

Rewards Group Limited ACN 087 702 547
Rewards Projects Limited ACN 089 582 427
Rewards Land Pty Ltd ACN 089 948 824
Rewards Management Pty Ltd ACN 089 940 376
Rural Labour Pty Ltd ACN 130 732 786
(All Subject to Deed of Company Arrangement)
(Some Receivers and Managers Appointed)



**Report by Deed Administrators pursuant to
Section 445F of
the Corporations Act 2001**

Martin Jones

Darren Weaver

Andrew Saker

9 September 2011



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Glossary of Common Terms

Abbreviation	Description
ACN	Australian Company Number
Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
GST	Goods and Services Tax
MIS project	Managed Investment Scheme
the Group	Rewards Group Limited, Rewards Projects Limited, Rewards Management Pty Ltd, Rewards Land Pty Ltd and Rural Labour Pty Ltd (Subject to Deed of Company Arrangement) (Some Receivers and Managers Appointed)
RGAG	Rewards Growers Advocacy Group Inc
Statement	Directors' Statement about the Company's Business, Property, Affairs and Financial Circumstances

Listing of Annexures

Annexure 1 Deed Administrators' Remuneration Report

1. Executive Summary

We refer to the appointment of Martin Jones, Andrew Saker and Darren Weaver as Joint and Several Administrators of the Group on 16 May 2010, pursuant to section 436A of the Corporations Act 2001 (the Act) and our subsequent appointment as Joint and Several Deed Administrators on 9 November 2010. We also refer to our previous Reports to Creditors of the Group dated 9 August 2010, 12 October 2010 and 8 April 2011 which should be read in conjunction with this report.

Creditors of the Group approved the Deed of Company Arrangement (DOCA) proposal put forward by The Rewards Growers Advocacy Group Inc (RGAG) at the meeting of creditors held on 19 October 2010. The DOCA's for each entity of the Group were executed on 9 November 2010 and lodged with the Australian Securities and Investments Commission (ASIC) as required under the Act. Further, at a meeting of creditors of the Group held on 19 April 2011 creditors resolved to approve RGAG's proposed variation to the DOCA's to extend the timeframe for the satisfaction of critical events under the DOCA's from 31 March 2011 to 29 July 2011.

The extension of the DOCA's has allowed for further opportunity for the Group to be restructured and in this regard under the DOCA's the RGAG and the Consortium's offer to the secured creditor of the Group, National Australia Bank Limited (NAB) to acquire the majority of the Group's and The Ark Fund Limited's (Ark) properties was left open for acceptance by NAB. We understand that RGAG and the Consortium have corresponded with NAB and the Receivers and Managers of the Group throughout the period of the DOCA's.

At the time of writing this report, whilst we have not been privy to the specific details of the sale campaign being conducted by the Receivers and Managers of the Group we understand the realisation of the properties is continuing.

In view of the above, the critical events of the DOCA's are unable to be completed and RGAG has advised that it does not wish to put forward a variation to the DOCA's. Accordingly, it is the Deed Administrators' recommendation that each of the companies of the Group should be placed into liquidation for the following reasons:

- Liquidation will not prejudice growers' potential claims against landowners for equitable claims in respect of compensation.
- An alternate Responsible Entity (RE) may still be appointed to any or all of the MIS projects should growers so determine.
- The liquidation of Rewards Management Pty Ltd (RMPL) will allow for the liquidator to apply to GEERS for funds to meet certain employee claims whereas at present RMPL is ineligible for GEERS assistance given it is subject to a DOCA.
- Actions in relation to certain recoveries only available to a liquidator may be pursued and the Act provides a liquidator with greater powers than under a DOCA to conduct investigations.
- The Group continues to hold limited funds in the administration and immediate liquidation will likely reduce ongoing administrative costs as the Act allows certain administrative and reporting concessions to a liquidator.
- If the DOCA is terminated and control of the Group is handed back to the directors, there is no orderly process for the wind-down of the Group nor process for the Group to pay its debts when it is clearly insolvent.



A concurrent meeting of creditors of the Group has been convened for Monday, 26 September 2011 at 10.00am WST at the Rydges Hotel Perth, corner King Street and Hay Street, Perth, Western Australia to consider the future of the Group.

