ltd	150,000
Mr Anthony Michael Bengier	150,000
Mr Linton Soderholm	143,150
Mr James Paul Ljeski	137,144
Mr Michael Blanche	128,835
Tribulation Pty Ltd	128,835
Lauraine Diggins	128,835
Mrs Susan Maree Oryzak	125,000
Mr Anthony William St Clair	123,858
Mr Lance Lloyd Archie	121,325
Tribulation Pty Ltd	120,485
Mr Robert James Edwards	120,000
Murstaff Industries Pty Ltd	120,000
Mrs Albertha Maria Mckimm	120,000
Mr Leo Stella & Mrs Ninetta Stella	119,292
Douglas Collins & Janet Collins	118,099
Oaktree Fund Pty Ltd	112,143
Mrs Joy Burton Griffin	112,073
Mr Jason Michael Hall	110,000
Mr Jeffrey Roy Hammond & Mrs Pauline Hammond & Mr Ashley James Hammond	110,000
Lauraine Diggins Fine Art Pty Ltd	108,000
Nerida Blanche	108,000
Dr Michael Campbell Deland	107,000
Mr Phillip Anthony Coltman & Mrs Margaret Anne Coltman	103,645

Mr David Mark Lee & Ms Donna Louise Deland	100,000
Mr Thomas James Robb & Mrs Helen Dawn Robb	100,000
Mr Michael Kennett & Mrs Rosemary Anne Kennett	100,000
Yambla Bay Pty Ltd	100,000
Mrs Heather Grace Power	100,000
Mr Steven George Carter & Mrs Gail Maree Carter	100,000
Mr Peter John Tischler & Mrs Valerie Joy Tischler	100,000
He Rose Superannuation Pty Ltd	100,000
Mr Dion Weston Southee & Mrs Judith Bridget Southee	100,000
Ms Sarah Kate Bengier	100,000
Mr Andrew Penman	100,000
Mr Jason Field	100,000
Donovan Products Pty Ltd	100,000
Ainslie Rd Pty Ltd	100,000
Stephen Deland	100,000
Darren Deland & Sue Deland	100,000
Mr James Edmund Walsh	100,000
Rathaney Pty Ltd	100,000
Mrs Kathryn Anne Walsh	100,000
Mr Gregory Raymond Kentwell & Mrs Debra Kentwell	100,000
Mrs Susan Caroline Leitch	100,000
S Orekondy Pty Ltd	97,000
Mr Trevor Neil Hay	91,000
Mr Michael Vardanega & Mrs Elizabeth Muir Glen	90,000
Mr Peter Savvides	88,000
Soneta Nominees Pty Ltd	83,504
Mrs Dorothy Mabel Culpan	80,000
Mr Norman Arthur Cain & Mrs Glenys Marion Cain	80,000
Mr Glenn Preusker & Mrs Jennifer Preusker	80,000
Mr David James Proe & Ms Jennifer May Chamberlain	80,000
Steffensen Property Resources Pty Ltd	80,000
Mr Myer Michael Rozen & Mrs Roselyn Rozen	80,000
Mr Stephen Craig Kerr & Mrs Jacqueline Marie Kerr	80,000
Mr Stephen Danne	75,000
Mr Shaun Michael Stone & Mrs Kimberly Rawls Stone	71,575
Mr Steven George Carter	71,000
Mr Scott Arthur Fraser & Ms Jannine Ellen Fraser	70,000
Mr Andrew Ronald Martin & Mrs Caren Louise Martin	70,000
Mr Michael James O'Brien	70,000
Nerilau Pty Ltd	69,189
Hamex Corporation Pty Ltd	66,000
Ibatin Pty Ltd	60,000
Ladpike Pty Ltd	60,000
Mrs Lynette Kaye Stunell & Mr Robert James Stunell	60,000
Mrs Robin Anne Reilly	60,000
Mr Michael John Crisp & Mr David Leo Crisp & Mrs Helen Crisp	60,000
Mr Austin Harold Rummery & Mrs Jacqueline Rummery	60,000
Mr Terence James Reilly	60,000
Mistina Pty Ltd	60,000
Ms Alicia Reilly	60,000
Mrs Anne Marie Leaver	60,000
Mr James Reilly	60,000
Mr Terence Norman Lanham & Mrs Janice Anne Lanham	60,000
Mr Jonathan Alexander Nelson & Mrs Jillian Margaret Nelson	59,702
Tornal Pty Ltd	59,646



Mr Donald James Rooke	54,854
Miss Phoebe Clare Love	50,000
Mr Andrew Michael	50,000
Bracton Consulting Services Pty Ltd	50,000
Mr Kenneth John Adamson	50,000
Mr Neville Caughey Davy	50,000
Bond Street Custodians Limited	50,000
Mr Steven John Newbold & Mrs Gloria Elizabeth Newbold	50,000
Ms Dianne Margaret Ludlow & Mrs Teresa Hinds & Mr Leon Crooke	50,000
W Brace And Associates Pty Ltd	50,000
Mr Leslie Steven Fazekas & Mrs Nicoletta Fazekas	50,000
Constellation Nominees Pty Ltd	47,717
Stelba Nominees Pty Ltd	47,717
Mrs Kerrie Lorraine Giles	47,717
Mr Brian Patrick Cleary & Mrs Lynne Cleary	47,717
Ms Carolyn Bahl	45,600
Hsbc Custody Nominees (Australia) Limited	44,000
The Scotchmans Hill Group Pty Ltd	44,000
Mr Martin Woodworth Barnes	43,058
Mrs Marcia Joy Marmulla	40,000
Dr Barrie Wallis James Dalgleish	40,000
Babdesa Pty Ltd	40,000
Mrs Melinda Marian Peel & Mr Peter Adrian Peel	40,000
Mr Drazen Amidzic	40,000
Mr Andrew Ronald Martin	40,000
Ms Ah Tai Chong	40,000
Mr Stephen Danne &	40,000
Mr Mark Demartino	40,000
Stensan Service Centre Pty Ltd	40,000
Mr Chris Vlahos	40,000
Mr Steve Carter & Mrs Gail Carter	40,000
Ms Elisabeth Celeste Hewitt	40,000
Ms Jennifer May Danckert	40,000
Cascade Holdings Pty Ltd	40,000
Mr Mitchell Lenox Hewitt	40,000
Mr Brian James Cribb & Mrs Susan Margaret Cribb	39,589
G & G Pimm Pty Ltd	37,500
Hamex Corporation Pty Ltd	34,000
Mr Stephen Danne & Mrs Deborah Danne	33,750
Ms Ida Montagner	32,000
Mr Ross William Rivett	32,000
Mr Brian Garfield Bengier	30,000
Mr Angelo Lazarou	30,000
Ms Dianne Margaret Ludlow	30,000
Mr Frederick Thomas Dobell	30,000
Michael Brian Casper	30,000
Greg Tucker	26,814
Mr David Anthony Mcinnes	26,400
Mr Adrian Jonas Rachele	25,000
Mr Gary Park & Mrs Jodie Park	25,000
Mr Ian Douglas Wheeler & Mrs Pamela Florence Jane	25,000
Mr Daniel Robert Owen	24,000
Estelville Nominees Pty Ltd	23,858
Realstar Finance Pty Ltd	23,858
Mr Robert Donald Clarke	23,858

Mr Dion Oryzak	23,250
Mrs Suchitra Jones	22,533
Mr Warren Irons & Mrs Julie Irons	21,472
Mr Allan Roy Wehl	21,000
Mr Phillip William Gray	21,000
Mr John Sottile & Mrs Eugenia Sottile	21,000
Mr Steven Clifford Faddy	20,000
Mr Zane Kaplan	20,000
Mrs Maureen Helen Spiers	20,000
Marinakis Holdings Pty Ltd	20,000
Mr Paul Sze Yuen Cheung & Mrs Pauline Kwok Sim Cheung	20,000
Mr Paul Naylor	20,000
Mr Stephen Craig Kerr & Mrs Jacqueline Marie Kerr	20,000
Mrs Jacqueline Marie Kerr	20,000
Ben Kaplan Pty Ltd	20,000
Miss Anita May Wool	20,000
Rashleigh Super Fund Pty Ltd	20,000
Dennis Patrick Hogan	20,000
Lorna Olive Lewers	20,000
Tilt Group Pty Ltd	20,000
Ms Gayle Dianne Carruso	20,000
Mr Michael Cartwright	20,000
Mr James Joseph Cronin & Mrs Nicole Alexia Cronin	20,000
Mr Christian Formica	20,000
Mrs Marianne Saad	20,000
Mrs Fiona Mcneil	20,000
Mr Scott Arthur Fraser	20,000
Mr Grant Kiker	20,000
Sydwick Pty Ltd	19,000
Mrs Kerrie-Ann Beryl Palethorpe	19,000
Mr Sivasothy Muhunthan	19,000
Airoldi Corp Dp Pty Ltd	18,322
Mr Kevin William Brian	16,000
Ms Amy Laura Boyse	16,000
Ms Brenda Lee-Anne King	16,000
Mrs Tina Louise Weir	16,000
Mr Luke Daniel Woodhead & Mrs Kirsty Anne Woodhead	16,000
Mr Thomas Patrick Tolhurst & Mr John Leonard Birchley	15,380
Mr Peter Duncan Grieve	15,000
Mr Steven George Carter	15,000
Mr William Robert Clarke	14,315
Mr Vania Demarchi	14,000
Mr Mathew Nicholas Fitch	13,000
Mr Laurance John Murray & Mrs Frances Leura Murray	13,000
Crocodile Kyle Pty Ltd	12,000
Mr Adam William Baker	12,000
Mrs Lisa Rose Mcmillan	12,000
Mr Gulio Basso	12,000
Mr Nicholas Patrick Harford	12,000
Mr Isaac Williams	12,000
Patrice Rice & David Anthony Rice	12,000
Mr Ross Michael Butler	12,000
Antnea Pty Ltd	11,929
Mr Cristian Stella	11,929
Ms Grace Stella	11,929

Antares Nominees Pty Ltd	11,929
Mr Peter John Mellann	11,929
Mr Frank John Preyer	11,929
Mr Sugandi Marjuki	11,800
Mr Scott James Marsden	11,330
Mr Peter Graeme Twigg	11,000
Mr Stephen Watts	10,000
Mr Michael Paul Nieuwendyk	10,000
Mr Ross James Hageman	10,000
Mr Noel Vivian Symons	10,000
Mr Bevan Philip Burrell & Ms Deborah Ann Krasic	10,000
Mr Stephen David Graham	10,000
Mr Herbert Joseph Powell & Mrs Anne Powell	10,000
Mr Anthony Laurence Frogley	10,000
Virginia Wood Davies	10,000
Jada Holdings Pty Limited	10,000
Ms Anita Stella	10,000
Mr Greg Launeh	10,000
Starnita Nominees Pty Ltd	10,000
Mr Tito Pica	10,000
Ms Vanda Pica	10,000
Ms Rita Stella	10,000
Estral Nominees Pty Ltd	10,000
Mr Terrence O'Brien	10,000
Mr Kevin Mcgrath	10,000
Davcon Developments Pty Ltd	10,000
Davanti Pty Ltd	10,000
Mr Dennis Edwards & Mrs Leanne Edwards	10,000
Mr Klaus Dieter Hendrich	10,000
Mrs Ingelore Hendrich	10,000
Ms Ashleigh Paige Hendrich	10,000
Beverley Evans	10,000
Mr Michael Bergfeld	10,000
Mr Daniel Ian Clarke	10,000
Mr Kristian Bright	10,000
Mr Edward Sarzate Antolin	9,999
Mr Benjamin Dicker	9,543
Mr Denis Burns & Mrs Susan Burns	9,543
Mr Scott Federoff	8,800
Ms Tammi Sheppard	8,000
Mr Per Asle Kolve	8,000
Mr David Brown	8,000
Mr Timothy Ian Walker	8,000
Mr Peter Smith	8,000
Mr Errol Cleverdon & Mrs Robyn Cleverdon	8,000
Arena Global Investments Pty Ltd	8,000
Mr Darren James King	8,000
Mr Mohammad Shalan Khazal	8,000
Mrs Nancy Mcgaw	8,000
Mrs Janelle Carter	8,000
Mr Victor Bulic	8,000
Ms Margaret Whyte	8,000
Mr Benjamin Afriyie	8,000
Mr William Matthew Clarke	8,000
Mr Leigh Kenneth Hickey	8,000

Mr Wayne Jewell	8,000
Mr Steven Kinder	8,000
Ms Teresa Anne Lester	8,000
Mr James Robert Pole	8,000
Mr Thomas Rendall & Mrs Rhonda Rendall	8,000
Mr Richard Steven Rietdyk	8,000
Mr Harley James Watts	8,000
Mr Jonathan Ian Dewar & Mrs Joanne Linley Dewar	8,000
Mr Jonathan Ian Dewar	8,000
Mr Jonathan Ian Dewar	8,000
Mr Jonathan Ian Dewar	8,000
Ms Leanne Joan Richters	8,000
Mr Cameron Geoffrey Byrne	7,500
Mr Michael Friedrich Ruhl	7,000
In2 Limited	7,000
Mr Michael James Carroll	6,500
Ms Philippa Rice	6,173
Lesley Ann Mccauley	6,000
Mr Lawrence Bourke & Mrs Kay Bourke	5,248
R D Agencies Pty Ltd	5,000
Mr Peter Doig	5,000
Mr Peter John Neville	5,000
Mr David William Good	4,942
Mr Samuel Hastings	4,857
Mrs Nichole Jane Pethica	4,837
Mr Andrew Leschen Clifton	4,500
Mrs Diane Bird	2,000
Mr Leslie Makarucha	1,020
Mr Sivasothy Muhunthan	1,000
Mr Matthew Thomas Dwyer	638
Mr Arthur Sau Shung Goh	100
Mr Daniel Richard Mcglade	12
Abn Amro Clearing Sydney	10
National Nominees Limited	4
Ms Madeleine Ruth Scott	1
Vlxbt1 Technologies Pty Ltd	1
Mr Roewen David Wishart	1
Mrs Susan Burns	1

## **ANNEXURE C**

*(this page intentionally left blank)*

# THE MARBLETREND GROUP OF COMPANIES

## Unaudited Balance Sheet

	Period Ended 31 December 2014	Year Ended 30 June 2014	Year Ended 30 June 2013
<b>ASSETS</b>			
<b>Current assets</b>			
<u>Cash and cash equivalents</u>			
Cash at bank and in hand	\$141,464	\$163,226	\$177,600
	<u>\$141,464</u>	<u>\$163,226</u>	<u>\$177,600</u>
<u>Trade and other receivables</u>			
Trade receivables		\$4,327,099	\$4,951,250
Other receivables		\$72,172	\$233,426
Allowance for impairment (a)		-\$75,202	-\$79,625
	<u>\$3,528,097</u>	<u>\$4,324,069</u>	<u>\$5,105,051</u>
Prepayments		\$83,703	\$225,162
Carrying amount of trade and other receivables	<u>\$3,528,097</u>	<u>\$4,407,772</u>	<u>\$5,330,213</u>
<u>Inventories</u>			
Raw materials -at lower of cost and net realisable value		\$149,490	\$131,559
Finished goods -at lower of cost and net realisable value		\$5,717,277	\$6,746,966
Total inventories	<u>\$5,846,827</u>	<u>\$5,866,767</u>	<u>\$6,878,525</u>
Derivating financial assets		\$0	\$45,940
<b>Total current assets</b>	<u><u>\$9,516,388</u></u>	<u><u>\$10,437,765</u></u>	<u><u>\$12,432,278</u></u>
<b>Non-current assets</b>			
<u>Available for sale financial assets</u>			
Unlisted shares		\$24,750	\$64,900
	<u>\$24,750</u>	<u>\$24,750</u>	<u>\$64,900</u>
<u>Property, plant and equipment</u>			
Plant and equipment		\$6,685,883	\$8,189,066
Less: Accumulated depreciation and impairment		-\$5,330,810	-\$4,662,779
Net carrying amount		<u>\$1,355,073</u>	<u>\$3,526,287</u>
Motor vehicles		\$1,086,238	\$2,461,588
Less: Accumulated depreciation and impairment		-\$674,555	-\$785,659
Net carrying amount		<u>\$411,683</u>	<u>\$1,675,929</u>
Total property, plant and equipment	<u>\$1,554,322</u>	<u>\$1,766,756</u>	<u>\$5,202,216</u>
Deferred tax assets	\$3,291,373	\$3,291,343	\$2,287,770
<u>Intangible assets</u>			
Cost (gross carrying amount)		\$8,223,855	\$11,357,647
Less: Accumulated amortisation and impairment		-\$8,223,855	-\$8,258,855
Net carrying amount		<u>\$0</u>	<u>\$3,098,792</u>

