

Our Ref: NP/2015.11.04 VA 1<sup>st</sup> RTC/Sec.20

4 November 2015



**FIRST REPORT TO CREDITORS**

**MARTIN PRINT PTY LTD**

**ACN 120 920 103**

**(ADMINISTRATORS APPOINTED) ("THE COMPANY")**

**TABLE OF INCLUSIONS**

1. **Notice of meeting**
2. **Appointment of proxy form (please complete and return)**
3. **Form 535 – Formal proof of debt or claim form (please complete and return)**
4. **Administrator's report to creditors**
  - (a) **Annexure "A" – Declaration of Independence, Relevant Relationships and Indemnities**
  - (b) **Annexure "B" – Veritas Advisory' charge rates**
  - (c) **Annexure "C" – Voluntary Administrators' Remuneration Report**
  - (d) **Annexure "D" – ASIC Information Sheet "Information for Directors, Employees, Creditors and Shareholders."**

If you require further copies of the above please contact Christine Choi of my Sydney office on 02 8999 9330 or by emailing [cchoi@veritasadvisory.com.au](mailto:cchoi@veritasadvisory.com.au).

**FORM 529A**

Paragraph 5.6.12(2)

**CORPORATIONS ACT**

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

**MARTIN PRINT PTY LTD**

**ACN 120 920 103**

**(ADMINISTRATORS APPOINTED) ("THE COMPANY")**

1. On 2 November 2015 the Company, under Section 436A, appointed David Iannuzzi and Steve Naidenov of Veritas Advisory, Level 12, 88 Pitt Street, Sydney NSW 2000 as the Joint and Several Administrators of the Company.
2. Notice is now given that a meeting of the creditors of the Company will be held at the offices of Veritas Advisory, Level 12, 88 Pitt Street, Sydney NSW 2000 on 12 November 2015 at 11:00am.
3. The purpose of the meeting is to determine:
  - (a) Whether to appoint a Committee of Creditors; and
  - (b) If so, who are to be the Committee's members
4. Approval of Remuneration of the Administrators:

'That the remuneration of the Joint and Several Administrators for the period 2 November 2015 to finalisation of the Voluntary Administration, is determined at a sum equal to the cost of time spent by the Administrators and their staff, calculated at the hourly rates as detailed in the remuneration report to a capped amount of \$25,000 plus GST, but subject to upward revision by resolution of the creditors, the Committee of Creditors or by the court and that the Administrators can draw the remuneration on a monthly basis or as required.'
5. At the meeting, creditors may also, by resolution:
  - (a) Remove the Administrators from office, and
  - (b) Appoint another person as Administrator of the Company

Telephone conference facilities are available.

- (a) The telephone conference number is 02 8999 9330.
- (b) A creditor who wishes to participate in the meeting by telephone must give the Administrator, not later than the second-last working day before the day on which the meeting is to be held, a written statement setting out:
  - i. the name of the creditor;

- ii. an address to which notices to the creditor may be sent;
  - iii. a telephone number at which the creditor may be contacted; and
  - iv. any facsimile transmission number to which notices to the creditor may be sent.
- (c) A creditor, or the proxy or attorney of a creditor, who participates in the meeting by telephone must pay any costs incurred by the creditor, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the Company.

A Form of Proxy is **attached**. Proxies to be used at the meeting should be lodged with the Company, care of Veritas Advisory, by 4.00pm on 11 November 2015. A corporate creditor can only be represented by a duly appointed representative appointed under Section 127 and Section 250D of the Corporations Act.

Creditors wishing to vote at the meeting should establish their debt or claim by completing and lodging the **attached** Proof of Debt with Veritas Advisory prior to the date of the meeting.

Dated this 4<sup>th</sup> day of November 2015.