Since our last report to creditors of the Group we have progressed our investigations into the Group's affairs and the various transactions the Group has entered into and in this regard we have identified a number of contingent claims. We are currently assessing the merits of pursuing any or all of these claims. Whilst further work is required to be conducted regarding the merits of pursuing these claims the appointment of a liquidator would not prejudice this right.

Rewards Projects Limited (RPL) acts as RE for numerous MIS projects that have been established by the Group. This report and accompanying notice of meeting has been provided to each of the investors in those projects on the basis that under the schemes they are owed certain obligations and in certain circumstances they may be entitled to claim as an unsecured creditor. However, the claims are of an indeterminate nature, and as such, the claims are contingent at this point.

2. Introduction

2.1 Purpose of this report

This report details the status of the existing DOCA's and the Deed Administrators' opinion regarding the future of the Group in accordance with the Act and DOCA's.

2.2 Meeting of creditors

As discussed earlier, a concurrent meeting of creditors of the Group has been convened for Monday, 26 September 2011 at 10.00am WST at the Rydges Hotel Perth, corner King Street and Hay Street, Perth, Western Australia to consider the future of each entity of the Group.

At the meeting, creditors of each Group entity will decide each respective company's future in voting on one of the following options:

- That the DOCA be terminated and the company placed into liquidation; or
- That the DOCA be terminated and control of the company revert to the directors.

2.3 Non-disclosure of certain information

There are sections of this report wherein we considered it inappropriate to disclose certain information to creditors. Such information included:

- a) Valuations of specific assets.
- b) Valuation of the business.
- c) Commercially sensitive prospective financial information (for example projections/forecasts).

We appreciate the need to provide creditors with complete disclosure of all necessary information relating to the Group in order to make decisions. However, as this information is commercially sensitive, it is not in creditors' interests for us to disclose the information publically at this stage. The Committees of Creditors are privy to a greater level of information. The



members of the Committees of Creditors have signed and are bound by confidentiality agreements with the Deed Administrators.

2.4 Access to Group's Books and Records

We have been unable to ascertain various account balances as our access to the Group's books and records has been restricted due to the appointment of the Receivers and Managers. Efforts to ascertain information directly from the Group's employees has also been limited due to the Receivers and Managers' control of the same and their different priorities.

2.5 Declaration of independence, relevant relationships and indemnities

Prior to our appointment we undertook a proper assessment of the risks to our independence. This assessment identified no real or potential risks to our independence though it did declare a number of relevant relationships.

Additionally, during the administration to date I declare that I entered into the following funding arrangements:

i. Facility Agreement between RGAG and the Administrators of RPL dated 25 June 2010.

Pursuant to this agreement RGAG advanced approximately \$1.6 million to the Administrators of RPL to conduct maintenance works on the Group's properties to preserve and maintain the properties. This arrangement was approved by the Group's committee of creditors and was approved by the Supreme Court of Western Australia in June 2010. The funds remain to be repaid to RGAG from the respective MIS projects where funds were advanced and expended. As such RGAG holds a lien over these respective MIS projects pursuant to the agreement for repayment of the same. The advances from RGAG under this agreement were not utilised to meet the Administrators' professional fees.

ii. Crop and Finance Tripartite Deed between RGAG, the Administrators of RPL and Food and Beverage Australia Limited (FABAL) dated 17 September 2010.

Pursuant to this agreement the Administrators of RPL engaged FABAL to conduct the harvest of tropical fruit crops at the Group's Childers, Kumbia, Mareeba and Dandaragan properties. FABAL advanced approximately \$500k under the agreement to the Administrators to meet expenditure incurred on these properties. FABAL holds a lien over these respective properties for the advances of funds. This arrangement was approved by the Group's committee of creditors and was approved by the Supreme Court of Western Australia in September 2010. The advances from FABAL under this agreement were not utilised to meet the Administrators' professional fees.

Following acceptance of RGAG's DOCA by Group creditors and pursuant to the Deed of Forbearance (DoF) this arrangement was terminated in October 2010 given that possession of the Ark and Rewards Land Pty Ltd properties were returned to the Receivers and Managers. However, we note that the rights and obligations between the parties to the Crop and Finance Tripartite Deed up until termination date remain in force.

iii. Harvest and Access arrangement between Kimberley Produce and the Deed Administrators of RPL agreed on 18 March 2011.