# THE MARBLETREND GROUP OF COMPANIES

## Unaudited Balance Sheet

	Period Ended 31 December 2014	Year Ended 30 June 2014	Year Ended 30 June 2013
<b>Total non-current assets</b>	<b>\$4,870,445</b>	<b>\$5,082,849</b>	<b>\$10,653,678</b>
<b>TOTAL ASSETS</b>	<b>\$14,386,833</b>	<b>\$15,520,614</b>	<b>\$23,085,956</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	\$2,353,991	\$2,943,017	\$2,080,136
<u>Trade and other payables</u>			
Trade payables		\$5,001,712	\$4,037,062
Other payables		\$2,325,567	\$1,647,826
Carrying amount of trade and other payables	\$6,705,308	\$7,327,279	\$5,684,888
<u>Interest-bearing loans and borrowings</u>			
Obligations under hire purchase contracts (note 30)		\$280,052	\$571,642
Secured bank loan		\$4,088,314	\$5,642,583
Convertible notes		\$37,000	\$25,000
	\$4,749,384	\$4,405,366	\$6,239,225
Derivative financial liabilities	\$0	\$125,937	\$0
<u>Provisions</u>			
Long service leave		\$154,826	\$170,476
Annual leave		\$255,735	\$286,335
	\$441,152	\$410,561	\$456,811
<b>Total current liabilities</b>	<b>\$14,249,835</b>	<b>\$15,212,160</b>	<b>\$14,461,060</b>
<b>Non-current liabilities</b>			
<u>Interest-bearing loans and borrowings</u>			
Obligations under hire purchase contracts (note 30)		\$166,807	\$1,419,489
Secured bank loans		\$0	\$0
Convertible notes		\$318,417	\$361,250
	\$430,165	\$485,224	\$1,780,739
Deferred tax liability	\$2,487	\$2,487	\$1,113,427
<u>Provisions</u>			
Long service leave	\$41,602	\$32,064	\$41,007
<b>Total non-current liabilities</b>	<b>\$474,254</b>	<b>\$519,775</b>	<b>\$2,935,173</b>
<b>TOTAL LIABILITIES</b>	<b>\$14,724,089</b>	<b>\$15,731,935</b>	<b>\$17,396,233</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>-\$337,256</b>	<b>-\$211,321</b>	<b>\$5,689,723</b>



# THE MARBLETREND GROUP OF COMPANIES

## Unaudited Balance Sheet

	Period Ended 31 December 2014	Year Ended 30 June 2014	Year Ended 30 June 2013
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
<u>Contributed equity</u>			
(a) Ordinary shares	\$14,965,356	\$13,805,505	\$13,787,505
(b) Convertible notes	\$315,000	\$315,000	\$315,000
	<u>\$15,280,356</u>	<u>\$14,120,505</u>	<u>\$14,102,505</u>
<u>Retained Earnings (Accumulated losses)</u>			
Balance 1 July		-\$10,372,911	-\$3,173,667
Net profit/ (loss)		-\$3,990,536	-\$6,889,954
Dividends paid / proposed		\$0	-\$309,290
Balance 30 June	<u>-\$15,650,700</u>	<u>-\$14,363,447</u>	<u>-\$10,372,911</u>
Non controlling interest	\$0	\$0	\$1,912,794
Reserves	<u>\$33,087</u>	<u>\$31,621</u>	<u>\$47,335</u>
<b>TOTAL EQUITY</b>	<u><u>-\$337,257</u></u>	<u><u>-\$211,321</u></u>	<u><u>\$5,689,723</u></u>

**THE MARBLETREND GROUP OF COMPANIES**

**Unaudited Profit & Loss**

	<b>Period Ended 31 December 2014</b>	<b>Year Ended 30 June 2014</b>	<b>Year Ended 30 June 2013</b>
<b>Continuing operations</b>			
Sale of goods (net rebates and discounts)	\$14,172,065	\$30,676,586	\$34,857,577
Other revenue	\$85	\$5,787	\$6,403
<b>Revenue</b>	<b>\$14,172,150</b>	<b>\$30,682,373</b>	<b>\$34,863,980</b>
 Cost of Sales	 -\$8,349,818	 -\$19,042,178	 -\$22,996,561
<b>Gross profit</b>	<b>\$5,822,332</b>	<b>\$11,640,195</b>	<b>\$11,867,419</b>
 Distribution expenses	 -\$1,754,845	 -\$3,395,808	 -\$4,221,073
Marketing expenses	-\$435,080	-\$1,517,610	-\$1,105,251
Occupancy expenses	-\$919,554	-\$1,826,792	-\$1,951,804
Administrative expenses	-\$3,628,428	-\$8,039,818	-\$8,358,617
Other expenses	\$16,244	-\$190,958	-\$127,509
Impairment loss on revaluation	\$0	-\$40,150	-\$2,351,162
Stock write down	\$0	\$0	-\$1,636,000
Finance costs	-\$385,258	-\$554,118	-\$558,766
<b>Profit/ (loss) from continuing operations before income tax</b>	<b>-\$1,284,589</b>	<b>-\$3,925,059</b>	<b>-\$8,442,763</b>
 Income tax revenue/ (expense)	 -\$2,664	 \$1,247,279	 \$1,688,751
<b>Net profit/ (loss) for the period</b>	<b>-\$1,287,253</b>	<b>-\$2,677,780</b>	<b>-\$6,754,012</b>
 Loss for the year from discounted operations	 \$0	 -\$3,316,644	 -\$223,147
Other comprehensive income	\$0	\$0	\$0
<b>Total comprehensive income/ (loss) for the period</b>	<b>-\$1,287,253</b>	<b>-\$5,994,424</b>	<b>-\$6,977,159</b>
 Net profit/ (loss) for the period is attributable to:			
Non-controlling interest	\$0	-\$2,003,889	-\$87,206
Owners of the parent	-\$1,287,253	-\$3,990,536	-\$6,889,954
	<b>-\$1,287,253</b>	<b>-\$5,994,425</b>	<b>-\$6,977,160</b>
 Total comprehensive income for the period is			
Non-controlling interest	\$0	-\$2,003,889	-\$87,206
Owners of the parent	-\$1,287,253	-\$3,900,536	-\$6,889,954
	<b>-\$1,287,253</b>	<b>-\$5,904,425</b>	<b>-\$6,977,160</b>
 <b>Earnings per share attributable to the owners:</b>			
<b>Basic Earnings per share/ Diluted Earnings per share (cents)</b>			
Loss from continuing operations		-\$4.05	-\$10.39
Loss from discounted operations		-\$1.99	-\$0.21
<b>Total</b>		<b>-\$6.04</b>	<b>-\$10.60</b>

## **ANNEXURE D**

**MARBLETREND PTY LTD**  
**(ADMINISTRATORS APPOINTED)**  
**(RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 109 273 912**

List of Known Creditors as at 24 February 2015

<b>Unsecured Creditors</b>	<b>Amount (\$)</b>
A & A Industrial Supplies Pty Ltd	758.88
ABC Transport	550.28
A.C.N. 159 146 906 Pty Ltd (Formerly "Citywide Holdings (Aust) Pty Ltd")	1,155,552.51
Accidental First Aid Supplies	78.33
ADT Fire Monitoring	2,221.96
AJ Window Cleaning	TBC
AJC Cleaning	695.75
Aline Packaging	1,152.36
Allan Powell Agencies	9,050.61
Alsco Pty Ltd	85.64
APD Parcel Delivery	234.13
Art Plastics Pty Ltd	1,738.00
Ausrep Pty Ltd	23,155.47
Australian Buyers Group Pty Ltd	70,579.04
Australia Post Vic	1,534.40
Australian Taxation Office	1,012,103.49
Auz Country Carriers	295.63
Bayfield Automotive	458.10
Better Water	156.00
The Black River Company Inc	2,821.32
Blue Star Print	3,391.72
Bourne Bathrooms	916.42
Burbank Australia Ltd	111.10
Buyers Independent Group Aus	6,170.09
Callaghan Plumbing	187.00
Cameron Interstate	83,629.18
Caml Shower Equipment Co Ltd	636,768.60
Cardboard Cartons Pty Ltd	11,561.55
Carleo & Co Pty Ltd	1,650.00
Catsoft	632.50
Challenge Recruitment Ltd	39,796.28
Citylink Melbourne Ltd	1,793.13
CKB Industries	631,472.06
Classique Vanities Pty Ltd	4,812.50
CMTP Packaging Pty Ltd	5,295.40
Compact Drums	107.25
Complete Integrated Alarm Services	2,573.25
Converga Pty Ltd	13,200.00
Conrig Plumbing	2,150.00
Cope Sensitive Freight	63,434.92
Corporate Traveller	7,346.49
Cost Effective Cutting	574.20
Jason Cosgrove	4,855.00
Dahlsens Building Centres	4,500.00
Demelog Pty Ltd	1,067.00
Dennis Family Homes Pty Ltd	1,188.00
Dorset Stationers Pty Ltd	865.54

Energy Australia	4,656.35
Envirospheres Pty Ltd	20,763.60
Fastrack Express	224.85
Fifers Building Supplies	389.00
Fix n Chips	132.00
Flat out Freight	1,680.50
Flick Pest Control	449.46
Flick Washroom Services	323.40
Flight Centre Travel Group Ltd	8,781.36
G & J Rulach	14,948.24
Gilbert Transport	5,258.76
Global Packaging	1,360.70
Good Year Autocare	1,250.00
Gully Media Transport Pty Ltd	79,701.00
Hambleton Nominees Pty Ltd	120,903.23
Hampers with Bite Pty Ltd	475.00
Han & Liu's Exquisite Care Clean	1,401.10
Hodgson Transport Pty Ltd	4,537.50
IFS Smartfreight	557.15
Imagearc	322.00
IMP FT Pty Ltd	231.00
Impact Bathroom Industries P/L	29,832.00
Jani-King (WA) Pty Ltd	1,242.38
K & S Freighters	90,346.15
Kelly Hazell	TBC
Keistand Pty Ltd T/as Benton's Plumbing Supplies	10,728.46
Kildare Road Medical Centre	73.00
Leeuwin Transport	352.23
Leader Newspapers	221.13
Little Bit Quick Pty Ltd	13,014.10
Lumo Energy	13,858.95
Mainfreight Distribution Pty Lt	115,600.10
Metropolitan Essential Services	729.60
Metro Roller Doors - SA	330.00
Milkay Investments Pty Ltd	67,877.85
Missenden Consulting Pty Ltd (ATF "Evett Family Trust")	12,375.00
Motorpass	5,086.76
Murray Pest Control	165.00
National Fire Solutions	1,306.98
National Storage - Seven Hills	TBC
Nava Homes	3,200.00
Neverfail Springwater	1,034.83
Noken Design	145,865.60
Oamps Insurance Brokers	74,124.08
Optus Billing Services	1,939.39
Origin Energy Services Ltd	949.83
Peacock Bros Pty Ltd	1,655.50
Penman Property Pty Ltd	70,660.30
Plastic Materials & Processes	22,057.86
Plumbtec	53,701.81
Praxa Limited	23,207.21
Property Accounting	113,367.06
QBE Workers Compensation (Vic) Ltd	25,090.55
Ralph Buck Agencies	TBC
R E Appleby Pty Ltd	111,132.42

Revenue SA	396.05
Rhymadi Transport	1,421.75
RMS	498.00
Rossfreight	65,400.29
Roundhouse Plumbing Services	440.00
Salmon Giles Corporate Pty Ltd	7,865.00
Salmon Giles Pty Ltd	37,037.00
Sanford Cleaning Supplies	100.65
Seek Limited	1,092.30
Senoplast (Australia) P/L	79,379.63
Shanga Aojin Acrylic Products	24,367.31
Shanghai Aojin	41,983.43
The Shape Group	8,580.00
Sharp And Carter	1,980.00
Simonds Home Melbourne	1,623.60
Snap Rowville	343.71
Speed E Gas (NSW)	65.46
Star Track Express	14,911.61
Summit Workwear & Safety	636.90
Supagas QLD	460.30
Supagas VIC	732.40
Synergy	393.75
T2 Services Pty Ltd	660.00
Tape and Industrial Packaging	18.48
Taizhou Kazhongao Sanitary Ware	31,722.91
Telstra	37,451.02
Terry Shields Toyota	888.00
Toll Ipec Pty Ltd	3,987.59
TJ Lilley Transport	42,329.00
Trend Bathroom & Kitchen Centre Pty Ltd	3,512.30
Union Trading Co	41,389.76
Universal Magazines Pty Ltd	5,500.00
Visa Global Logistics	360,084.76
Visa Global Logistics Pty Ltd	648,674.51
Wasteflex	10,490.24
Webroot	2,581.04
WEX Australia Pty Ltd	5,232.10
Workcover SA	402.95
Zhongshan Neptum Sanitary Ware	204,393.06
Zhongshan Weisha Bath Equip	13,228.42
Zuccala Homes Pty Ltd	3,300.00
<b>Total</b>	<b>6,798,298.69</b>

**PPSR/ Secured Creditors**

**Amount (\$)**

AAA Packaging Supplies	6,109.07
Alleasing Pty Ltd	20,823.00
Bidvest Australia Limited	TBC
Britannia Jahco Pty Ltd	1,438.80
Macquarie Leasing Pty Ltd	358,690.72
Nuplex Composites (a division of Nuplex Industries (Aust) Pty Ltd)	56,649.56
Profork Pty Ltd	21,754.75
Pro-Pac Packaging (Aust) Pty Limited	TBC
Realstar Finace Pty Ltd	699,524.68
Royal Wolf Trading Australia Pty Ltd	1,824.10
Upstream Print Solutions	28,119.02

Westpac Banking Corporation Limited	5,059,439.00
<b>Total</b>	<b>6,254,372.70</b>