**STEVE NAIDENOV**  
Administrator

**MARTIN PRINT PTY LTD  
ACN 120 920 103  
(ADMINISTRATORS APPOINTED) ("THE COMPANY")**

**APPOINTMENT OF PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_ a creditor  
of the abovenamed Company hereby appoint \_\_\_\_\_ or in his/her  
absence \_\_\_\_\_ as my/our proxy to vote at the meeting of  
creditors to be held on 12 November 2015 at 11:00am or at any adjournment of that meeting as:

My **general proxy** to vote on all matters arising at the meeting (including the appointment of the proxy holder as a member of any Committee of Creditors/Inspection);

**OR**

My **special proxy** to vote on the following resolutions as specified below:

<i>PLEASE TICK ONE BOX (ONLY) FOR EACH PROPOSED RESOLUTION</i>		<b>For</b>	<b>Against</b>	<b>Abstain</b>
1.	Appointment of a Committee of Creditors with _____ appointed as a member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	That the remuneration of the Joint and Several Administrators for the period 2 November 2015 to finalisation of the Voluntary Administration, is determined at a sum equal to the cost of time spent by the Administrators and their staff, calculated at the hourly rates as detailed in the remuneration report to a capped amount of \$25,000 plus GST, but subject to upward revision by resolution of creditors, the Committee of Creditors or by the court and that the Administrators can draw the remuneration on a monthly basis or as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To remove the Administrators from office and appoint someone else as Administrator of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed \_\_\_\_\_

Dated \_\_\_\_\_

Print Name \_\_\_\_\_

**NOTES TO PROXY**

1. The person(s) appointed proxy may be the Chairperson or such other person as the creditor may approve and the proxy form, when signed, must be lodged by the time and at the address named for that purpose in the notice convening the meeting at which it is to be used.
2. Note that any person signing on behalf of a company must be duly authorised by the company.

CERTIFICATE OF WITNESS (Special cases)

I \_\_\_\_\_

of \_\_\_\_\_

certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him/her before he/she attached his/her signature or mark to the instrument.

Date \_\_\_\_\_

Signature of Witness \_\_\_\_\_

Description \_\_\_\_\_

Place of Residence \_\_\_\_\_

**FORM 535**

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

To the Administrator of Martin Print Pty Ltd (Administrators Appointed)

1. This is to state that the company was on 2 November 2015, and still is, justly and truly indebted to \_\_\_\_\_

of

**I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act at the following email address:**

**Email:** \_\_\_\_\_

for \$ \_\_\_\_\_ and \_\_\_\_\_ cents.

Date	Consideration (state how the debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

Date	Drawer	Acceptor	Amount \$c	Due Date

\*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

\*3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Signature  
Occupation  
Address

\*Do not complete if this proof is made by the creditor personally.

4 November 2015

**FIRST REPORT TO CREDITORS**

**MARTIN PRINT PTY LTD**

**ACN 120 920 103**

**(ADMINISTRATORS APPOINTED) ("THE COMPANY")**

On 2 November 2015, David Iannuzzi and I were appointed Joint and Several Administrators of the Company by its director, Mr Martin Russell.

I have been advised that you may be a creditor of the Company.

I now submit my preliminary report in respect of the Company as follows:

<b>1. VOLUNTARY ADMINISTRATION .....</b>	<b>1</b>
<b>2. DISCLOSURE STATEMENT.....</b>	<b>2</b>
<b>3. HISTORY.....</b>	<b>2</b>
<b>4. FIRST MEETING OF CREDITORS.....</b>	<b>2</b>
<b>5. EFFECT ON OWNERS OR LESSORS OF PROPERTY / EXISTING CONTRACTS / STOCK.....</b>	<b>3</b>
<b>6. INVESTIGATIONS .....</b>	<b>4</b>
<b>7. REMUNERATION .....</b>	<b>4</b>
<b>8. GENERAL.....</b>	<b>5</b>

**1. VOLUNTARY ADMINISTRATION**

Voluntary administration is a corporate insolvency regime designed to maximise the chances of a business, or part of a business, continuing in operation, or to result in creditors receiving a better return than would result from an immediate liquidation.

Under normal circumstances, the period of voluntary administration is approximately five weeks. During the period of voluntary administration, the administrator assumes control of the Company's assets and operations. At the conclusion of the voluntary administration period, the Company's creditors will resolve the future of the Company. The administrator is required to conduct an investigation into the Company's affairs and to report to creditors on the results of this investigation. This report will contain the administrator's opinion on each of the alternatives for the Company's future.

## 2. DISCLOSURE STATEMENT

Our appointment was made pursuant to a resolution of the director who made an inquiry on the Veritas Advisory Website. In accepting the appointment, David Iannuzzi and I have considered the issue of our independence.