Pursuant to this agreement the Deed Administrators of RPL engaged Kimberley Produce to conduct the harvest of red flesh grapefruit in Kununurra. Under the agreement Kimberley Produce funded certain of the harvest expenses incurred directly by Kimberley Produce on behalf of the Deed Administrators. This arrangement was supported by RGAG and the Receivers and Managers of Ark and the Group. No funds were advanced to meet the Deed Administrators' professional fees.

iv. Advances from Black Tree Pty Ltd to the Administrators of RPL

From time to time since December 2010 Black Tree Pty Ltd has advanced funds to the Deed Administrators of RPL to meet costs in relation to the possible restructure and continuation of the Group's forestry MIS projects. These costs have included legal costs, leasing costs, taxation advice fees and printing costs. No funds have been advanced in respect of the Deed Administrators' professional fees.

v. Funding from CBA and Investec Bank

In respect of servicing RMPL's loan portfolios on behalf of CBA and Investec Bank I advise that both parties advanced funds to the Administrators of RMPL to meet ongoing servicing overhead costs which included payment for office rent, staff costs and ancillary costs. I also advise that CBA and Investec advanced funds totalling approximately \$80k to the Administrators to meet their specific professional fees in respect of matters dealt with on behalf of these parties. No funds were advanced to meet the Administrators' general professional fees for administration of the Group.

vi. Funding arrangement between the Receivers and Managers of Rewards Land Pty Ltd and RPL as Trustee for the Ord Orchards Land Unit Trust No. 1 (OOLUT)

The Deed Administrators of RPL entered into a funding arrangement with the Receivers and Managers of Rewards Land Pty Ltd during May 2011 to fund ongoing maintenance works of the OOLUT properties. The arrangement was entered into given that OOLUT no longer holds any funds and the Receivers and Managers represent the main beneficiaries of OOLUT being Ark and Rewards Land Pty Ltd. No advance has been made under this arrangement in respect of the Deed Administrators' fees.

I have not been indemnified in relation to the administration of the Group in respect of my fees, other than to the extent of any indemnities that I may be entitled to under statute and have not been advanced any funds other than those noted above. We were not aware of any reasons that would prevent us from accepting these appointments nor that would prevent us from continuing these appointments today.