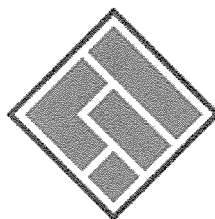
<b>Employee Creditors</b>	<b>Amount (\$)</b>
Daniel Abbott	6,722.15
Paul Alexander	3,822.95
Troy Aslanidis	463.61
Robert Bass	32,889.03
Gulio Basso	24,400.08
Jason Baxter	32,628.06
Melissa Burton	10,224.13
Matt Christophers	8,519.58
Raymond Christophers	19,580.44
Robert Clarke	34,321.90
James Cole	2,064.09
Jason Cosgrove	27,840.30
Talem Cummings	525.07
Colin Cunningham	22,894.70
Matthew Dempsey	22,907.03
Con Di Petta	35,454.10
Corrine Dudley	2,184.17
Dominic Dyson	2,617.80
Mathew Fitch	49,745.09
Anthony Fitzwater	3,940.08
Jancie Geiran	1,831.44
Julius Green	TBC
Leon Gurney	27,811.05
Gayle Haggett	6,770.96
Garry Hanson	27,880.19
Nicholas Patrick Harford	29,481.54
Terry Hayes	16,945.70
Ben Hill	3,667.14
David Jackson	27,792.52
Yvonne Janson	9,918.49
Michelle Kearney	2,994.83
Cristy Kidgell	2,309.92
Luke Kolln	3,936.26
Shantelle Korber	9,415.89
Jayne Kost	1,458.58
Jennifer La	24,243.96
Bret Mackay	7,321.04
Brad Mannix	27,735.34
Kevin Martin	63,664.41
Lauren McArthur	3,096.25
Peter Mellahn	28,047.29
Damien Miriklis	9,357.85
Jack Muffatti	964.22
Jeffrey Nicol	3,500.00
Daniel Owen	38,608.31
Andrew Penman	54,189.99
Matthew Peucker	9,265.50
Toni Rennie	10,531.75
Ross Rivett	43,327.94
Jesse Russell	5,849.50
William Rylatt	TBC

David Scotter	17,583.65
Robert Smith	10,410.83
Maryanne Suraweera	534.27
Liam Thompson	13,873.17
Reena Varghese	16,334.76
Dineshchandra Varsani	2,025.82
Nathean Wayman	11,799.25
Tina Weir	5,031.27
Jarrold White	4,259.70
William Whitehead	3,387.51
Nickalos Zwitter	1,804.31
<b>Total</b>	<b>932,706.76</b>

**Total Creditor Claims**

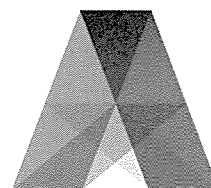
**13,985,378.15**





ASIC

Australian Securities & Investments Commission



ARITA

## Insolvency information for directors, employees, creditors and shareholders

ASIC has eleven (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 given directors, employees, creditors and shareholders a basic understanding of the three most common 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 Australian Restructuring Insolvency & Turnaround Association (Formerly known as the "Insolvency Practitioners Association") ("ARITA"), the leading professional organization in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### List of insolvency information sheets

- |   |  |
|---|--|
| ▪ Insolvency: a glossary of terms                 | ▪ Receivership: a guide for employees                            |
| ▪ Voluntary administration: a guide for creditors | ▪ Insolvency: a guide for shareholders                           |
| ▪ Voluntary administration: a guide for employees | ▪ Insolvency: a guide for directors                              |
| ▪ Liquidation: a guide for creditors              | ▪ Independence of external administrators: a guide for creditors |
| ▪ Liquidation: a guide for employees              | ▪ Approving fees: a guide for creditors                          |
| ▪ Receivership: a guide for creditors             |  |

### Getting copies of these information sheets

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the ARITA website at [www.arita.com.au](http://www.arita.com.au). The ARITA website also contains the ARITA's Code of Professional Practice for Insolvency Professionals, which applies to ARITA members.

Important note: These 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 advisor to take into account your particular circumstances and to tell you how the law applies to you.

*(this page intentionally left blank)*

**MBD CORPORATION LIMITED  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 087 730 667**

**ANNEXURE PACK**

- Agenda
- Appointment of Proxy Form
- Proof of Debt for the Purpose of Voting at Meeting of Creditors
- Remuneration Report

## **AGENDA**

**MBD CORPORATION LIMITED  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 087 730 667**

**MEETING OF CREDITORS  
PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001**

Wednesday, 4 March 2015 at 9.30am  
At the offices of SV Partners,  
Level 17, 200 Queen Street, Melbourne 3000

1. Opening of the meeting and introduction of the Joint and Several Administrators and officers of the company;
2. Tabling of the proxies and attorneys;
3. Tabling of the company's Report as to Affairs; Report by the Joint and Several Administrators' about the company's affairs; and statement by the Joint and Several Administrators' setting out their opinion about the company's future and the creditors' interests;
4. Statements by the Joint and Several Administrators, officers of the company and by creditors and their representatives;
5. Questions;
6. Joint and Several Administrator's summary of matters raised in statements and questions;
7. Proposal of resolution under Section 439C;
8. Proposal of resolution to approve and fix the remuneration of the Joint and Several Administrators of the company;
9. Proposal of resolution to approve and cap the remuneration of the Joint and Several Liquidators (if applicable);
10. If applicable, appoint of another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated;
11. Consideration of appointment of a Committee of Inspection and, if required, election of the committee members;
12. That the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company;
13. Any other matters;
14. Closure of meeting.

## Corporations Act 2001

A.C.N. 087 730 667

**APPOINTMENT OF PROXY**

\*I/\*We(1) .....  
 of (address).....  
 a creditor of **MBD CORPORATION LIMITED (Administrators Appointed) (Receivers and Managers Appointed)** appoint (2).....  
 or in his absence .....  
 as my/our **general** or **special** proxy to vote at the meeting of creditors to be held on Wednesday, 4 March 2015 at 9.30am or at any adjournment of that meeting.

**Please circle above whether general or special proxy**

If **special proxy**, please indicate how you wish to vote on the resolutions to be put forward by ticking the boxes below.

	FOR	AGAINST	ABSTAIN
a) That the company execute a Deed of Company Arrangement (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) That the Voluntary Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) That the company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) "That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$25,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) "That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$30,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*(this page intentionally left blank)*

	FOR	AGAINST	ABSTAIN
f) Appoint another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) That a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) That _____ be nominated as a member of the Committee of Inspection.			
i) That the Joint and Several Liquidators be and are hereby authorised upon the finalisation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature(3).....  
 THE COMMON SEAL of )  
 (name of company) )  
 was hereunto affixed in accordance with )  
 its Articles of Association. )

Director \_\_\_\_\_ Director/Secretary

\* *Strike out if inapplicable*

- (1) *If a firm, strike out "I" and set out the full name of the firm. If a company, the proxy must be completed under the company seal or by an attorney of the company or pursuant to the provisions of the company's constitution.*
- (2) *Insert the name, address and description of the person appointed.*
- (3) *The signature of the creditor is not to be attested by the person nominated as proxy.*

### CERTIFICATE OF WITNESS

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy)*

I, (name) .....  
 of (address) .....  
 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 or her before he or she signed or marked the instrument.

DATED this       day of       20

Signature of Witness.....

Description .....

Place of residence.....

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015 TO:**

### SV PARTNERS

Level 17  
 200 Queen Street  
 MELBOURNE VIC 3000

Telephone: 9669 1100  
 Facsimile: 9670 4435

*(this page intentionally left blank)*



**CORPORATIONS ACT 2001**  
**MBD CORPORATION LIMITED**  
**(ADMINISTRATORS APPOINTED)**  
**(RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 087 730 667**

**PROOF OF DEBT FOR PURPOSE OF VOTING AT  
MEETING OF CREDITORS**

Name of Creditor .....

Amount of Debt Claimed (See note 1) .....

Nature of Debt .....

.....

Whether Debt secured or unsecured.....

If secured, give details of security including dates etc .....

.....

.....

Signature of Creditor .....

.....

**OR**

THE COMMON SEAL of )  
(NAME OF COMPANY) )  
)  
was hereunto affixed in accordance )  
with its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

- Note 1: A creditor may not vote on any unliquidated or contingent debt or claim, or a debt, the value of which is not established, unless a just estimate of its value has been made.
- Note 2: A secured creditor shall be entitled to vote in respect of the total liability.
- Note 3: This Proof should be signed by the creditor or a person in the employ of the Creditor duly authorised by that creditor to sign. **If a creditor is a company, it should be signed by a person authorised under the Seal of the company or by an attorney of the company or pursuant to the provisions of the company's Constitution to execute a Proof of Debt on its behalf. The Chairman of the meeting may admit or reject a Proof of Debt for the purpose of voting at the meeting.**

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015** to:

**SV PARTNERS**

Level 17

200 Queen Street

MELBOURNE VIC 3000

Telephone: 9669 1100

Facsimile: 9670 4435

*(this page intentionally left blank)*

## **REMUNERATION REPORT TO THE CREDITORS OF**

### **MBD CORPORATION LIMITED (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED) A.C.N. 087 730 667**

This report has been prepared for the purpose of providing creditors with an understanding of the activities which have been or may be undertaken by our office during the course of our appointment as the Joint and Several Administrators of the company and if applicable, the Joint and Several Liquidators of the company and our proposed remuneration in relation to same.

Our proposed remuneration has been calculated on the basis of the time based / hourly rate method for the reasons as explained in our Notice to Creditors dated 24 February 2015.

Our Current Scale of Fees (as at 1 July 2014), which we believe is in line with current industry rates is set out on the following page 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.

These rates are subject to an additional ten (10) per cent in respect of goods and services tax.

Where possible, we seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

## SV PARTNERS

### INSOLVENCY RATE EXPERIENCE CLASSIFICATION AS AT 1 JULY 2014 (VICTORIA)

Hourly Rate (GST excl) \$	Position	Description
590.00	Director / Appointee	Registered and/or Official Liquidator, Administrator or Registered Trustee in Bankruptcy or Director, bringing his / her specialist skills to the administration or insolvency task.
525.00	Associate Director	Typically a qualified accountant with 10+ years of insolvency experience. Oversees all staff and is responsible for all aspects of the file subject to the direction of the Appointee. May be a Registered or Official Liquidator / Trustee able to accept appointments.
475.00	Senior Manager	Seven (7) to ten (10) years' experience, at least three (3) to five (5) years as manager, qualified accountant and capable of controlling all aspects of an administration.
440.00	Manager 1	More than seven (7) years insolvency or equivalent experience, at least three (3) of which as manager, qualified accountant. Answerable to the appointee, but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and their training.
410.00	Manager 2	Six (6) to seven (7) years, qualified accountant, with well-developed technical and commercial skills. Is constantly alert to opportunities to meet clients' needs and to improve the clients' future operation, either by revenue enhancement or by reducing costs and improving efficiency. Controls two (2) to four (4) staff.
370.00	Supervisor	Four (4) to six (6) years of relevant insolvency and accounting experience. ICAA / CPA or equivalent qualification. Has conduct of minor administrations and experience in control of one (1) to three (3) staff. Assists planning and control of medium to larger jobs.
330.00	Senior 1	Two (2) to four (4) years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
300.00	Senior 2	Two (2) to three (3) years of relevant insolvency and accounting experience. Assist with small jobs as well as assisting with some of the more difficult work on larger jobs.
250.00	Bookkeeper	Attending to all matters with respect to maintaining administration of accounts, banking and other related tasks.
260.00	Intermediate 1	One (1) to two (2) years of relevant insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.
220.00	Intermediate 2	One (1) to two (2) years' experience. Trainee, required to assist in day to day fieldwork under supervision of more senior staff.
190.00	Graduate	Zero (0) to one (1) years' experience. Graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
175.00	Secretary / WPO	Appropriate skills, including machine usage.
170.00	Clerk	Non-qualified, but passed the VCE. Classification depends on experience, salary and complexity of work to be conducted.
130.00	Junior	VCE or equivalent. Required to assist in administration and day to day fieldwork under supervision of more senior staff.

## 1. VOLUNTARY ADMINISTRATION

### Joint and Several Administrators remuneration from the commencement of the Voluntary Administration to 20 February 2015 (inclusive)

Since the date of our appointment, we have dealt with the affairs of the company and conducted investigations relevant to our statutory responsibilities and the preparation of this report. A description of work completed and / or to be completed by our office up to and including 20 February 2015 and our proposed remuneration in relation to same, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Total Hours: 1.1 Total Cost: \$286	Debtors / Other Receivables (including Loan Accounts)	Review / investigations into debtors / other receivables (as appropriate) Conduct enquiries with the Receivers and Managers regarding the current position of debtor recoveries
	Plant and Equipment ("P&E")	Review / investigations into P&E (as appropriate) Attend premises in relation to P&E on appointment Conduct enquiries with the Receivers and Managers regarding the current position of P&E recoveries
	Stock	Review / investigations into stock (as appropriate) Attend premises in relation to stock on appointment Liaise with the Receivers and Managers regarding the current position of stock recoveries
	Motor Vehicles ("MV")	Conduct MV searches on appointment Review / investigations into MV (as appropriate) Attend premises in relation to MV on appointment
	Real Property / Land	Conduct investigations into existence of real property / land
	Retention of Title ("ROT") / Consignment Stock	Issue notice to creditors with respect to potential ROT / Consignment Stock claims Liaising with ROT / Consignment stock claimants
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct general investigations into other existence of asset(s) on appointment
	Sale of Assets	Conduct enquiries with the Receivers and Managers to enquire as to the strategy / current position with respect to the realisation of the company's assets
	Insolvent Trading	Preparation of insolvent trading memorandum
<b>CREDITORS</b> Total Hours: 17.2 Total Cost: \$5,932	Secured Creditors	Discussions regarding secured creditors claims Correspondence to / from secured creditors Investigations into secured creditors claims (as appropriate)
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors' claims (as appropriate) Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Leases / Hire Purchase / Finance Contracts	Communications with Lease / HP creditors Investigations into Lease / HP claim (as appropriate) Review of Lease / HP documents

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
		Attending to general matters regarding Lease / HP
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute Meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>INVESTIGATIONS</b> Total Hours: 3.8 Total Cost: \$975.50	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Updating checklist General investigations into administration
	ASIC Searches and Veda files	Conducting and reviewing Veda, ASIC, other statutory and general searches
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
<b>ADMINISTRATION</b> Total Hours: 15 Total Cost: \$4,711.50	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Insurance	Corresponding with insurer regarding appointment
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with Banks	Opening bank account Freeze bank accounts General correspondence regarding bank accounts
	Receipts	Processing administration receipt Preparation of correspondence to payer
	Internal Administration Accounts	Attend to all matters regarding maintaining Internal Administration Accounts

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
	Bank Statements	Reviewing and attending to all other matters regarding bank statements
	Fees	Preparation of Work In Progress Report to approved rates Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Report as to Affairs	Attending to all matters regarding Report As To Affairs
	Lodgements with ASIC / Other	Lodging appointment documents with ASIC Correspondence to ASIC regarding the company's reporting obligations
	Australian Securities Exchange ("ASX")	Communications with / correspondence to the ASX
	Advertisements	Advertising appointment Advertising meeting of creditors

**MBD CORPORATION PTY LTD**  
**(RECEIVERS AND MANAGERS APPOINTED)**  
**(ADMINISTRATORS APPOINTED)**  
A.C.N. 087 730 667

**Summary of Remuneration claimed for the period 28 January 2015 to 20 February 2015**

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area					
					Assets		Creditors		Investigations	
					Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	590	0.6	354.00		0.00	0.6	354.00		0.00
Michael Carrafa	Director	590	1.5	885.00		0.00	0.3	177.00		0.00
Adrian Warry	Senior Manager	475	2.8	1,330.00		0.00	1.6	760.00	0.1	47.50
Lauren Graham	Supervisor	370	6.7	2,479.00		0.00	3.6	1,332.00	0.1	37.00
Colleen O'Loughlin	Supervisor	370	7.6	2,812.00		0.00	5.7	2,109.00	0.5	185.00
Angela Hatzis	Bookkeeper	250	0.9	225.00		0.00		0.00		0.00
Matthew Avramov	Intermediate 1	260	10.1	2,626.00	1.1	286.00	3.0	780.00	1.8	468.00
James Long	Graduate	190	0.7	133.00		0.00		0.00	0.7	133.00
Zack Haidarie	Graduate	190	0.8	152.00		0.00		0.00		0.00
Michelle Kruse	Secretary	175	4.6	805.00		0.00	2.4	420.00	0.6	105.00
Michael Accadia	Junior	130	0.4	52.00		0.00		0.00		0.00
Cecilia Moon	Junior	130	0.2	26.00		0.00		0.00		0.00
Zamira Sulovska	Junior	130	0.2	26.00		0.00		0.00		0.00
<b>Total</b>			<b>37.1</b>	<b>11,905.00</b>	<b>1.1</b>	<b>286.00</b>	<b>17.2</b>	<b>5,932.00</b>	<b>3.8</b>	<b>975.50</b>
<b>GST</b>				<b>1,190.50</b>						
<b>Total (incl GST)</b>				<b>13,095.50</b>						
<b>Average Hourly Rate (excl GST)</b>				<b>320.89</b>	<b>260.00</b>		<b>344.88</b>		<b>256.71</b>	<b>314.10</b>