In accordance with statutory and professional requirements I have prepared a Declaration of Independence, Relevant Relationships and Indemnities. This Declaration is **attached** as **Annexure "A"**.

In summary, I am not aware of any issues, circumstances or relationships which would preclude my appointment.

## 3. HISTORY

The Company was incorporated on 26 July 2006 and operated a printing business. The Company's registered office was located at 401 Brookton Highway, Roleystone WA 6111.

The Company's office bearers as at the date of my appointment were as follows:

<u>Name</u>	<u>Position</u>
Mr Martin Russell	Director / Secretary

I intend to continue to trade the business via a license agreement. Suppliers will be issued with a further notice in this regard.

## 4. FIRST MEETING OF CREDITORS

**Attached** is a Notice of Meeting of creditors to be held in accordance with Section 436E of the Corporations Act 2001 ("the Act"). In this regard I note the following:

### (a) Purpose of Meeting

The purpose of the meeting is to determine whether to appoint a Committee of Creditors. At the meeting, creditors may also, by resolution, remove the administrator from office and appoint someone else as administrator of the Company.

### (b) Committee of Creditors

Pursuant to Section 436F of the Act the functions of a Committee of Creditors are:

- i. to consult with the administrator about matters relating to the administration;  
and
- ii. to receive and consider reports by the administrator.



Section 436G of the Act provides that a person may only be a member of a Committee of Creditors if he / she is:

- i. a creditor of the Company; or
- ii. an attorney of such a creditor because of a general power of attorney; or
- iii. authorised in writing by such a creditor to be such a member.

(c) Voting

The required resolutions are by a simple majority in number unless two or more creditors request a poll be taken, in which case it requires a majority in number and value. In a deadlock, the Chairman has the casting vote.

**Attached** are forms of Proof of Debt and Proxy.

The Proof of Debt must be completed in full setting out all particulars of the debt outstanding. Where the creditor is a company, the full name of the company must be shown and the form signed by an officer of the Company.

The Proxy must be completed if the creditor is a company or if an individual creditor wishes to appoint another party as his or her representative.

It is requested that these forms be lodged with this office prior to attendance at the meeting of creditors.

**5. EFFECT ON OWNERS OR LESSORS OF PROPERTY / EXISTING CONTRACTS / STOCK**

(a) Owners and Lessors of Property

Please note that pursuant to Subsections 440B (1) and (2) of the Act property rights are restricted during the administration of the Company.

During the administration the owner or lessor of property that is used or occupied by, or is in the possession of the Company cannot take possession of the property or enforce their security interest or otherwise recover it, except with:

- i. the administrator's written consent; or
- ii. the leave of the Court.

(b) Existing Contracts and Agreements

Please note that I expressly refrain from adopting any contracts or agreements of the Company in existence at the date of my appointment, unless you are formally notified to the contrary in writing. All contracts and agreements are currently the subject of review and, if appropriate, advice as to the position of same will be forthcoming in the near future. In the meantime, no implication as to the adoption of any contracts should be drawn if payments are made for any current use of goods or services.

If any creditor claims a security interest as registered on the Personal Property Securities Register (“PPSR”), I request all documentation supporting same be immediately provided to my office. Creditors will note that a pre-appointment review of the PPSR confirms no security interests.

(c) Stock

In relation to suppliers holding outstanding or unfulfilled orders or who have consignment stock with the Company or have supplied stock on the basis of retention of title, it is requested that details of same be supplied immediately. Upon ascertaining the position in relation to such, the suppliers in question will be further advised.

## 6. INVESTIGATIONS

I will be conducting my investigations into the Company’s business, property, affairs and financial circumstances as required under Section 438A of the Act in order that I may form the opinion required by that section being:

- (a) whether it would be in the creditors’ interests for the Company to execute a Deed of Company Arrangement (“Deed”); or
- (b) whether it would be in the creditors’ interests for the administration to end; or
- (c) whether it would be in the creditors’ interests for the Company to be wound up.

The results of these investigations will be reported to creditors prior to the next meeting of creditors to be held by .

## 7. REMUNERATION

I will be seeking remuneration in respect of necessary work properly performed during the voluntary administration period.