3. Group Information

3.1 Statutory information

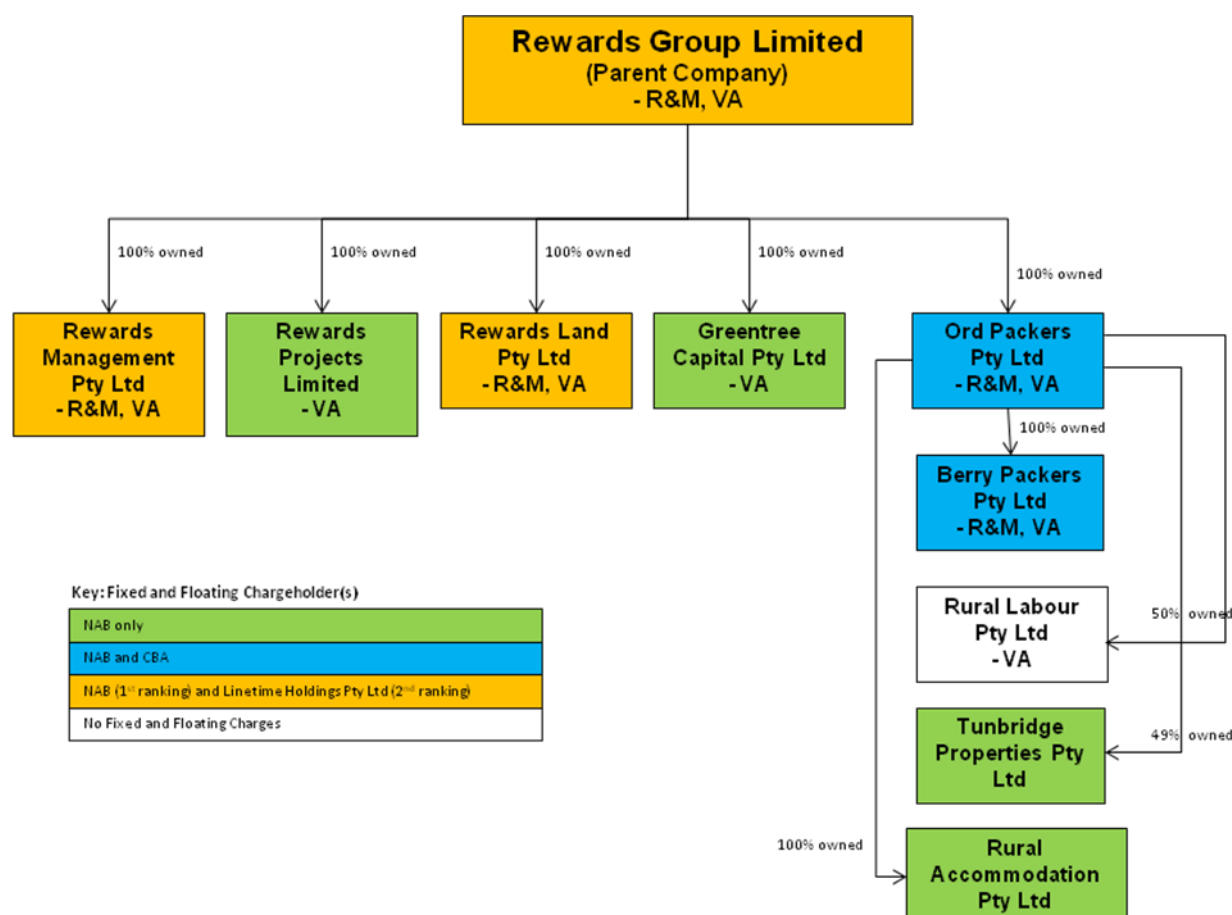
Please refer to our previous Reports to Creditors for statutory information pertaining to the Group.

3.2 Group history

Please refer to our previous Reports to Creditors for information pertaining to the history of the Group.

3.2.1 Group Structure

Set out below is a diagram of the Group's corporate structure as at the date of our appointment. We note that the Group is now subject to DOCA and Ord Packers Pty Ltd and Berry Packers Pty Ltd are in liquidation.





RPL is the RE for the following MIS projects:

Scheme Code	Project Name	Two Letter Code	Year	Location	No of Units	No of Growers	Term of Project
BR07R1	Rewards Group Berry Project 2007	BR	07	Caboolture QLD	1034	329	10 Years
BR08R1	Rewards Group Berry Project 2008	BR	08	Caboolture QLD and Yarra	2097	423	18 Years
BR08R2	Rewards Group Berry Project 2008	BR	08	Caboolture QLD and Yarra	168	57	18 Years
BW01R1	Forest Rewards Brushwood Retail Project 2001	BW	01	Meckering WA	241	54	20 Years
BW01R2	Forest Rewards Brushwood Retail Project 2001	BW	02	Meckering WA	410	45	20 Years
OL05W1	Ord Orchards Wholesale Land Unit Trust No 1	OL	05	Kununurra WA	1000	36	20 Years
PL01W1	Pemberton Premium Vineyard Land Unit Trust No	PL	04	Pemberton WA	186	16	21 Years
SL05R1	Sandalwood Land Trust	SL	05	Goomalling WA	232	52	20 Years
SL05R2	Sandalwood Land Trust Release 2	SL	06	Goomalling WA	162	15	20 Years
SL05R3	Sandalwood Land Trust Release 3	SL	06	Goomalling WA	59	14	20 Years
SW00R1	Forest Rewards Sandalwood Retail Project 2000	SW	00	New Norcia WA	760	84	20 Years
SW01R1	Forest Rewards Sandalwood Retail Project 2001	SW	01	Goomalling WA	236	47	20 Years
SW02R1	Forest Rewards Sandalwood Retail Project 2002	SW	02	Goomalling WA	132	28	20 Years
SW04R1	Rewards Group Sandalwood Retail Project 2003	SW	03	Goomalling WA	118	31	20 Years
SW04R2	Rewards Group Sandalwood Retail Project 2003	SW	04	Goomalling WA	611	142	20 Years
SW05R1	Rewards Group Sandalwood Retail Project 2005	SW	05	Goomalling WA	2435	479	20 Years
SW05R2	Rewards Group Sandalwood Retail Project 2005	SW	05	Goomalling WA	991	132	20 Years
SW05R3	Rewards Group Sandalwood Retail Project 2005	SW	05	Goomalling WA	2290	446	20 Years
SW07R1	Rewards Group Sandalwood Project 2007	SW	07	Goomalling WA	2454	504	20 Years
SW07R2	Rewards Group Sandalwood Project 2007	SW	07	Goomalling WA	2173	383	20 Years
TC02R1	Forest Rewards Tropical Citrus Retail Project 2002	TC	02	Weero Rd, Kununurra WA	254	37	20 Years
TF03R1	Rewards Group Tropical Fruits Retail Project 2003	TF	03	Packsaddle Rd, Kununurra WA	665	137	20 Years
TF03W1	Rewards Group Tropical Fruits Wholesale Project	TF	03	Packsaddle Rd, Kununurra WA	66	37	20 Years
TF04R1	Rewards Group Tropical Fruits Retail Project 2004	TF	04	Packsaddle Rd, Kununurra WA	900	209	20 Years
TF04W1	Rewards Group Tropical Fruits Wholesale Project	TF	04	Packsaddle Rd, Kununurra WA	105	58	20 Years
TF05R1	Rewards Group Tropical Fruits Retail Project 2005	TF	05	Packsaddle Rd, Kununurra WA	2115	380	20 Years
TF06R1	Rewards Group Tropical Fruits Retail Project 2006	TF	06	Various	3475	385	20 years
TF07R1	Rewards Group Tropical Fruits Retail Project 2007	TF	07	Various	2372	470	20 years
TF08R1	Rewards Group Tropical Fruits Project 2008	TF	08	Various	1333	216	20 years
TK01R1	Forest Rewards Teak Retail Project 2001	TK	01	Lot 15 CWL 523 Tully QLD	120	24	20 Years
TK01R2	Forest Rewards Teak Retail Project 2001 Release	TK	02	Lot 15 CWL 523 Tully QLD	31	14	20 Years
TK03R1	Rewards Group Teak Retail Project 2003	TK	03	Lot 15 CWL 523 Tully QLD	122	34	20 Years
TK03R2	Rewards Group Teak Retail Project 2003 Release	TK	04	Various	1610	348	20 Years
TK05R1	Rewards Group Teak Retail Project 2005	TK	05	Tully QLD and Innisfail	4062	755	20 Years
TK05R2	Rewards Group Teak Retail Project 2005 Release	TK	05	Tully QLD and Innisfail	1064	269	20 Years
TK06R1	Rewards Group Teak Retail Project 2006 Release	TK	06	Tully QLD and Innisfail	2245	483	20 Years
TK06R2	Rewards Group Teak Retail Project 2006 Release	TK	06	Tully QLD and Innisfail	3046	601	20 Years
TK08R1	Rewards Group Teak Project 2008 Release 1	TK	08	Tully QLD and Innisfail	1586	403	20 Years
TL05R1	Teak Land Trust	TL	05	Tully QLD and Innisfail	607	130	20 Years
TL05R2	Teak Land Trust Release 2	TL	05	Tully QLD and Innisfail	152	32	20 Years
TL06R1	Teak Land Trust Release 1	TL	06	Tully QLD and Innisfail	120	35	20 Years
VY01W1	Forest Rewards Premium Vineyard Project 1	VY	03	Ockwell Road, Pemberton WA	35	11	21 Years
VY02W1	Forest Rewards Premium Vineyard Project 2	VY	02	Seven Day Rd, Pemberton WA	60	18	21 Years

4. Historical Financial Information

4.1 Preparation of financial statements

Please refer to our previous Reports to Creditors for historical financial information pertaining to the Group.

5. Directors' Statement

5.1 Summary

Section 438B of the Act requires the directors to give an Administrator a Statement. As previously advised, we received the directors' Statements on 1 June 2010 and the various Statements are consistent.