**Joint and Several Administrators remuneration from 21 January 2015 to the day prior to the Second Meeting of Creditors, being 3 March 2015.**

A summary of the tasks that we anticipate will be undertaken for the period from 21 January 2015 to the day prior to the second meeting of creditors and the estimated costs therein is set out in the table below:

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>CREDITORS</b> Estimated Cost: \$10,000	Unsecured Creditors	Communications with unsecured creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Dealing with Proof of Debt (when dividend not declared)
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>ADMINISTRATION</b> Estimated Cost: \$3,095	Communications with directors	Liaise with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Attending to incoming / outgoing mail

At the second meeting, creditors will be asked to approve and fix the Joint and Several Administrators' remuneration for the period up to the Second Meeting of Creditors by passing the following resolution:

“That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$25,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## 2. LIQUIDATION

### Joint and Several Liquidators remuneration for the period from commencement to the finalisation of the Liquidation

A summary of the tasks that we anticipate will be undertaken for the period of the Liquidation and the estimated costs therein, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Estimated Cost: \$12,500	Debtors / Other Receivables (including Loan Accounts)	Conduct enquiries with the Receivers and Managers regarding the outcome of debtor recoveries
	Plant and Equipment (“P&E”)	Conduct enquiries with the Receivers and Managers regarding the outcome of P&E recoveries
	Stock	Conduct enquiries with the Receivers and Managers regarding the outcome of stock recoveries
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of other asset recoveries
	Sale of Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of the realisation of the company’s assets
	Insolvent Trading	Preparation of insolvent trading memorandum Preparation of solvency investigation report
<b>CREDITORS</b> Estimated Cost: \$5,000	Secured Creditors	Conduct enquiries with the Receivers and Managers regarding secured creditors claims
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors claim Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Supplementary / Subsequent Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>INVESTIGATIONS</b> Estimated Cost: \$5,000		Attend / Chair / Preside / Minute meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Administration file review Updating checklist General investigations into administration
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
<b>ADMINISTRATION</b> Estimated Cost: \$7,500	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Fees	Preparation of Work In Progress Report to approved rates Preparation of bill / write off Work In Progress Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Attending to general matters relating to ABN / GST
	Monthly / Quarterly BAS / IAS	Preparation / Review of BAS / IAS
	Tax Invoices	Preparing / Reviewing Tax invoices relating to BAS / IAS
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Lodgements with ASIC / Other	Lodging minutes of meeting with ASIC Lodging Section 533 report with ASIC Lodging Statutory forms with ASIC / other statutory authority including receipts and payments
	Reports and correspondence for ASIC / Statutory Authority	Preparing reports and correspondence for ASIC / Statutory Authority Preparing Section 533 report with ASIC Preparing / Reviewing statutory forms and receipts and payments for lodgement with ASIC / other statutory authority

TASK AREA	GENERAL DESCRIPTION	INCLUDES
		Liaising with ASIC / other statutory authority
	Advertisements	Advertising meeting of creditors

In light of the above and based on the information to hand, it is estimated that should creditors resolve to wind up the company, the Joint and Several Liquidators' remuneration should not exceed \$30,000 (excluding GST) for the period of the liquidation. Accordingly, creditors will be asked to approve the Joint and Several Liquidators' remuneration by passing the following resolution:

"That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$30,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."

## DISBURSEMENTS

**Disbursement costs may be divided into three (3) types: A, B1 and B2.**

A	Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees
B1	Disbursements are externally provided non-professional costs, such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
B2	Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost, except for photocopying, printing and telephone calls which are charged at a rate which was intended to recoup both variable and fixed costs.

Details of the disbursements paid during the course of our appointment are summarized in the Joint and Several Administrators Receipts and Payments located in Part 8 of our Section 439A Report to Creditors attached.

Whilst we do not require the approval of creditors to pay disbursements, the notes which form part of the Joint and Several Administrators Receipts and Payments have been provided to assist creditors in understanding the disbursement costs incurred during the course of the voluntary administration up to the preparation of this report.

Creditors are also able to obtain further information about our remuneration and disbursements on written request.

We refer creditors to an information sheet titled “Approving Fees: A Guide for Creditors” which may be obtained from the ASIC website at:

[http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving\\_fees\\_guide\\_for\\_creditors.pdf/\\$file/Approving\\_fees\\_guide\\_for\\_creditors.pdf](http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

Dated: 24 February 2015

A handwritten signature in black ink, appearing to read 'Richard J Cauchi', with a long horizontal stroke extending to the left.

RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

*(this page intentionally left blank)*

**MARBLETREND PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 109 273 912**

**ANNEXURE PACK**

- Agenda
- Appointment of Proxy Form
- Proof of Debt for the Purpose of Voting at Meeting of Creditors
- Remuneration Report

## **AGENDA**

**MARBLETREND PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 109 273 912**

**MEETING OF CREDITORS  
PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001**

Wednesday, 4 March 2015 at 11.00am  
At the offices of SV Partners,  
Level 17, 200 Queen Street, Melbourne 3000

1. Opening of the meeting and introduction of the Joint and Several Administrators and officers of the company;
2. Tabling of the proxies and attorneys;
3. Tabling of the company's Report as to Affairs; Report by the Joint and Several Administrators' about the company's affairs; and statement by the Joint and Several Administrators' setting out their opinion about the company's future and the creditors' interests;
4. Statements by the Joint and Several Administrators, officers of the company and by creditors and their representatives;
5. Questions;
6. Joint and Several Administrator's summary of matters raised in statements and questions;
7. Proposal of resolution under Section 439C;
8. Proposal of resolution to approve and fix the remuneration of the Joint and Several Administrators of the company;
9. Proposal of resolution to approve and cap the remuneration of the Joint and Several Liquidators (if applicable);
10. If applicable, appoint of another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated;
11. Consideration of appointment of a Committee of Inspection and, if required, election of the committee members;
12. That the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company;
13. Any other matters;
14. Closure of meeting.



## Corporations Act 2001

A.C.N. 109 273 912

**APPOINTMENT OF PROXY**

\*I/\*We(1) .....  
 of (address).....  
 a creditor of **MARBLETREND PTY LTD (Administrators Appointed) (Receivers and Managers Appointed)**  
 appoint (2) .....  
 or in his absence .....  
 as my/our **general** or **special** proxy to vote at the meeting of creditors to be held on Wednesday, 4 March 2015 at  
 11.00am or at any adjournment of that meeting.

**Please circle above whether general or special proxy**

If **special proxy**, please indicate how you wish to vote on the resolutions to be put forward by ticking the boxes below.

	FOR	AGAINST	ABSTAIN
a) That the company execute a Deed of Company Arrangement (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) That the Voluntary Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) That the company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) "That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$95,000(excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) "That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$60,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*(this page intentionally left blank)*

	FOR	AGAINST	ABSTAIN
f) Appoint another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) That a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) That _____ be nominated as a member of the Committee of Inspection.			
i) That the Joint and Several Liquidators be and are hereby authorised upon the finalisation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature(3).....

THE COMMON SEAL of )  
(name of company) )  
was hereunto affixed in accordance with )  
its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

\* *Strike out if inapplicable*

- (1) *If a firm, strike out "I" and set out the full name of the firm. If a company, the proxy must be completed under the company seal or by an attorney of the company or pursuant to the provisions of the company's constitution.*
- (2) *Insert the name, address and description of the person appointed.*
- (3) *The signature of the creditor is not to be attested by the person nominated as proxy.*

#### CERTIFICATE OF WITNESS

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy)*

I, (name) .....  
of (address).....  
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 or her before he or she signed or marked the instrument.

DATED this        day of        20

Signature of Witness.....

Description.....

Place of residence.....

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015 TO:**

#### SV PARTNERS

Level 17  
200 Queen Street  
MELBOURNE VIC 3000

Telephone: 9669 1100  
Facsimile: 9670 4435

*(this page intentionally left blank)*

**CORPORATIONS ACT 2001  
MARBLETREND PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 109 273 912**

**PROOF OF DEBT FOR PURPOSE OF VOTING AT  
MEETING OF CREDITORS**

Name of Creditor .....

Amount of Debt Claimed (See note 1) .....

Nature of Debt .....

.....

Whether Debt secured or unsecured.....

If secured, give details of security including dates etc.....

.....

.....

Signature of Creditor .....

.....

**OR**

THE COMMON SEAL of )  
(NAME OF COMPANY) )  
)  
was hereunto affixed in accordance )  
with its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

- Note 1: A creditor may not vote on any unliquidated or contingent debt or claim, or a debt, the value of which is not established, unless a just estimate of its value has been made.
- Note 2: A secured creditor shall be entitled to vote in respect of the total liability.
- Note 3: This Proof should be signed by the creditor or a person in the employ of the Creditor duly authorised by that creditor to sign. **If a creditor is a company, it should be signed by a person authorised under the Seal of the company or by an attorney of the company or pursuant to the provisions of the company's Constitution to execute a Proof of Debt on its behalf. The Chairman of the meeting may admit or reject a Proof of Debt for the purpose of voting at the meeting.**

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015** to:

**SV PARTNERS**

Level 17

200 Queen Street

MELBOURNE VIC 3000

Telephone: 9669 1100

Facsimile: 9670 4435

*(this page intentionally left blank)*

## **REMUNERATION REPORT TO THE CREDITORS OF**

### **MARBLETREND PTY LTD (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED) A.C.N. 109 273 912**

This report has been prepared for the purpose of providing creditors with an understanding of the activities which have been or may be undertaken by our office during the course of our appointment as the Joint and Several Administrators of the company and if applicable, the Joint and Several Liquidators of the company and our proposed remuneration in relation to same.

Our proposed remuneration has been calculated on the basis of the time based / hourly rate method for the reasons as explained in our Notice to Creditors dated 24 February 2015.

Our Current Scale of Fees (as at 1 July 2014), which we believe is in line with current industry rates is set out on the following page 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.

These rates are subject to an additional ten (10) per cent in respect of goods and services tax.

Where possible, we seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

## SV PARTNERS

### INSOLVENCY RATE EXPERIENCE CLASSIFICATION AS AT 1 JULY 2014 (VICTORIA)

Hourly Rate (GST excl) \$	Position	Description
590.00	Director / Appointee	Registered and/or Official Liquidator, Administrator or Registered Trustee in Bankruptcy or Director, bringing his / her specialist skills to the administration or insolvency task.
525.00	Associate Director	Typically a qualified accountant with 10+ years of insolvency experience. Oversees all staff and is responsible for all aspects of the file subject to the direction of the Appointee. May be a Registered or Official Liquidator / Trustee able to accept appointments.
475.00	Senior Manager	Seven (7) to ten (10) years' experience, at least three (3) to five (5) years as manager, qualified accountant and capable of controlling all aspects of an administration.
440.00	Manager 1	More than seven (7) years insolvency or equivalent experience, at least three (3) of which as manager, qualified accountant. Answerable to the appointee, but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and their training.
410.00	Manager 2	Six (6) to seven (7) years, qualified accountant, with well-developed technical and commercial skills. Is constantly alert to opportunities to meet clients' needs and to improve the clients' future operation, either by revenue enhancement or by reducing costs and improving efficiency. Controls two (2) to four (4) staff.
370.00	Supervisor	Four (4) to six (6) years of relevant insolvency and accounting experience. ICAA / CPA or equivalent qualification. Has conduct of minor administrations and experience in control of one (1) to three (3) staff. Assists planning and control of medium to larger jobs.
330.00	Senior 1	Two (2) to four (4) years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
300.00	Senior 2	Two (2) to three (3) years of relevant insolvency and accounting experience. Assist with small jobs as well as assisting with some of the more difficult work on larger jobs.
250.00	Bookkeeper	Attending to all matters with respect to maintaining administration of accounts, banking and other related tasks.
260.00	Intermediate 1	One (1) to two (2) years of relevant insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.
220.00	Intermediate 2	One (1) to two (2) years' experience. Trainee, required to assist in day to day fieldwork under supervision of more senior staff.
190.00	Graduate	Zero (0) to one (1) years' experience. Graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
175.00	Secretary / WPO	Appropriate skills, including machine usage.
170.00	Clerk	Non-qualified, but passed the VCE. Classification depends on experience, salary and complexity of work to be conducted.
130.00	Junior	VCE or equivalent. Required to assist in administration and day to day fieldwork under supervision of more senior staff.



## 1. VOLUNTARY ADMINISTRATION

### Joint and Several Administrators remuneration from the commencement of the Voluntary Administration to 20 February 2015 (inclusive)

Since the date of our appointment, we have dealt with the affairs of the company and conducted investigations relevant to our statutory responsibilities and the preparation of this report. A description of work completed and / or to be completed by our office up to and including 20 February 2015 and our proposed remuneration in relation to same, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Total Hours: 8.3 Total Cost: \$2,439.50	Debtors / Other Receivables (including Loan Accounts)	Review / investigations into debtors / other receivables (as appropriate) Conduct enquiries with the Receivers and Managers regarding the current position of debtor recoveries
	Plant and Equipment ("P&E")	Review / investigations into P&E (as appropriate) Attend premises in relation to P&E on appointment Conduct enquiries with the Receivers and Managers regarding the current position of P&E recoveries
	Stock	Review / investigations into stock (as appropriate) Attend premises in relation to stock on appointment Liaise with the Receivers and Managers regarding the current position of stock recoveries
	Motor Vehicles ("MV")	Conduct MV searches on appointment Review / investigations into MV (as appropriate) Attend premises in relation to MV on appointment
	Real Property / Land	Conduct investigations into existence of real property / land
	Retention of Title ("ROT") / Consignment Stock	Issue notice to creditors with respect to potential ROT / Consignment Stock claims Liaising with ROT / Consignment stock claimants
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct general investigations into other existence of asset(s) on appointment
	Sale of Assets	Conduct enquiries with the Receivers and Managers to enquire as to the strategy / current position with respect to the realisation of the company's assets
	Insolvent Trading	Preparation of insolvent trading memorandum
<b>CREDITORS</b> Total Hours: 92.2 Total Cost: \$31,850	Secured Creditors	Discussions regarding secured creditors claims Correspondence to / from secured creditors Investigations into secured creditors claims (as appropriate)
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors' claims (as appropriate) Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Leases / Hire Purchase / Finance Contracts	Communications with Lease / HP creditors Investigations into Lease / HP claim (as appropriate) Review of Lease / HP documents

TASK AREA	GENERAL DESCRIPTION	INCLUDES
		Attending to general matters regarding Lease / HP
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute Meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>EMPLOYEES</b> Total Hours: 10.9 Total Cost: \$3,659	Priority Creditors	Communication / Correspondence with priority creditors on appointment Conduct enquiries with the Receivers and Managers regarding priority creditors' claims Communications with Child Support Agency on appointment
<b>INVESTIGATIONS</b> Total Hours: 49.7 Total Cost: \$16,577	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Updating checklist General investigations into administration
	ASIC Searches and Veda files	Conducting and reviewing Veda, ASIC, other statutory and general searches
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
<b>ADMINISTRATION</b> Total Hours: 42.4 Total Cost: \$17,410.50	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Insurance	Corresponding with insurer regarding appointment
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with	Opening bank account