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

(a) Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

(b) Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

(c) Percentage

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

(d) Contingency

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

Given the nature of this administration, I propose that the remuneration be calculated on a time basis. This is the most objective method of reflecting the work actually performed during the course of the administration.

The time will be charged in accordance with Veritas Advisory's standard hourly rates. A schedule of current rates is **attached as Annexure "B"** which also provides a general guide showing the qualifications and experience of staff engaged in the administration. David Iannuzzi and I have reviewed the rates as they relate to this matter and believe they are appropriate for the type of work to be undertaken.

The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Creditors will be asked to approve the basis and amount of remuneration at the forthcoming meeting of creditors. To assist creditors in considering remuneration, David Iannuzzi and I have prepared a comprehensive remuneration report which outlines the major tasks to be undertaken during the course of the Administration and the estimated fees to be charged for each major task area. The amount of prospective remuneration for which approval is sought will be capped at \$25,000 plus GST. The remuneration report is attached as **Annexure "C"**.

Creditors will be asked to approve the additional remuneration at the second meeting of creditors. Full details will be provided with Notice of that meeting.

## 8. GENERAL

(a) Further Reports

A more comprehensive report on the Company's affairs will be forwarded to creditors with the Notice of the second meeting of creditors.

In the interim, should you have any questions please do not hesitate to contact Christine Choi of this office.

(b) Insolvency Information Sheets

**Attached as Annexure "C"** for your information is a copy of the insolvency information sheet entitled "Information for Directors, Employees, Creditors and Shareholders" circular published by the Australian Securities & Investments Commission.

Should any creditor require assistance in completing the relevant forms or have any queries, please contact Christine Choi of my Sydney office.

(c) Insolvency Information/Electronic Notification Options

Section 600G of the Act permits electronic notification to creditors of certain notices of documents. If you would like to receive electronic notification, please complete the relevant section on the proof of debt form.

Yours faithfully

**MARTIN PRINT PTY LTD**



**STEVE NAIDENOV**  
Administrator

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# ANNEXURE "A"

## DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

**MARTIN PRINT PTY LTD**  
**ACN 120 920 103**  
**(ADMINISTRATORS APPOINTED) ("THE COMPANY")**

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

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

This declaration is made in respect of us, our partners and Veritas Advisory.

### 1. INDEPENDENCE

We, Steve Naidenov and David Iannuzzi have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of Martin Print Pty Ltd in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence.

We are not aware of any reasons that would prevent us from accepting this appointment.

### 2. DECLARATION OF RELATIONSHIPS

#### (a) Circumstances of appointment

On 27 October and 30 October 2015, Steve Naidenov had telephone conversations with the Director of the Company for the purposes of:

- obtaining sufficient information about the Company to advise the Company, its Director on the solvency of the Company;
- to clarify and explain for the Company and its Director the various options available to the Company and the nature and consequences of an insolvency appointment; and
- for us to provide a consent to act.

We received no remuneration for this advice.

On 26 October 2015, an inquiry was received from the Director on the Veritas Advisory Website.

The reason we believe that this relationship does not result in us having a conflict of interest or duty is that inquiries made on the Veritas Advisory Website are commonplace and do not impact on our independence in carrying out our duties as Administrators.

No other information or advice, beyond that outlined in this DIRRI was provided to the officers of the insolvent or its advisors.

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

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

Name	Nature of relationship	Reasons why not an Impediment or Conflict
Australian Taxation Office	We receive nominations to act as Official Liquidator for the Australian Taxation Office's Court winding up applications from time to time.	There are no matters which we are aware of which gives rise to a conflict in this appointment.  In particular, providing Consents to Act as Official Liquidator in the Australian Taxation Office's winding up applications does not constitute a conflict as our previous relationship with the Australian Taxation Office has not been and is not in relation to the affairs of Martin Print Pty Ltd and/or its officers or related parties.

**(c) Prior Professional Services to the Insolvent**

Neither we, nor our firm, have provided any professional services to the Company in the previous 24 months.