Please refer to our previous Reports to Creditors for details regarding the assets and liabilities as depicted in the directors' Statements and the Deed Administrators' estimates of the same. For your reference we summarise these below:

Rewards Projects Limited

Statement as at 16 May 2010	Cost or Net Book Value (\$)	Administrators' ERV (\$)
Assets:		
Interest in Land	1,015,045	Unascertained
Debtors	319	Unascertained
Other Assets	6,139,834	Unascertained
Sub Total	7,155,198	Unascertained
Less amounts owing under charges	Nil	Unascertained
Total Available Assets to Unsecured Creditors	7,155,198	Unascertained
Ordinary unsecured creditor claims	(338,677)	(28,440,579)
Estimated Surplus/(Deficiency)	\$6,816,521	Unascertained

Rewards Group Limited

Statement as at 16 May 2010	Cost or Net Book Value (\$)	Administrators' ERV (\$)
Assets:		
Sundry Debtors	117,028	Unascertained
Cash at Bank	1,143	158
Inventory	Nil	Unascertained
Plant and Equipment	Nil	Unascertained
Less: Secured Creditor	Nil	Undisclosed
Office Equipment	Nil	Unascertained
Other Assets	14,465,098	Unascertained
Sub Total	14,583,269	Unascertained
Liabilities:		
Priority creditors	Nil	Nil
Less: Secured Creditors		
NAB	Undisclosed	Undisclosed
CBFC	Undisclosed	Undisclosed
Esanda	Undisclosed	Undisclosed
Linetime Holdings Pty Ltd	(1,783,643)	(1,783,643)
Contingent Liabilities	Nil	Nil
Total Available Assets to Unsecured Creditors	Unascertained	Unascertained
Ordinary unsecured creditor claims	(12,311,657)	(12,311,657)
Estimated Surplus/(Deficiency)	Unascertained	Unascertained



Rewards Land Pty Ltd

Statement as at 16 May 2010	Cost or Net Book Value (\$)	Administrators' ERV (\$)
Assets:		
Land	29,869,270	Undisclosed
Sundry debtors	11,113	Nil
Cash on hand	Nil	Nil
Cash at bank	5,532	5,532
Inventory	Nil	Unascertained
Plant and equipment	Nil	Unascertained
Less: secured creditor	Nil	Unascertained
Office equipment	Nil	Unascertained
Investments	3,308,443	Unascertained
Property deposits	325,354	Unascertained
Total Available Assets	33,519,712	Unascertained
Assets subject to specific charges	29,869,270	Undisclosed
Less: amounts owing under the charges	Nil	Nil
Less: priority creditors	Nil	Nil
Employee entitlements payable in advance of secured creditors	Nil	Nil
Secured Creditor - NAB	Undisclosed	Unascertained
Secured Creditor – Linetime Holdings Pty Ltd	Undisclosed	(1,783,643)
Available to Unsecured Creditors	Unascertained	Unascertained
Ordinary unsecured creditor claims	(25,459,038)	(25,459,038)
Estimated Surplus/(Deficiency)	Unascertained	Unascertained

Rewards Management Pty Ltd

Statement as at 16 May 2010	Cost or Net Book Value (\$)	Administrators' ERV (\$)
Assets:		
Debtors	58,130,608	Unascertained
Cash at bank	85,167	85,167
Plant and Equipment	21,410,676	Unascertained
Other Assets	10,279,920	Unascertained
Sub Total	89,906,371	Unascertained
Less: Priority Creditors	(403,313)	Unascertained
Assets subject to specific charges	(27,888,588)	Unascertained
Secured Creditor - NAB	Undisclosed	(26,000,000)
Secured Creditor – Linetime Holdings Pty Ltd	Undisclosed	(1,783,643)
Partly Secured Creditors	(6,380,862)	Unascertained
Total Available Assets to Unsecured Creditors	55,233,608	Unascertained
Ordinary unsecured creditor claims	(11,565,343)	(16,877,192)
Estimated Surplus/(Deficiency)	\$43,668,265	Unascertained