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
	Banks	Freeze bank accounts General correspondence regarding bank accounts
	Receipts	Processing administration receipt Preparation of correspondence to payer
	Internal Administration Accounts	Attend to all matters regarding maintaining Internal Administration Accounts
	Bank Statements	Reviewing and attending to all other matters regarding bank statements
	Fees	Preparation of Work In Progress Report to approved rates Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Report as to Affairs	Attending to all matters regarding Report As To Affairs
	Lodgements with ASIC / Other	Lodging appointment documents with ASIC
	Advertisements	Advertising appointment Advertising meeting of creditors

MARBLETREND PTY LTD  
(RECEIVERS AND MANAGERS APPOINTED)  
(ADMINISTRATORS APPOINTED)  
A.C.N. 109 273 912

Summary of Remuneration claimed for the period 28 January 2015 to 20 February 2015

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area									
					Assets		Creditors		Employees		Investigations		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	590	24.8	14,632.00		0.00	3.0	1,770.00		0.00	7.8	4,602.00	14.0	8,260.00
Michael Carrafa	Director	590	3.0	1,770.00		0.00	0.5	295.00		0.00		0.00	2.5	1,475.00
Peter Gountzos	Director	590	1.2	708.00	0.5	295.00	0.3	177.00		0.00		0.00	0.4	236.00
Adrian Warry	Senior Manager	475	6.6	3,135.00	0.2	95.00	6.0	2,850.00		0.00	0.4	190.00		0.00
Lauren Graham	Supervisor	370	25.5	9,435.00	0.3	111.00	15.8	5,846.00	1.3	481.00	2.1	777.00	6.0	2,220.00
Colleen O'Loughlin	Supervisor	370	59.2	21,904.00	1.3	481.00	36.4	13,468.00	6.2	2,294.00	9.0	3,330.00	6.3	2,331.00
Leon D'Souza	Senior 1	330	0.6	198.00	0.6	198.00		0.00		0.00		0.00		0.00
Angela Hatzis	Bookkeeper	250	8.1	2,025.00		0.00		0.00		0.00	6.6	1,650.00	1.5	375.00
Matthew Avramov	Intermediate 1	260	60.8	15,808.00	3.7	962.00	25.4	6,604.00	3.4	884.00	21.6	5,616.00	6.7	1,742.00
James Long	Graduate	190	2.2	418.00		0.00		0.00		0.00	1.8	342.00	0.4	76.00
Akaterina Dimitriadis	Graduate	190	0.8	152.00		0.00		0.00		0.00		0.00	0.8	152.00
Michelle Kruse	Secretary	175	8.0	1,400.00	1.7	297.50	4.8	840.00		0.00	0.4	70.00	1.1	192.50
Michael Accadia	Junior	130	0.4	52.00		0.00		0.00		0.00		0.00	0.4	52.00
Cecilia Moon	Junior	130	0.7	91.00		0.00		0.00		0.00		0.00	0.7	91.00
Zamira Sulovska	Junior	130	1.6	208.00		0.00		0.00		0.00		0.00	1.6	208.00
Total			203.5	71,936.00	8.3	2,439.50	92.2	31,850.00	10.9	3,659.00	49.7	16,577.00	42.4	17,410.50
GST				7,193.60										
Total (incl GST)				79,129.60										
Average Hourly Rate (excl GST)				353.49	293.92		345.44		335.69		333.54		410.63	

**Joint and Several Administrators remuneration from 21 January 2015 to the day prior to the Second Meeting of Creditors, being 3 March 2015.**

A summary of the tasks that we anticipate will be undertaken for the period from 21 January 2015 to the day prior to the second meeting of creditors and the estimated costs therein is set out in the table below:

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>CREDITORS</b> Estimated Cost: \$18,000	Unsecured Creditors	Communications with unsecured creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Dealing with Proof of Debt (when dividend not declared)
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>EMPLOYEES</b> Estimated Cost: \$500	Priority Creditors	Communications with priority creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
<b>ADMINISTRATION</b> Estimated Cost: \$4,564	Communications with directors	Liaise with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Attending to incoming / outgoing mail

At the second meeting, creditors will be asked to approve and fix the Joint and Several Administrators' remuneration for the period up to the Second Meeting of Creditors by passing the following resolution:

“That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$95,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## 2. LIQUIDATION

### Joint and Several Liquidators remuneration for the period from commencement to the finalisation of the Liquidation

A summary of the tasks that we anticipate will be undertaken for the period of the Liquidation and the estimated costs therein, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Estimated Cost: \$30,000	Debtors / Other Receivables (including Loan Accounts)	Conduct enquiries with the Receivers and Managers regarding the outcome of debtor recoveries
	Plant and Equipment (“P&E”)	Conduct enquiries with the Receivers and Managers regarding the outcome of P&E recoveries
	Stock	Conduct enquiries with the Receivers and Managers regarding the outcome of stock recoveries
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions Meetings / Discussions regarding potential Voidable Transaction claims Correspond with recipient / benefactor of potential Voidable Transaction Liaise with legal representative regarding Voidable Transaction Preparation of solvency investigation report
	Other Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of other asset recoveries
	Sale of Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of the realisation of the company’s assets
	Insolvent Trading	Preparation of insolvent trading memorandum Preparation of solvency investigation report
<b>CREDITORS</b> Estimated Cost: \$8,000	Secured Creditors	Conduct enquiries with the Receivers and Managers regarding secured creditors claims
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors claim Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Supplementary / Subsequent Report to Creditors

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
		Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>INVESTIGATIONS</b> Estimated Cost: \$14,000	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Administration file review Updating checklist General investigations into administration
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
<b>ADMINISTRATION</b> Estimated Cost: \$8,000	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with Banks	Closing bank account General correspondence regarding bank accounts
	Receipts	Processing administration receipts Attending bank to deposit funds Preparation of correspondence to payer
	Payments	Processing payments from administration Preparation of correspondence to payee
	Internal Administration Accounts	Attend to all matters regarding maintaining Internal Administration Accounts
	Bank Statements	Processing and reconciling bank statements Reviewing and attending to all other matters regarding bank statements
	Fees	Preparation of Work In Progress Report to approved rates

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
		Preparation of bill / write off Work In Progress Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	Monthly / Quarterly BAS / IAS	Preparation / Review of BAS / IAS
	Tax Invoices	Preparing / Reviewing Tax invoices relating to BAS / IAS
	GST Calculation	Calculating GST liability / refund
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Lodgements with ASIC / Other	Lodging minutes of meeting with ASIC Lodging Section 533 report with ASIC Lodging Statutory forms with ASIC / other statutory authority including receipts and payments
	Reports and correspondence for ASIC / Statutory Authority	Preparing reports and correspondence for ASIC / Statutory Authority Preparing Section 533 report with ASIC Preparing / Reviewing statutory forms and receipts and payments for lodgement with ASIC / other statutory authority Liaising with ASIC / other statutory authority
	Advertisements	Advertising meeting of creditors

In light of the above and based on the information to hand, it is estimated that should creditors resolve to wind up the company, the Joint and Several Liquidators' remuneration should not exceed \$60,000 (excluding GST) for the period of the liquidation. Accordingly, creditors will be asked to approve the Joint and Several Liquidators' remuneration by passing the following resolution:

"That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$60,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."



## DISBURSEMENTS

Disbursement costs may be divided into three (3) types: A, B1 and B2.

A	Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees
B1	Disbursements are externally provided non-professional costs, such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
B2	Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost, except for photocopying, printing and telephone calls which are charged at a rate which was intended to recoup both variable and fixed costs.

Details of the disbursements paid during the course of our appointment are summarized in the Joint and Several Administrators Receipts and Payments located in Part 8 of our Section 439A Report to Creditors attached.

Whilst we do not require the approval of creditors to pay disbursements, the notes which form part of the Joint and Several Administrators Receipts and Payments have been provided to assist creditors in understanding the disbursement costs incurred during the course of the voluntary administration up to the preparation of this report.

Creditors are also able to obtain further information about our remuneration and disbursements on written request.

We refer creditors to an information sheet titled "Approving Fees: A Guide for Creditors" which may be obtained from the ASIC website at:

[http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving\\_fees\\_guide\\_for\\_creditors.pdf/\\$file/Approving\\_fees\\_guide\\_for\\_creditors.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

Dated: 24 February 2015



RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

*(this page intentionally left blank)*

**MARBLETREND HOLDINGS PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 127 289 061**

**ANNEXURE PACK**

- Agenda
- Appointment of Proxy Form
- Proof of Debt for the Purpose of Voting at Meeting of Creditors
- Remuneration Report

## **AGENDA**

**MARBLETREND HOLDINGS PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 127 289 061**

**MEETING OF CREDITORS  
PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001**

Wednesday, 4 March 2015 at 10.00am  
At the offices of SV Partners,  
Level 17, 200 Queen Street, Melbourne 3000

1. Opening of the meeting and introduction of the Joint and Several Administrators and officers of the company;
2. Tabling of the proxies and attorneys;
3. Tabling of the company's Report as to Affairs; Report by the Joint and Several Administrators' about the company's affairs; and statement by the Joint and Several Administrators' setting out their opinion about the company's future and the creditors' interests;
4. Statements by the Joint and Several Administrators, officers of the company and by creditors and their representatives;
5. Questions;
6. Joint and Several Administrator's summary of matters raised in statements and questions;
7. Proposal of resolution under Section 439C;
8. Proposal of resolution to approve and fix the remuneration of the Joint and Several Administrators of the company;
9. Proposal of resolution to approve and cap the remuneration of the Joint and Several Liquidators (if applicable);
10. If applicable, appoint of another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated;
11. Consideration of appointment of a Committee of Inspection and, if required, election of the committee members;
12. That the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company;
13. Any other matters;
14. Closure of meeting.

## Corporations Act 2001

A.C.N. 127 289 061

**APPOINTMENT OF PROXY**

\*I/\*We(1) .....  
 of (address).....  
 a creditor of **MARBLETREND HOLDINGS PTY LTD (Administrators Appointed) (Receivers and Managers Appointed)** appoint (2).....  
 or in his absence .....  
 as my/our **general** or **special** proxy to vote at the meeting of creditors to be held on Wednesday, 4 March 2015 at 10.00am or at any adjournment of that meeting.

**Please circle above whether general or special proxy**

If **special proxy**, please indicate how you wish to vote on the resolutions to be put forward by ticking the boxes below.

	FOR	AGAINST	ABSTAIN
a) That the company execute a Deed of Company Arrangement (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) That the Voluntary Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) That the company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) "That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) "That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*(this page intentionally left blank)*

	FOR	AGAINST	ABSTAIN
f) Appoint another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) That a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) That _____ be nominated as a member of the Committee of Inspection.			
i) That the Joint and Several Liquidators be and are hereby authorised upon the finalisation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature(3).....  
 THE COMMON SEAL of )  
 (name of company) )  
 was hereunto affixed in accordance with )  
 its Articles of Association. )

Director \_\_\_\_\_ Director/Secretary

\* *Strike out if inapplicable*

- (1) *If a firm, strike out "I" and set out the full name of the firm. If a company, the proxy must be completed under the company seal or by an attorney of the company or pursuant to the provisions of the company's constitution.*
- (2) *Insert the name, address and description of the person appointed.*
- (3) *The signature of the creditor is not to be attested by the person nominated as proxy.*

### CERTIFICATE OF WITNESS

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy)*

I, (name) .....  
 of (address).....  
 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 or her before he or she signed or marked the instrument.

DATED this        day of        20

Signature of Witness.....

Description .....

Place of residence.....

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015 TO:**

#### SV PARTNERS

Level 17  
 200 Queen Street  
 MELBOURNE VIC 3000

Telephone: 9669 1100  
 Facsimile: 9670 4435

*(this page intentionally left blank)*



**CORPORATIONS ACT 2001**  
**MARBLETREND HOLDINGS PTY LTD**  
**(ADMINISTRATORS APPOINTED)**  
**(RECEIVERS AND MANAGERS APPOINTED)**  
**A.C.N. 127 289 061**

**PROOF OF DEBT FOR PURPOSE OF VOTING AT  
MEETING OF CREDITORS**

Name of Creditor .....

Amount of Debt Claimed (See note 1) .....

Nature of Debt .....

.....

Whether Debt secured or unsecured.....

If secured, give details of security including dates etc.....

.....

.....

Signature of Creditor .....

.....

**OR**

THE COMMON SEAL of )  
(NAME OF COMPANY) )

was hereunto affixed in accordance )  
with its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

Note 1: A creditor may not vote on any unliquidated or contingent debt or claim, or a debt, the value of which is not established, unless a just estimate of its value has been made.

Note 2: A secured creditor shall be entitled to vote in respect of the total liability.

Note 3: This Proof should be signed by the creditor or a person in the employ of the Creditor duly authorised by that creditor to sign. **If a creditor is a company, it should be signed by a person authorised under the Seal of the company or by an attorney of the company or pursuant to the provisions of the company's Constitution to execute a Proof of Debt on its behalf. The Chairman of the meeting may admit or reject a Proof of Debt for the purpose of voting at the meeting.**

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015** to:

**SV PARTNERS**

Level 17

200 Queen Street

MELBOURNE VIC 3000

Telephone: 9669 1100

Facsimile: 9670 4435

*(this page intentionally left blank)*

## **REMUNERATION REPORT TO THE CREDITORS OF**

### **MARBLETREND HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED) A.C.N. 127 289 061**

This report has been prepared for the purpose of providing creditors with an understanding of the activities which have been or may be undertaken by our office during the course of our appointment as the Joint and Several Administrators of the company and if applicable, the Joint and Several Liquidators of the company and our proposed remuneration in relation to same.

Our proposed remuneration has been calculated on the basis of the time based / hourly rate method for the reasons as explained in our Notice to Creditors dated 24 February 2015.

Our Current Scale of Fees (as at 1 July 2014), which we believe is in line with current industry rates is set out on the following page 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.

These rates are subject to an additional ten (10) per cent in respect of goods and services tax.

Where possible, we seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

## SV PARTNERS

### INSOLVENCY RATE EXPERIENCE CLASSIFICATION AS AT 1 JULY 2014 (VICTORIA)

Hourly Rate (GST excl) \$	Position	Description
590.00	Director / Appointee	Registered and/or Official Liquidator, Administrator or Registered Trustee in Bankruptcy or Director, bringing his / her specialist skills to the administration or insolvency task.
525.00	Associate Director	Typically a qualified accountant with 10+ years of insolvency experience. Oversees all staff and is responsible for all aspects of the file subject to the direction of the Appointee. May be a Registered or Official Liquidator / Trustee able to accept appointments.
475.00	Senior Manager	Seven (7) to ten (10) years' experience, at least three (3) to five (5) years as manager, qualified accountant and capable of controlling all aspects of an administration.
440.00	Manager 1	More than seven (7) years insolvency or equivalent experience, at least three (3) of which as manager, qualified accountant. Answerable to the appointee, but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and their training.
410.00	Manager 2	Six (6) to seven (7) years, qualified accountant, with well-developed technical and commercial skills. Is constantly alert to opportunities to meet clients' needs and to improve the clients' future operation, either by revenue enhancement or by reducing costs and improving efficiency. Controls two (2) to four (4) staff.
370.00	Supervisor	Four (4) to six (6) years of relevant insolvency and accounting experience. ICAA / CPA or equivalent qualification. Has conduct of minor administrations and experience in control of one (1) to three (3) staff. Assists planning and control of medium to larger jobs.
330.00	Senior 1	Two (2) to four (4) years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
300.00	Senior 2	Two (2) to three (3) years of relevant insolvency and accounting experience. Assist with small jobs as well as assisting with some of the more difficult work on larger jobs.
250.00	Bookkeeper	Attending to all matters with respect to maintaining administration of accounts, banking and other related tasks.
260.00	Intermediate 1	One (1) to two (2) years of relevant insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.
220.00	Intermediate 2	One (1) to two (2) years' experience. Trainee, required to assist in day to day fieldwork under supervision of more senior staff.
190.00	Graduate	Zero (0) to one (1) years' experience. Graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
175.00	Secretary / WPO	Appropriate skills, including machine usage.
170.00	Clerk	Non-qualified, but passed the VCE. Classification depends on experience, salary and complexity of work to be conducted.
130.00	Junior	VCE or equivalent. Required to assist in administration and day to day fieldwork under supervision of more senior staff.