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

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

### 3. INDEMNITIES AND UP-FRONT PAYMENTS

We have been provided with the following indemnities for remuneration for the conduct of this Voluntary Administration:

Name	Relationship with the Company	Nature of indemnity
Mr Russell	Director of the Company	Mr Russell provided an indemnity of \$25,000 plus GST to cover our initial remuneration and expenses associated with the Voluntary Administration of the Company. There are no conditions on the conduct or outcome of the Voluntary Administration attached to the provision of this indemnity.

This does not include statutory indemnities. We have not received any other indemnities or upfront payments that should be disclosed.

The Australian Restructuring Insolvency & Turnaround Association's Code of Professional Practice specifically recognises that practitioners may accept monies to meet the costs of the Voluntary Administration prior to the acceptance of the appointment, provided that:

- the monies are held on trust;
- there are no conditions on the conduct or outcome of the Administration attached to the monies (ie achieving a certain outcome); and
- a full disclosure is made to the creditors in the Declaration of Independence, Relevant Relationships and Indemnities.

Monies held on trust may only be drawn as remuneration in the same manner as normal remuneration claims.

Dated this 4<sup>th</sup> day of November 2015



**STEVE NAIDENOV**  
Administrator



**DAVID IANNUZZI**  
Administrator

**Note:**

1. If circumstances change, or new information is identified, we are required under the Corporations Act and 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 meeting of the insolvent's creditors.



2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.



# ANNEXURE "B"



## Hourly Insolvency Rates from 1 July 2014

Position	Rate (ex GST) \$	GST 10% \$	Total (inc GST) \$	Description - guide only
Appointee/Principal/Director	540.00	54.00	594.00	Registered and/or Official Liquidator. In excess of 10 years experience, bringing specialist skills to the administration or insolvency task. Oversees staff and responsible for overall conduct of file.
Senior Manager	450.00	45.00	495.00	More than 7 years insolvency experience, likely more than 3 years as manager, tertiary qualified and capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in their own right.
Manager	420.00	42.00	462.00	6-7 years insolvency experience, likely tertiary qualified, with well-developed technical and commercial skills. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Controls staff and on the job training.
Supervisor	380.00	38.00	418.00	4-6 years. Likely tertiary qualified or significant experience. Will have had conduct of minor administrations and experience in control of staff. Assists planning and control of medium to large administrations.
Senior 1	340.00	34.00	374.00	2-4 years. Likely tertiary qualified or nearing completion. Assists planning and control of small to medium administrations as well as performing some of the more difficult work on larger administrations.
Senior 2	290.00	29.00	319.00	1-2 years. Likely tertiary course underway or near complete. Required to control the work on small administrations and is responsible for assisting the completion of work on medium to large administrations.
Intermediate 1	250.00	25.00	275.00	0-2 years. Likely graduate with little or no professional experience. Required to assist in day-to-day work under supervision of more senior staff.
Intermediate 2	210.00	21.00	231.00	0-1 year. Trainee likely undertaking a degree with an accountancy major. Required to assist in day-to-day work under supervision of more senior staff.
Secretary	170.00	17.00	187.00	Appropriate skills including machine usage.
Junior	140.00	14.00	154.00	HSC qualified. Plans to undertake at least part-time degree/diploma. Required to assist in administration and day-to-day work under supervision of more senior staff.
Clerk	140.00	14.00	154.00	Nonqualified. Classification depends on experience, salary and complexity of work to be conducted.

**Notes:**

- 1) the Firm maintains its time records in a computerised system;
- 2) the classifications above do not cover professional staff who are not studying tertiary degree courses majoring in accounting/law or have attained like qualifications. Veritas Advisory recognises that in this category there are some people who are highly skilled and believes it is not possible to give a description which will adequately cover all situations. The Firm therefore decides what is the relevant and appropriate charge-out rate.
- 3) these categories are a guide only. Individual circumstances will dictate category of staff and hourly rates.

**Disbursements:**

Meeting Room	\$50.00 per hour (plus GST)	Travel	
Photocopying/Printing	60 cents per page (plus GST)	Airfares + Accommodation	At cost (plus GST)
Facsimile	(Local / Interstate) \$1.00 per page (plus GST)	0-1600 cc	63 cents / Km
Stationery and file maintenance	\$100.00 per appointment (plus GST)	1601 - 2600 cc	74 cents / Km
Advertising	At cost (plus GST)	2601 + cc	75 cents / Km
Searches	At cost (plus GST)	Storage - Upfront + 5 year storage	
Courier	At cost (plus GST)	(incl. destruction)	\$70 per box (plus GST)
Mail	At cost (plus GST)	Storage - Retrieval Cost	\$15 per box (plus GST)
Parking	\$72 per day (plus GST)		

Creditors are advised that they have the right to obtain further information regarding remuneration and can request same, by advising this office in writing. Creditors are advised they may seek a review of the fees with the Inspector-General in Bankruptcy pursuant to Regulation 8.12E



# ANNEXURE "C"

**REMUNERATION REPORT**

**MARTIN PRINT PTY LTD**

**ACN 120 920 103**

**(ADMINISTRATORS APPOINTED) (“THE COMPANY”)**

In compliance with the Australian Restructuring Insolvency & Turnaround Association (“ARITA”) Code of Professional Practice and the requirements of the Corporations Act 2001, we set out below our remuneration report for the period 2 November 2015 to completion of the Voluntary Administration.

This report is set out as follows:

<b>1. DECLARATION .....</b>	<b>1</b>
<b>2. DESCRIPTION OF WORK.....</b>	<b>1</b>
<b>3. CALCULATION OF REMUNERATION .....</b>	<b>2</b>
<b>4. REMUNERATION RECOVERIES FROM EXTERNAL SOURCES .....</b>	<b>5</b>
<b>5. REPORT ON PROGRESS OF THE ADMINISTRATION .....</b>	<b>5</b>
<b>6. SUMMARY OF RECEIPTS AND PAYMENTS.....</b>	<b>5</b>
<b>7. GENERAL SUPPORTING INFORMATION .....</b>	<b>6</b>

**1. DECLARATION**

We, David Iannuzzi and Steve Naidenov of Veritas Advisory have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration to be claimed is in respect of necessary work properly performed to date and to be properly performed in the conduct of the Voluntary Administration.

**2. DESCRIPTION OF WORK**

The tasks which external administrators undertake can be broadly divided into seven categories. These are:

- Assets
- Creditors
- Employees
- Trade On
- Investigation
- Dividend

- Administration

Information on the seven categories is summarised at Section 3 hereunder to enable creditors to understand the type and purpose of work being undertaken.

Company	Martin Print Pty Ltd
Practitioners	David Iannuzzi and Steve Naidenov
Firm	Veritas Advisory
Administration Type	Voluntary Administration
Period	2 November 2015 to the completion of the Voluntary Administration

### 3. CALCULATION OF REMUNERATION

At the meeting of creditors to be held on 12 November 2015 we will ask for approval to be paid remuneration for services rendered in the Voluntary Administration from 2 November 2015 to the completion of the Voluntary Administration. A summary of the expected major tasks and costs relating to the professional services for the period is set out below.

Task Area	General Description	Includes
<b>Assets</b> [\$2,000]	Other Assets	Review books and records of the company to assess whether there are any other realisable assets
<b>Creditors</b> [\$7,000]	Creditor Enquiries	Receive and follow up creditor enquiries Review and prepare correspondence to creditors and their representatives Review correspondence received from creditors
	Creditor reports	Preparation of circular to creditors convening first meeting of creditors which includes remuneration report Preparation of future detailed report to creditors containing results of my investigation into the affairs of the company Preparation of future circular to creditors convening final meeting of members and creditors
	Dealing with proofs of debt	Review and filing of any proofs of debts received
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Forward notice of meeting to all known

<b>Task Area</b>	<b>General Description</b>	<b>Includes</b>
		creditors Preparation of meeting package, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Attendance at meeting of creditors Preparation and lodgement of minutes of meeting with the Australian Securities and Investments Commission
<b>Trade On [\$2,000]</b>	Trade On Management	Liaising with suppliers
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting and financial reporting	Reviewing company's budgets and financial statements Meetings to discuss trading position
<b>Employees [\$2,000]</b>	Employees enquiry	Receive and follow up employee enquiries via telephone
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards
<b>Investigation [\$6,000]</b>	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company history and background Conducting and summarising statutory searches Conducting asset tracing Preparation of comparative financial statements Preparation of deficiency statement Review of transactions with related parties during the last four years Identify possible offences Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file
	ASIC reporting	Preparation and lodgement of report pursuant