## 1. VOLUNTARY ADMINISTRATION

### Joint and Several Administrators remuneration from the commencement of the Voluntary Administration to 20 February 2015 (inclusive)

Since the date of our appointment, we have dealt with the affairs of the company and conducted investigations relevant to our statutory responsibilities and the preparation of this report. A description of work completed and / or to be completed by our office up to and including 20 February 2015 and our proposed remuneration in relation to same, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>CREDITORS</b> Total Hours: 16.3 Total Cost: \$5,325	Secured Creditors	Discussions regarding secured creditors claims Correspondence to / from secured creditors Investigations into secured creditors claims (as appropriate)
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors' claims (as appropriate) Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Leases / Hire Purchase / Finance Contracts	Communications with Lease / HP creditors Investigations into Lease / HP claim (as appropriate) Review of Lease / HP documents Attending to general matters regarding Lease / HP
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute Meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Updating checklist General investigations into administration
<b>INVESTIGATIONS (including Assets)</b> Total Hours: 2.3 Total Cost: \$561.50	Asset Realisations	Conduct enquiries with the Receivers and Managers to enquire as to the strategy / current position with respect to the realisation of the company's assets
	ASIC Searches and Veda files	Conducting and reviewing Veda, ASIC, other statutory and general searches (including searches into existence of assets)
	Voidable Transactions	Investigations into potential Voidable Transactions

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
	(including preferences, uncommercial transactions, & unfair loans)	Preparation of Insolvent Trading Memorandum
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
<b>ADMINISTRATION</b> Total Hours:7.4 Total Cost: \$2,162	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Insurance	Corresponding with insurer regarding appointment
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with Banks	General correspondence regarding bank accounts
	Internal Administration Accounts	Attend to all matters regarding maintaining Internal Administration Accounts
	Bank Statements	Reviewing and attending to all other matters regarding bank statements
	Fees	Preparation of Work In Progress Report to approved rates Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Report as to Affairs	Attending to all matters regarding Report As To Affairs
	Lodgements with ASIC / Other	Lodging appointment documents with ASIC Correspondence to ASIC regarding the company's reporting obligations
	Advertisements	Advertising appointment Advertising meeting of creditors

MARBLETREND HOLDINGS PTY LTD  
(RECEIVERS AND MANAGERS APPOINTED)  
(ADMINISTRATORS APPOINTED)  
A.C.N. 127 289 061

Summary of Remuneration claimed for the period 28 January 2015 to 20 February 2015

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area					
					Creditors		Investigations		Administration	
					Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	590	0.5	295.00	0.5	295.00		0.00		0.00
Michael Carrafa	Director	590	0.8	472.00	0.3	177.00		0.00	0.5	295.00
Adrian Warry	Senior Manager	475	1.0	475.00	0.9	427.50	0.1	47.50		0.00
Lauren Graham	Supervisor	370	7.1	2,627.00	4.4	1,628.00	0.1	37.00	2.6	962.00
Colleen O'Loughlin	Supervisor	370	3.5	1,295.00	3.1	1,147.00		0.00	0.4	148.00
Angela Hatzis	Bookkeeper	250	0.7	175.00		0.00		0.00	0.7	175.00
Matthew Avramov	Intermediate 1	260	6.7	1,742.00	4.8	1,248.00	1.2	312.00	0.7	182.00
James Long	Graduate	190	0.5	95.00		0.00	0.5	95.00		0.00
Akaterina Dimitriadis	Graduate	190	0.5	95.00		0.00		0.00	0.5	95.00
Michelle Kruse	Secretary	175	3.7	647.50	2.3	402.50	0.4	70.00	1.0	175.00
Michael Accadia	Junior	130	0.4	52.00		0.00		0.00	0.4	52.00
Cecilia Moon	Junior	130	0.4	52.00		0.00		0.00	0.4	52.00
Zamira Sulovska	Junior	130	0.2	26.00		0.00		0.00	0.2	26.00
Total			26.0	8,048.50	16.3	5,325.00	2.3	561.50	7.4	2,162.00
GST				804.85						
Total (incl GST)				8,853.35						
Average Hourly Rate (excl GST)				309.56	326.69		244.13		292.16	

**Joint and Several Administrators remuneration from 21 January 2015 to the day prior to the Second Meeting of Creditors, being 3 March 2015.**

A summary of the tasks that we anticipate will be undertaken for the period from 21 January 2015 to the day prior to the second meeting of creditors and the estimated costs therein is set out in the table below:

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>CREDITORS</b> Estimated Cost: \$4,951.50	Unsecured Creditors	Communications with unsecured creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Dealing with Proof of Debt (when dividend not declared)
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>ADMINISTRATION</b> Estimated Cost: \$2,000	Communications with directors	Liaise with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Attending to incoming / outgoing mail

At the second meeting, creditors will be asked to approve and fix the Joint and Several Administrators' remuneration for the period up to the Second Meeting of Creditors by passing the following resolution:

“That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.



Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## 2. LIQUIDATION

### Joint and Several Liquidators remuneration for the period from commencement to the finalisation of the Liquidation

A summary of the tasks that we anticipate will be undertaken for the period of the Liquidation and the estimated costs therein, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Estimated Cost: \$3,000	Debtors / Other Receivables (including Loan Accounts)	Conduct enquiries with the Receivers and Managers regarding the outcome of debtor recoveries
	Plant and Equipment (“P&E”)	Conduct enquiries with the Receivers and Managers regarding the outcome of P&E recoveries
	Stock	Conduct enquiries with the Receivers and Managers regarding the outcome of stock recoveries
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of other asset recoveries
	Sale of Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of the realisation of the company’s assets
	Insolvent Trading	Preparation of insolvent trading memorandum Preparation of solvency investigation report
<b>CREDITORS</b> Estimated Cost: \$5,000	Secured Creditors	Conduct enquiries with the Receivers and Managers regarding secured creditors claims
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors claim Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Supplementary / Subsequent Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>INVESTIGATIONS</b> Estimated Cost: \$2,000		Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Administration file review Updating checklist General investigations into administration
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
<b>ADMINISTRATION</b> Estimated Cost: \$5,000	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Fees	Preparation of Work In Progress Report to approved rates Preparation of bill / write off Work In Progress Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Attending to general matters relating to ABN / GST
	Monthly / Quarterly BAS / IAS	Preparation / Review of BAS / IAS
	Tax Invoices	Preparing / Reviewing Tax invoices relating to BAS / IAS
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Lodgements with ASIC / Other	Lodging minutes of meeting with ASIC Lodging Section 533 report with ASIC Lodging Statutory forms with ASIC / other statutory authority including receipts and payments
	Reports and correspondence for ASIC / Statutory Authority	Preparing reports and correspondence for ASIC / Statutory Authority Preparing Section 533 report with ASIC

TASK AREA	GENERAL DESCRIPTION	INCLUDES
		Preparing / Reviewing statutory forms and receipts and payments for lodgement with ASIC / other statutory authority
		Liaising with ASIC / other statutory authority
	Advertisements	Advertising meeting of creditors

In light of the above and based on the information to hand, it is estimated that should creditors resolve to wind up the company, the Joint and Several Liquidators' remuneration should not exceed \$15,000 (excluding GST) for the period of the liquidation. Accordingly, creditors will be asked to approve the Joint and Several Liquidators' remuneration by passing the following resolution:

"That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."

## DISBURSEMENTS

**Disbursement costs may be divided into three (3) types: A, B1 and B2.**

A	Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees
B1	Disbursements are externally provided non-professional costs, such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
B2	Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost, except for photocopying, printing and telephone calls which are charged at a rate which was intended to recoup both variable and fixed costs.

Details of the disbursements paid during the course of our appointment are summarized in the Joint and Several Administrators Receipts and Payments located in Part 8 of our Section 439A Report to Creditors attached.

Whilst we do not require the approval of creditors to pay disbursements, the notes which form part of the Joint and Several Administrators Receipts and Payments have been provided to assist creditors in understanding the disbursement costs incurred during the course of the voluntary administration up to the preparation of this report.

Creditors are also able to obtain further information about our remuneration and disbursements on written request.

We refer creditors to an information sheet titled “Approving Fees: A Guide for Creditors” which may be obtained from the ASIC website at:

[http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving\\_fees\\_guide\\_for\\_creditors.pdf/\\$file/Approving\\_fees\\_guide\\_for\\_creditors.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

Dated: 24 February 2015

A handwritten signature in black ink, appearing to read 'R. Cauchi', with a long, sweeping underline that extends to the left.

RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

**MARBLETREND INVESTMENTS PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 159 110 577**

**ANNEXURE PACK**

- Agenda
- Appointment of Proxy Form
- Proof of Debt for the Purpose of Voting at Meeting of Creditors
- Remuneration Report

## **AGENDA**

**MARBLETREND INVESTMENTS PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 159 110 577**

**MEETING OF CREDITORS  
PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001**

Wednesday, 4 March 2015 at 9.00am  
At the offices of SV Partners,  
Level 17, 200 Queen Street, Melbourne 3000

1. Opening of the meeting and introduction of the Joint and Several Administrators and officers of the company;
2. Tabling of the proxies and attorneys;
3. Tabling of the company's Report as to Affairs; Report by the Joint and Several Administrators' about the company's affairs; and statement by the Joint and Several Administrators' setting out their opinion about the company's future and the creditors' interests;
4. Statements by the Joint and Several Administrators, officers of the company and by creditors and their representatives;
5. Questions;
6. Joint and Several Administrator's summary of matters raised in statements and questions;
7. Proposal of resolution under Section 439C;
8. Proposal of resolution to approve and fix the remuneration of the Joint and Several Administrators of the company;
9. Proposal of resolution to approve and cap the remuneration of the Joint and Several Liquidators (if applicable);
10. If applicable, appoint of another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated;
11. Consideration of appointment of a Committee of Inspection and, if required, election of the committee members;
12. That the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company;
13. Any other matters;
14. Closure of meeting.

**APPOINTMENT OF PROXY**

\*I/\*We(1) .....  
 of (address).....  
 a creditor of **MARBLETREND INVESTMENTS PTY LTD (Administrators Appointed) (Receivers and Managers Appointed)** appoint (2).....  
 or in his absence .....  
 as my/our **general** or **special** proxy to vote at the meeting of creditors to be held on Wednesday, 4 March 2015 at 9.00am or at any adjournment of that meeting.

**Please circle above whether general or special proxy**

If **special proxy**, please indicate how you wish to vote on the resolutions to be put forward by ticking the boxes below.

	FOR	AGAINST	ABSTAIN
a) That the company execute a Deed of Company Arrangement (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) That the Voluntary Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) That the company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) "That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) "That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*(this page intentionally left blank)*



	FOR	AGAINST	ABSTAIN
f) Appoint another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) That a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) That _____ be nominated as a member of the Committee of Inspection.			
i) That the Joint and Several Liquidators be and are hereby authorised upon the finalisation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature(3).....

THE COMMON SEAL of )  
(name of company) )  
was hereunto affixed in accordance with )  
its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

\* *Strike out if inapplicable*

- (1) *If a firm, strike out "I" and set out the full name of the firm. If a company, the proxy must be completed under the company seal or by an attorney of the company or pursuant to the provisions of the company's constitution.*
- (2) *Insert the name, address and description of the person appointed.*
- (3) *The signature of the creditor is not to be attested by the person nominated as proxy.*

### CERTIFICATE OF WITNESS

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy)*

I, (name) .....  
of (address).....  
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 or her before he or she signed or marked the instrument.

DATED this        day of        20

Signature of Witness.....

Description .....

Place of residence.....

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015 TO:**

#### SV PARTNERS

Level 17  
200 Queen Street  
MELBOURNE VIC 3000

Telephone: 9669 1100  
Facsimile: 9670 4435

*(this page intentionally left blank)*

**CORPORATIONS ACT 2001  
MARBLETREND INVESTMENTS PTY LTD  
(ADMINISTRATORS APPOINTED)  
(RECEIVERS AND MANAGERS APPOINTED)  
A.C.N. 159 110 577**

**PROOF OF DEBT FOR PURPOSE OF VOTING AT  
MEETING OF CREDITORS**

Name of Creditor .....

Amount of Debt Claimed (See note 1) .....

Nature of Debt .....

.....

Whether Debt secured or unsecured.....

If secured, give details of security including dates etc.....

.....

.....

Signature of Creditor .....

.....

**OR**

THE COMMON SEAL of )  
(NAME OF COMPANY) )  
 )  
was hereunto affixed in accordance )  
with its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

- Note 1: A creditor may not vote on any unliquidated or contingent debt or claim, or a debt, the value of which is not established, unless a just estimate of its value has been made.
- Note 2: A secured creditor shall be entitled to vote in respect of the total liability.
- Note 3: This Proof should be signed by the creditor or a person in the employ of the Creditor duly authorised by that creditor to sign. **If a creditor is a company, it should be signed by a person authorised under the Seal of the company or by an attorney of the company or pursuant to the provisions of the company's Constitution to execute a Proof of Debt on its behalf. The Chairman of the meeting may admit or reject a Proof of Debt for the purpose of voting at the meeting.**

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015** to:

**SV PARTNERS**

Level 17

200 Queen Street

MELBOURNE VIC 3000

Telephone: 9669 1100

Facsimile: 9670 4435

*(this page intentionally left blank)*

## **REMUNERATION REPORT TO THE CREDITORS OF**

### **MARBLETREND INVESTMENTS PTY LTD (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED) A.C.N. 159 110 577**

This report has been prepared for the purpose of providing creditors with an understanding of the activities which have been or may be undertaken by our office during the course of our appointment as the Joint and Several Administrators of the company and if applicable, the Joint and Several Liquidators of the company and our proposed remuneration in relation to same.

Our proposed remuneration has been calculated on the basis of the time based / hourly rate method for the reasons as explained in our Notice to Creditors dated 24 February 2015.

Our Current Scale of Fees (as at 1 July 2014), which we believe is in line with current industry rates is set out on the following page 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.

These rates are subject to an additional ten (10) per cent in respect of goods and services tax.