<b>Task Area</b>	<b>General Description</b>	<b>Includes</b>
		to section 438D of the Corporations Act 2001 with ASIC
<b>Administration [\$6,000]</b>	Correspondence	Preparation of correspondence to directors Preparation of miscellaneous correspondence
	Document maintenance/file review/checklist	First month, then three monthly administration reviews Filing of documents Updating checklists
	Insurance	Notification of appointment Correspondence with Aon regarding initial and ongoing insurance requirements if required
	Bank account administration	Preparation of correspondence regarding opening and closing of bank accounts Requesting bank statements Bank account reconciliations Preparation of cash receipt and cheque requisition vouchers Cashbook maintenance
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	Notification of appointment Preparing BAS' Notification of any GST adjustments
	Finalisation	Cancelling ABN and GST registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of Administration
	Books and records / storage	Dealing with records in storage Sending job files to storage
<b>Total \$25,000</b>		

On the assumption that we will not be required to undertake any major tasks not detailed above we will cap the Administrators' future fee claim to \$25,000 plus GST however we would expect total fees to approximate \$20,000 plus GST. Should matters change which prevent us from being able to complete the Voluntary Administration for this capped amount of remuneration, we will report to creditors.



(a) Disbursements

Disbursements are divided into three types

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees – these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

Future disbursements charged to this administration by Veritas Advisory will be in accordance with the schedule attached as Annexure “D”.

Full details of disbursements on this appointment will be provided to creditors at a later date. Creditor approval for the payment of disbursements is not required, however I must account to creditors. Creditors have the right to question the incurring of the disbursements and can challenge disbursements in court.

4. **REMUNERATION RECOVERIES FROM EXTERNAL SOURCES**

We advise that the Director has provided an indemnity of \$25,000 plus GST to cover our remuneration and expenses of the Voluntary Administration. For further details, please refer to the attached “Annexure C” Declaration of Independence, Relevant Relationships and Indemnities

5. **REPORT ON PROGRESS OF THE ADMINISTRATION**

Please refer to the attached Report to Creditors.

6. **SUMMARY OF RECEIPTS AND PAYMENTS**

As at the date of this report, we advise that there were no receipts or payments made in this Administration.

## 7. GENERAL SUPPORTING INFORMATION

### Remuneration Methods

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

(a) Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

(b) Fixed Fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

(c) Percentage

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

(d) Contingency

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

### Method chosen

Given the nature of this administration, we propose that our remuneration be calculated on a time basis. This is the most objective method of reflecting the work actually performed during the course of the administration.

The time will be charged in accordance with Veritas Advisory's standard hourly rates. A schedule of current rates is **attached as Annexure "D"** which also provides a general guide showing the qualifications and experience of staff engaged in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

We have reviewed the rates and believe they are appropriate for the nature of the work to be undertaken in this matter.

### Statement of Remuneration Claim

At the forthcoming meeting of creditors, creditors will be asked to pass the following resolutions:

#### Administration's Prospective Fees

*"To approve the remuneration of the Joint and Several Administrators on a time basis at the rates prescribed by Veritas Advisory for the period 2 November 2015 to finalisation of the Administration, to a capped amount of \$25,000 plus GST, but subject to upward revision by resolution of committee of creditors, creditors or by the Court and that the Administrators can draw the remuneration on a monthly basis or as required".*

#### Queries/Information Sheets

The above information is provided to assist creditors in considering the appropriateness of the remuneration claim that is being made.

Creditors should feel free to contact our office to seek further information concerning the remuneration claim, if they so need.

The ARITA have produced a document entitled *"Approving fees: a guide for creditors"* that can be downloaded from the ARITA website, <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheets>. Alternatively, a copy can be obtained if you contact Christine Choi of my Sydney office.

Dated this 4<sup>th</sup> of November 2015



STEVE NAIDENOV  
Administrator



DAVID IANNUZZI  
Administrator



# ANNEXURE "D"



**ASIC**

Australian Securities & Investments Commission

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

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### List of information sheets

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

### Getting copies of the information sheets

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

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.