Where possible, we seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

## SV PARTNERS

### INSOLVENCY RATE EXPERIENCE CLASSIFICATION AS AT 1 JULY 2014 (VICTORIA)

Hourly Rate (GST excl) \$	Position	Description
590.00	Director / Appointee	Registered and/or Official Liquidator, Administrator or Registered Trustee in Bankruptcy or Director, bringing his / her specialist skills to the administration or insolvency task.
525.00	Associate Director	Typically a qualified accountant with 10+ years of insolvency experience. Oversees all staff and is responsible for all aspects of the file subject to the direction of the Appointee. May be a Registered or Official Liquidator / Trustee able to accept appointments.
475.00	Senior Manager	Seven (7) to ten (10) years' experience, at least three (3) to five (5) years as manager, qualified accountant and capable of controlling all aspects of an administration.
440.00	Manager 1	More than seven (7) years insolvency or equivalent experience, at least three (3) of which as manager, qualified accountant. Answerable to the appointee, but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and their training.
410.00	Manager 2	Six (6) to seven (7) years, qualified accountant, with well-developed technical and commercial skills. Is constantly alert to opportunities to meet clients' needs and to improve the clients' future operation, either by revenue enhancement or by reducing costs and improving efficiency. Controls two (2) to four (4) staff.
370.00	Supervisor	Four (4) to six (6) years of relevant insolvency and accounting experience. ICAA / CPA or equivalent qualification. Has conduct of minor administrations and experience in control of one (1) to three (3) staff. Assists planning and control of medium to larger jobs.
330.00	Senior 1	Two (2) to four (4) years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
300.00	Senior 2	Two (2) to three (3) years of relevant insolvency and accounting experience. Assist with small jobs as well as assisting with some of the more difficult work on larger jobs.
250.00	Bookkeeper	Attending to all matters with respect to maintaining administration of accounts, banking and other related tasks.
260.00	Intermediate 1	One (1) to two (2) years of relevant insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.
220.00	Intermediate 2	One (1) to two (2) years' experience. Trainee, required to assist in day to day fieldwork under supervision of more senior staff.
190.00	Graduate	Zero (0) to one (1) years' experience. Graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
175.00	Secretary / WPO	Appropriate skills, including machine usage.
170.00	Clerk	Non-qualified, but passed the VCE. Classification depends on experience, salary and complexity of work to be conducted.
130.00	Junior	VCE or equivalent. Required to assist in administration and day to day fieldwork under supervision of more senior staff.

## 1. VOLUNTARY ADMINISTRATION

### Joint and Several Administrators remuneration from the commencement of the Voluntary Administration to 20 February 2015 (inclusive)

Since the date of our appointment, we have dealt with the affairs of the company and conducted investigations relevant to our statutory responsibilities and the preparation of this report. A description of work completed and / or to be completed by our office up to and including 20 February 2015 and our proposed remuneration in relation to same, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Total Hours: 0.2 Total Cost: \$52	Debtors / Other Receivables (including Loan Accounts)	Review / investigations into debtors / other receivables (as appropriate) Conduct enquiries with the Receivers and Managers regarding the current position of debtor recoveries
	Plant and Equipment ("P&E")	Review / investigations into P&E (as appropriate) Attend premises in relation to P&E on appointment Conduct enquiries with the Receivers and Managers regarding the current position of P&E recoveries
	Stock	Review / investigations into stock (as appropriate) Attend premises in relation to stock on appointment Liaise with the Receivers and Managers regarding the current position of stock recoveries
	Motor Vehicles ("MV")	Conduct MV searches on appointment Review / investigations into MV (as appropriate) Attend premises in relation to MV on appointment
	Real Property / Land	Conduct investigations into existence of real property / land
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct general investigations into other existence of asset(s) on appointment
	Sale of Assets	Conduct enquiries with the Receivers and Managers to enquire as to the strategy / current position with respect to the realisation of the company's assets
	Insolvent Trading	Preparation of insolvent trading memorandum
<b>CREDITORS</b> Total Hours: 12.7 Total Cost: \$4,054.50	Secured Creditor	Discussions regarding secured creditor claims Correspondence to / from secured creditor Investigations into secured creditors claim (as appropriate)
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors' claims (as appropriate) Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
		Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute Meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>INVESTIGATIONS</b> Total Hours: 2.6 Total Cost: \$639.50	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Updating checklist General investigations into administration
	ASIC Searches and Veda files	Conducting and reviewing Veda, ASIC, other statutory and general searches
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
<b>ADMINISTRATION</b> Total Hours: 7.2 Total Cost: \$2,110	Insurance	Corresponding with insurer regarding appointment
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with Banks	Freeze bank accounts General correspondence regarding bank accounts
	Fees	Preparation of Work In Progress Report to approved rates Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Report as to Affairs	Attending to all matters regarding Report As To Affairs



TASK AREA	GENERAL DESCRIPTION	INCLUDES
	Lodgements with ASIC / Other	Lodging appointment documents with ASIC Correspondence to ASIC regarding the company's reporting obligations
	Advertisements	Advertising appointment Advertising meeting of creditors

**MARBLETREND INVESTMENTS PTY LTD  
(RECEIVERS AND MANAGERS APPOINTED)  
(ADMINISTRATORS APPOINTED)  
A.C.N. 159 110 577**

**Summary of Remuneration claimed for the period 28 January 2015 to 20 February 2015**

Employee	Position	\$/Hour (excl GST)	Total Actual Hours	Total \$	Task Area							
					Assets		Creditors		Investigations		Administration	
					Hours	\$	Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	590	0.5	295.00		0.00	0.5	295.00		0.00		0.00
Michael Carrafa	Director	590	0.8	472.00		0.00	0.3	177.00		0.00	0.5	295.00
Adrian Warry	Senior Manager	475	1.0	475.00		0.00	0.9	427.50	0.1	47.50		0.00
Lauren Graham	Supervisor	370	5.0	1,850.00		0.00	2.3	851.00	0.1	37.00	2.6	962.00
Colleen O'Loughlin	Supervisor	370	3.1	1,147.00		0.00	2.7	999.00		0.00	0.4	148.00
Angela Hatzis	Bookkeeper	250	0.7	175.00		0.00		0.00		0.00	0.7	175.00
Matthew Avramov	Intermediate 1	260	5.2	1,352.00	0.2	52.00	3.0	780.00	1.5	390.00	0.5	130.00
James Long	Graduate	190	1.0	190.00		0.00		0.00	0.5	95.00	0.5	95.00
Michelle Kruse	Secretary	175	4.4	770.00		0.00	3.0	525.00	0.4	70.00	1.0	175.00
Michael Accadia	Junior	130	0.4	52.00		0.00		0.00		0.00	0.4	52.00
Cecilia Moon	Junior	130	0.4	52.00		0.00		0.00		0.00	0.4	52.00
Zamira Sulovska	Junior	130	0.2	26.00		0.00		0.00		0.00	0.2	26.00
Total			22.7	6,856.00	0.2	52.00	12.7	4,054.50	2.6	639.50	7.2	2,110.00
GST				685.60								
Total (incl GST)				7,541.60								
Average Hourly Rate (excl GST)				302.03	260.00		319.25		245.96		293.06	

**Joint and Several Administrators remuneration from 21 January 2015 to the day prior to the Second Meeting of Creditors, being 3 March 2015.**

A summary of the tasks that we anticipate will be undertaken for the period from 21 January 2015 to the day prior to the second meeting of creditors and the estimated costs therein is set out in the table below:

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>CREDITORS</b> Estimated Cost: \$6,144	Unsecured Creditors	Communications with unsecured creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Dealing with Proof of Debt (when dividend not declared)
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>ADMINISTRATION</b> Estimated Cost: \$2,000	Communications with directors	Liaise with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Attending to incoming / outgoing mail

At the second meeting, creditors will be asked to approve and fix the Joint and Several Administrators' remuneration for the period up to the Second Meeting of Creditors by passing the following resolution:

“That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## 2. LIQUIDATION

### Joint and Several Liquidators remuneration for the period from commencement to the finalisation of the Liquidation

A summary of the tasks that we anticipate will be undertaken for the period of the Liquidation and the estimated costs therein, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Estimated Cost: \$4,500	Debtors / Other Receivables (including Loan Accounts)	Conduct enquiries with the Receivers and Managers regarding the outcome of debtor recoveries
	Plant and Equipment (“P&E”)	Conduct enquiries with the Receivers and Managers regarding the outcome of P&E recoveries
	Stock	Conduct enquiries with the Receivers and Managers regarding the outcome of stock recoveries
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of other asset recoveries
	Sale of Assets	Conduct enquiries with the Receivers and Managers regarding the outcome of the realisation of the company’s assets
	Insolvent Trading	Preparation of insolvent trading memorandum Preparation of solvency investigation report
<b>CREDITORS</b> Estimated Cost: \$4,000	Secured Creditors	Conduct enquiries with the Receivers and Managers regarding secured creditors claims
	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors claim Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Supplementary / Subsequent Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors
		Attending to matters regarding Meeting / Attendance Register / Proxies

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>INVESTIGATIONS</b> Estimated Cost: \$3,000		Attend / Chair / Preside / Minute meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Administration file review Updating checklist General investigations into administration
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
<b>ADMINISTRATION</b> Estimated Cost: \$3,500	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
	Communications with directors	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Fees	Preparation of Work In Progress Report to approved rates Preparation of bill / write off Work In Progress Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Attending to general matters relating to ABN / GST
	Monthly / Quarterly BAS / IAS	Preparation / Review of BAS / IAS
	Tax Invoices	Preparing / Reviewing Tax invoices relating to BAS / IAS
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Lodgements with ASIC / Other	Lodging minutes of meeting with ASIC Lodging Section 533 report with ASIC Lodging Statutory forms with ASIC / other statutory authority including receipts and payments
	Reports and correspondence for ASIC / Statutory Authority	Preparing reports and correspondence for ASIC / Statutory Authority Preparing Section 533 report with ASIC Preparing / Reviewing statutory forms and receipts and payments for lodgement with ASIC / other statutory authority

TASK AREA	GENERAL DESCRIPTION	INCLUDES
		Liaising with ASIC / other statutory authority
	Advertisements	Advertising meeting of creditors

In light of the above and based on the information to hand, it is estimated that should creditors resolve to wind up the company, the Joint and Several Liquidators' remuneration should not exceed \$15,000 (excluding GST) for the period of the liquidation. Accordingly, creditors will be asked to approve the Joint and Several Liquidators' remuneration by passing the following resolution:

"That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."

## DISBURSEMENTS

**Disbursement costs may be divided into three (3) types: A, B1 and B2.**

A	Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees
B1	Disbursements are externally provided non-professional costs, such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
B2	Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost, except for photocopying, printing and telephone calls which are charged at a rate which was intended to recoup both variable and fixed costs.

Details of the disbursements paid during the course of our appointment are summarized in the Joint and Several Administrators Receipts and Payments located in Part 8 of our Section 439A Report to Creditors attached.

Whilst we do not require the approval of creditors to pay disbursements, the notes which form part of the Joint and Several Administrators Receipts and Payments have been provided to assist creditors in understanding the disbursement costs incurred during the course of the voluntary administration up to the preparation of this report.

Creditors are also able to obtain further information about our remuneration and disbursements on written request.

We refer creditors to an information sheet titled “Approving Fees: A Guide for Creditors” which may be obtained from the ASIC website at:

[http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving\\_fees\\_guide\\_for\\_creditors.pdf/\\$file/Approving\\_fees\\_guide\\_for\\_creditors.pdf](http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

Dated: 24 February 2015

A handwritten signature in black ink, appearing to read 'R. Cauchi', written over a horizontal line.

RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

*(this page intentionally left blank)*



**AVALON INVESTMENTS (AUS) PTY LTD  
(ADMINISTRATORS APPOINTED)  
A.C.N. 103 074 102**

**ANNEXURE PACK**

- Agenda
- Appointment of Proxy Form
- Proof of Debt for the Purpose of Voting at Meeting of Creditors
- Remuneration Report

## **AGENDA**

### **AVALON INVESTMENTS (AUS) PTY LTD (ADMINISTRATORS APPOINTED) A.C.N. 103 074 102**

#### **MEETING OF CREDITORS PURSUANT TO SECTION 439A OF THE CORPORATIONS ACT 2001**

Wednesday, 4 March 2015 at 10.30am  
At the offices of SV Partners,  
Level 17, 200 Queen Street, Melbourne 3000

1. Opening of the meeting and introduction of the Joint and Several Administrators and officers of the company;
2. Tabling of the proxies and attorneys;
3. Tabling of the company's Report as to Affairs; Report by the Joint and Several Administrators' about the company's affairs; and statement by the Joint and Several Administrators' setting out their opinion about the company's future and the creditors' interests;
4. Statements by the Joint and Several Administrators, officers of the company and by creditors and their representatives;
5. Questions;
6. Joint and Several Administrator's summary of matters raised in statements and questions;
7. Proposal of resolution under Section 439C;
8. Proposal of resolution to approve and fix the remuneration of the Joint and Several Administrators of the company;
9. Proposal of resolution to approve and cap the remuneration of the Joint and Several Liquidators (if applicable);
10. If applicable, appoint of another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated;
11. Consideration of appointment of a Committee of Inspection and, if required, election of the committee members;
12. That the Joint and Several Liquidators (if applicable) be and are hereby authorized, upon the finalisation of the liquidation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company;
13. Any other matters;
14. Closure of meeting.

## Corporations Act 2001

A.C.N. 103 074 102

**APPOINTMENT OF PROXY**

\*I/\*We(1) .....  
 of (address).....  
 a creditor of **AVALON INVESTMENTS (AUS) PTY LTD (Administrators Appointed)** appoint (2).....  
 or in his absence .....  
 as my/our **general** or **special** proxy to vote at the meeting of creditors to be held on Wednesday, 4 March 2015 at  
 10.30am or at any adjournment of that meeting.

**Please circle above whether general or special proxy**

If **special proxy**, please indicate how you wish to vote on the resolutions to be put forward by ticking the boxes below.

	FOR	AGAINST	ABSTAIN
a) That the company execute a Deed of Company Arrangement (if applicable).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) That the Voluntary Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) That the company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) "That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) "That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.  Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.  Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*(this page intentionally left blank)*

	FOR	AGAINST	ABSTAIN
f) Appoint another person as Liquidator of the company other than Richard J Cauchi, Michael Carrafa and Peter Gountzos, if another person is nominated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) That a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) That _____ be nominated as a member of the Committee of Inspection.			
i) That the Joint and Several Liquidators be and are hereby authorised upon the finalisation and subject to obtaining consent from the Australian Securities & Investments Commission, to destroy the books and records of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature(3).....  
 THE COMMON SEAL of )  
 (name of company) )  
 was hereunto affixed in accordance with )  
 its Articles of Association. )

Director \_\_\_\_\_ Director/Secretary

\* *Strike out if inapplicable*

- (1) *If a firm, strike out "I" and set out the full name of the firm. If a company, the proxy must be completed under the company seal or by an attorney of the company or pursuant to the provisions of the company's constitution.*
- (2) *Insert the name, address and description of the person appointed.*
- (3) *The signature of the creditor is not to be attested by the person nominated as proxy.*

### CERTIFICATE OF WITNESS

*(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy)*

I, (name) .....  
 of (address).....  
 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 or her before he or she signed or marked the instrument.

DATED this        day of        20

Signature of Witness.....

Description .....

Place of residence.....

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015 TO:**

#### SV PARTNERS

Level 17  
 200 Queen Street  
 MELBOURNE VIC 3000

Telephone: 9669 1100  
 Facsimile: 9670 4435

*(this page intentionally left blank)*

**CORPORATIONS ACT 2001  
AVALON INVESTMENTS (AUS) PTY LTD  
(ADMINISTRATORS APPOINTED)  
A.C.N. 103 074 102**

**PROOF OF DEBT FOR PURPOSE OF VOTING AT  
MEETING OF CREDITORS**

Name of Creditor .....

Amount of Debt Claimed (See note 1) .....

Nature of Debt .....

.....

Whether Debt secured or unsecured.....

If secured, give details of security including dates etc.....

.....

.....

Signature of Creditor .....

.....

**OR**

THE COMMON SEAL of )  
(NAME OF COMPANY) )  
 )  
was hereunto affixed in accordance )  
with its Articles of Association. )

Director

\_\_\_\_\_  
Director/Secretary

Note 1: A creditor may not vote on any unliquidated or contingent debt or claim, or a debt, the value of which is not established, unless a just estimate of its value has been made.

Note 2: A secured creditor shall be entitled to vote in respect of the total liability.

Note 3: This Proof should be signed by the creditor or a person in the employ of the Creditor duly authorised by that creditor to sign. **If a creditor is a company, it should be signed by a person authorised under the Seal of the company or by an attorney of the company or pursuant to the provisions of the company's Constitution to execute a Proof of Debt on its behalf. The Chairman of the meeting may admit or reject a Proof of Debt for the purpose of voting at the meeting.**

When completed please return by **4.00PM ON TUESDAY, 3 MARCH 2015** to:

**SV PARTNERS**

Level 17

200 Queen Street

MELBOURNE VIC 3000

Telephone: 9669 1100

Facsimile: 9670 4435

*(this page intentionally left blank)*



## **REMUNERATION REPORT TO THE CREDITORS OF**

### **AVALON INVESTMENTS (AUS) PTY LTD (ADMINISTRATORS APPOINTED) A.C.N. 103 074 102**

This report has been prepared for the purpose of providing creditors with an understanding of the activities which have been or may be undertaken by our office during the course of our appointment as the Joint and Several Administrators of the company and if applicable, the Joint and Several Liquidators of the company and our proposed remuneration in relation to same.

Our proposed remuneration has been calculated on the basis of the time based / hourly rate method for the reasons as explained in our Notice to Creditors dated 24 February 2015.

Our Current Scale of Fees (as at 1 July 2014), which we believe is in line with current industry rates is set out on the following page 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.

These rates are subject to an additional ten (10) per cent in respect of goods and services tax.

Where possible, we seek to ensure that the tasks required to be done are allocated to staff members with the lowest charge rate commensurate with the skills and experience necessary to perform the tasks.

## SV PARTNERS

### INSOLVENCY RATE EXPERIENCE CLASSIFICATION AS AT 1 JULY 2014 (VICTORIA)

Hourly Rate (GST excl) \$	Position	Description
590.00	Director / Appointee	Registered and/or Official Liquidator, Administrator or Registered Trustee in Bankruptcy or Director, bringing his / her specialist skills to the administration or insolvency task.
525.00	Associate Director	Typically a qualified accountant with 10+ years of insolvency experience. Oversees all staff and is responsible for all aspects of the file subject to the direction of the Appointee. May be a Registered or Official Liquidator / Trustee able to accept appointments.
475.00	Senior Manager	Seven (7) to ten (10) years' experience, at least three (3) to five (5) years as manager, qualified accountant and capable of controlling all aspects of an administration.
440.00	Manager 1	More than seven (7) years insolvency or equivalent experience, at least three (3) of which as manager, qualified accountant. Answerable to the appointee, but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and their training.
410.00	Manager 2	Six (6) to seven (7) years, qualified accountant, with well-developed technical and commercial skills. Is constantly alert to opportunities to meet clients' needs and to improve the clients' future operation, either by revenue enhancement or by reducing costs and improving efficiency. Controls two (2) to four (4) staff.
370.00	Supervisor	Four (4) to six (6) years of relevant insolvency and accounting experience. ICAA / CPA or equivalent qualification. Has conduct of minor administrations and experience in control of one (1) to three (3) staff. Assists planning and control of medium to larger jobs.
330.00	Senior 1	Two (2) to four (4) years of relevant insolvency and accounting experience. Assists planning and control of small to medium sized jobs, as well as performing some of the more difficult work on larger jobs.
300.00	Senior 2	Two (2) to three (3) years of relevant insolvency and accounting experience. Assist with small jobs as well as assisting with some of the more difficult work on larger jobs.
250.00	Bookkeeper	Attending to all matters with respect to maintaining administration of accounts, banking and other related tasks.
260.00	Intermediate 1	One (1) to two (2) years of relevant insolvency experience. Required to assist in day to day fieldwork under supervision of more senior staff.
220.00	Intermediate 2	One (1) to two (2) years' experience. Trainee, required to assist in day to day fieldwork under supervision of more senior staff.
190.00	Graduate	Zero (0) to one (1) years' experience. Graduate with little or no professional experience. Required to assist in day-to-day field work under supervision of more senior staff.
175.00	Secretary / WPO	Appropriate skills, including machine usage.
170.00	Clerk	Non-qualified, but passed the VCE. Classification depends on experience, salary and complexity of work to be conducted.
130.00	Junior	VCE or equivalent. Required to assist in administration and day to day fieldwork under supervision of more senior staff.

## 1. VOLUNTARY ADMINISTRATION

### Joint and Several Administrators remuneration from the commencement of the Voluntary Administration to 20 February 2015 (inclusive)

Since the date of our appointment, we have dealt with the affairs of the company and conducted investigations relevant to our statutory responsibilities and the preparation of this report. A description of work completed and / or to be completed by our office up to and including 20 February 2015 and our proposed remuneration in relation to same, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Total Hours: 0.2 Total Cost: \$52	Motor Vehicles ("MV")	Conduct MV searches on appointment
	Real Property / Land	Conduct investigations into existence of real property / land
	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Other Assets	Conduct general investigations into other existence of asset(s) on appointment
	Insolvent Trading	Preparation of insolvent trading memorandum
<b>CREDITORS</b> Total Hours: 11.1 Total Cost: \$3,691	Unsecured Creditors	Communications with unsecured creditors and or representatives Communications with unsecured creditors and or representatives Investigations into unsecured creditors' claims (as appropriate) Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute Meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>INVESTIGATIONS</b> Total Hours: 2.9 Total Cost: \$668	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Updating checklist General investigations into administration
	ASIC Searches and Veda files	Conducting and reviewing Veda, ASIC, other statutory and general searches
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Directors / Officers Contraventions (Breach of Duties)	Preparation / review of investigation checklist for offences
<b>ADMINISTRATION</b> Total Hours: 6.5 Total Cost: \$2,002	Communications with director	Liaise with director / officer Prepare / Review correspondence to / from Director / officer Attend meeting with director / officer
	Insurance	Corresponding with insurer regarding appointment
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Correspondence with Banks	Freeze bank accounts General correspondence regarding bank accounts
	Fees	Preparation of Work In Progress Report to approved rates Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Registering for GST / ABN / PAYG Attending to general matters relating to ABN / GST
	GST General	Attending to general matters regarding GST / ABN registration
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Report as to Affairs	Attending to all matters regarding Report As To Affairs
	Lodgements with ASIC / Other	Lodging appointment documents with ASIC Correspondence to ASIC regarding the company's reporting obligations
	Advertisements	Advertising appointment Advertising meeting of creditors

**AVALON INVESTMENTS (AUS) PTY LTD**  
**(ADMINISTRATORS APPOINTED)**  
**A.C.N. 103 074 102**

**Summary of Remuneration claimed for the period 28 January 2015 to 20 February 2015**

Employee	Position	S/Hour (excl GST)	Total Actual Hours	Total \$	Task Area					
					Assets		Creditors		Investigations	
					Hours	\$	Hours	\$	Hours	\$
Richard Cauchi	Director	590	0.6	354.00		0.00	0.6	354.00		0.00
Michael Carrafa	Director	590	0.8	472.00		0.00	0.3	177.00		0.00
Adrian Warry	Senior Manager	475	0.8	380.00		0.00	0.8	380.00		0.00
Lauren Graham	Supervisor	370	5.4	1,998.00		0.00	2.7	999.00	0.1	37.00
Colleen O'Loughlin	Supervisor	370	2.3	851.00		0.00	1.9	703.00		0.00
Angela Hatzis	Bookkeeper	250	0.7	175.00		0.00		0.00		0.00
Matthew Avramov	Intermediate 1	260	4.8	1,248.00	0.2	52.00	2.8	728.00	1.2	312.00
Joseph Alderuccio	Intermediate 2	220	0.7	154.00		0.00		0.00	0.7	154.00
James Long	Graduate	190	0.5	95.00		0.00		0.00	0.5	95.00
Michelle Kruse	Secretary	175	3.4	595.00		0.00	2.0	350.00	0.4	70.00
Michael Accadia	Junior	130	0.4	52.00		0.00		0.00		0.00
Cecilia Moon	Junior	130	0.1	13.00		0.00		0.00		0.00
Zamira Sulovska	Junior	130	0.2	26.00		0.00		0.00		0.00
<b>Total</b>			<b>20.7</b>	<b>6,413.00</b>	<b>0.2</b>	<b>52.00</b>	<b>11.1</b>	<b>3,691.00</b>	<b>2.9</b>	<b>668.00</b>
<b>GST</b>				<b>641.30</b>						
<b>Total (incl GST)</b>				<b>7,054.30</b>						
<b>Average Hourly Rate (excl GST)</b>				<b>309.81</b>	<b>260.00</b>		<b>332.52</b>		<b>230.34</b>	<b>308.00</b>

**Joint and Several Administrators remuneration from 21 January 2015 to the day prior to the Second Meeting of Creditors, being 3 March 2015.**

A summary of the tasks that we anticipate will be undertaken for the period from 21 January 2015 to the day prior to the second meeting of creditors and the estimated costs therein is set out in the table below:

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
<b>CREDITORS</b> Estimated Cost: \$6,587	Unsecured Creditors	Communications with unsecured creditors and or representatives Dealing with Proofs of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Report to Creditors Attending to general matters regarding Notices to Creditors
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Dealing with Proof of Debt (when dividend not declared)
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>ADMINISTRATION</b> Estimated Cost: \$2,000	Communications with director	Liaise with director / officer
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Attending to incoming / outgoing mail

At the second meeting, creditors will be asked to approve and fix the Joint and Several Administrators' remuneration for the period up to the Second Meeting of Creditors by passing the following resolution:

“That the remuneration of the Joint and Several Administrators for the period of the Voluntary Administration be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and fixed to a maximum of \$15,000 (excluding GST). The Joint and Several Administrators are authorised to make periodic payments on account of such accruing remuneration on either a monthly basis or as required.

Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Administrators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## 2. LIQUIDATION

### Joint and Several Liquidators remuneration for the period from commencement to the finalisation of the Liquidation

A summary of the tasks that we anticipate will be undertaken for the period of the Liquidation and the estimated costs therein, is set out in the table below:

TASK AREA	GENERAL DESCRIPTION	INCLUDES
<b>ASSETS &amp; OTHER REALISATIONS</b> Estimated Cost: \$2,500	Voidable Transactions (including preferences, uncommercial transactions, & unfair loans)	Investigations into potential Voidable Transactions
	Insolvent Trading	Preparation of insolvent trading memorandum
<b>CREDITORS</b> Estimated Cost: \$4,500	Unsecured Creditors	Communications with unsecured creditors and or representatives Investigations into unsecured creditors claim Preparation of report to unsecured creditors Dealing with Proofs of Debt (when dividend not declared)
	Government Claims / Correspondence (Tax, Including Clearances, Workcover & Superannuation)	Communications with statutory creditor Investigations into statutory creditors claim Dealing with Proof of Debt (when dividend not declared)
	Notices to Creditors	Preparation of Notice and Supplementary / Subsequent Report to Creditors Attending to general matters regarding Notices to Creditors
	Minutes of Meetings / Attendance Register Proxies etc	Preparation of documents for Meeting of Creditors Dealing with proxies and proofs for Meeting of Creditors Preparing Minutes of Meeting of Creditors Attending to matters regarding Meeting / Attendance Register / Proxies Attend / Chair / Preside / Minute meeting
	Meetings – General Matters	Attending to other matters regarding meetings including file notes and correspondence
<b>INVESTIGATIONS</b> Estimated Cost: \$3,000	General Investigations (not related to assets or other areas)	Reviewing & preparation of history and nature of administration Preparation / Review of investigation file / checklist Administration file review Updating checklist General investigations into administration
	Books and Records Listing	Collecting, reviewing, listing and dealing with books and records
	Financial Statements / Analysis	Analysing / Investigating financial statements Reviewing specific transactions & conducting enquiries
	Director / Officer	Preparation / review of investigation checklist for

<b>TASK AREA</b>	<b>GENERAL DESCRIPTION</b>	<b>INCLUDES</b>
	Contraventions (Breach of Duties)	offences
<b>ADMINISTRATION</b> Estimated Cost: \$5,000	Communications with director	Liaise with directors / officers Prepare / Review correspondence to / from Directors / officers Attend meeting with directors / officers
	Correspondence / File notes (not relating to any other area)	Preparing correspondence / file notes in respect to general administrative matters
	General Administration	Filing, Photocopying, Scanning, Faxing correspondence / documents Preparing timesheets and summaries in respect to administration Attending to incoming / outgoing mail Preparing circulars, statutory declarations in respect to postage and dealing with general mail requirements
	Fees	Preparation of Work In Progress Report to approved rates Preparation of bill / write off Work In Progress Attend to general administrative matters relating to Fees / Disbursements / Work in Progress
	ABN / GST Registration	Attending to general matters relating to ABN / GST
	Monthly / Quarterly BAS / IAS	Preparation / Review of BAS / IAS
	Tax Invoices	Preparing / Reviewing Tax invoices relating to BAS / IAS
	Appointment Documents	Preparation / Review / Amend Appointment Documents
	Lodgements with ASIC / Other	Lodging minutes of meeting with ASIC Lodging Section 533 report with ASIC Lodging Statutory forms with ASIC / other statutory authority including receipts and payments
	Reports and correspondence for ASIC / Statutory Authority	Preparing reports and correspondence for ASIC / Statutory Authority Preparing Section 533 report with ASIC Preparing / Reviewing statutory forms and receipts and payments for lodgement with ASIC / other statutory authority Liaising with ASIC / other statutory authority
	Advertisements	Advertising meeting of creditors

In light of the above and based on the information to hand, it is estimated that should creditors resolve to wind up the company, the Joint and Several Liquidators' remuneration should not exceed \$15,000 (excluding GST) for the period of the liquidation. Accordingly, creditors will be asked to approve the Joint and Several Liquidators' remuneration by passing the following resolution:

"That the remuneration of the Joint and Several Liquidators be calculated on a time basis and be approved in respect of themselves, their directors and staff at the hourly rates applicable to the grades or classifications set out in the SV Partners Scale of Fees and Insolvency Rate Experience Classification as at 1 July 2014 and capped to an amount of \$15,000 (excluding GST) for the period of the liquidation. The Joint and Several Liquidators are authorised to make periodic payments on account of such remuneration on either a monthly basis or as required.



Any goods and services tax payable on the remuneration so approved is to be in addition to the amounts approved.

Such remuneration as approved is subject to review by the Court upon the application of the Joint and Several Liquidators or any officer, member or creditor of the company in accordance with the Corporations Act 2001.”

## **DISBURSEMENTS**

**Disbursement costs may be divided into three (3) types: A, B1 and B2.**

A	Disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees
B1	Disbursements are externally provided non-professional costs, such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
B2	Disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost, except for photocopying, printing and telephone calls which are charged at a rate which was intended to recoup both variable and fixed costs.

Details of the disbursements paid during the course of our appointment are summarized in the Joint and Several Administrators Receipts and Payments located in Part 8 of our Section 439A Report to Creditors attached.

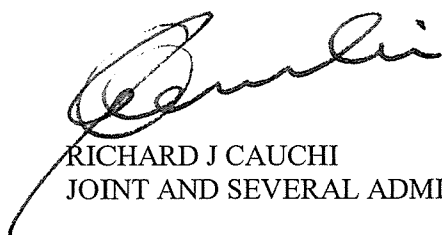
Whilst we do not require the approval of creditors to pay disbursements, the notes which form part of the Joint and Several Administrators Receipts and Payments have been provided to assist creditors in understanding the disbursement costs incurred during the course of the voluntary administration up to the preparation of this report.

Creditors are also able to obtain further information about our remuneration and disbursements on written request.

We refer creditors to an information sheet titled “Approving Fees: A Guide for Creditors” which may be obtained from the ASIC website at:

[http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving\\_fees\\_guide\\_for\\_creditors.pdf/\\$file/Approving\\_fees\\_guide\\_for\\_creditors.pdf](http://www.asic.gov.au/asic/pdf/lib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

Dated: 24 February 2015



RICHARD J CAUCHI  
JOINT AND SEVERAL ADMINISTRATOR

*(this page intentionally left blank)*