Rural Labour Pty Ltd

Statement as at 16 May 2010	Cost or Net Book Value (\$)	Administrators' ERV (\$)
Assets:		
Sundry debtors	1,444,661	Unascertained
Cash at bank	2,860	846
Motor vehicles	Nil	14,000
Other assets	Unascertained	Nil
Sub Total	Unascertained	Unascertained
Liabilities:		
Less: Priority creditors		
- Employee entitlements	Nil	(208,145)
Total Priority Creditors	Nil	(208,145)
Available to Unsecured Creditors	Unascertained	Unascertained
Ordinary unsecured creditor claims	(1,382,937)	(1,489,219)
Estimated Surplus/(Deficiency)	Unascertained	Unascertained
Estimated rate of dividend to Unsecured Creditors	Unascertained	Unascertained

The estimated realisable values set out above are based on the directors' Statements and the Group's books and records and are not necessarily endorsed by the Deed Administrators. The Deed Administrators have not audited the Group's records or the directors' Statements. The Deed Administrators have provided their own ERV with respect to the Group's liability position only.

As such, the above table should not be used to determine the likely return to creditors as realisations and ultimate return will depend upon the Receivers and Managers' future steps taken in relation to extracting value from the Group for the NAB.

Care should be taken in relying on the directors' Statements for, but not limited to, the following reasons:

- The affairs of the Group are complex and whilst the statements have been prepared by the directors' on a good faith basis, the complexity of the Group and the MIS structure means that the rights and obligations of certain entities are still to be determined.
- The continuing uncertainty in current financial markets makes it difficult to estimate realisable values with a high degree of certainty and the Deed Administrators do not have the necessary funding in many of the administrations that would enable us to obtain independent third party valuations of all Group assets. Accordingly, we have not disclosed any Deed Administrators' ERV's.
- Management accounts used by the directors to prepare their Statements have been prepared on a going concern basis.

Further, the above tables should not be used to determine the likely return to creditors as a number of realisable values are based on the Group's records and remain subject to review by the Deed Administrators and, in particular:

- The Deed Administrators are not presently in a position to confirm (or otherwise establish) the asset values attributed by the directors and the Group records due to the confidential and commercially sensitive nature of such information to the sale/restructuring process;
- The value of creditor claims remains subject to change as further claims may be received and require adjudication; and
- The estimated position does not provide for possible future trading losses, capital costs or the professional costs associated with the administration and receivership processes.

6. Trading by Deed Administrators

At present, as Deed Administrators of RPL we continue to manage the MIS projects of the Group.

The Receivers and Managers are now in the control of the majority of the properties where the Group's MIS projects operated. However, we note that the Kununurra properties are not under the control of the Receivers and Managers. In this regard, we entered into a harvest arrangement with Kimberley Produce to harvest red flesh grapefruit. We note that the landlord validly terminated the lease arrangements with RPL with respect to the property however allowed RPL to conduct the harvest of the fruit and allowed RPL an opportunity to negotiate new leasing arrangements. The harvest was completed in late May 2011 however no surplus funds were generated to allow for a distribution to growers. Subsequent to the harvest being completed the property was returned to the possession of the landlord given that RPL was no longer in a position to continue funding operations and rent of the property, and no new leasing arrangement was put forward by RPL.

A similar harvest arrangement to the above was entered into between RPL as RE for OOLUT and Kimberley Produce following liaison with the Receivers and Managers. Fruit from the harvest continues to be sold at market.

As previously advised, FABAL conducted the harvest of the 2006, 2007 and 2008 tropical fruit crops at Mareeba, Dandaragan, Childers and Kumbia. The final results of the harvest have now been provided and critically reviewed. In this regard, no surplus funds from the harvest are available for growers given the poorer than expected quality and volume of fruit harvested.

6.1 Summary of receipts and payments

A summary of the Deed Administrators' receipts and payments of the Group for the period 16 May 2010 to 31 August 2011 is included within Part B of the Deed Administrators' Remuneration Report in **Annexure 1**.

7. Statutory Investigations

Please refer to our previous Reports to Creditors for details of our preliminary investigations into the Group's affairs and conduct of its officers prior to our appointment. No further material issues have been identified for investigation since my previous reports. We highlight below these matters we previously identified of which are likely to be investigated further:

- Purchase of plant and equipment.
- Driscolls and Ozfresh potential claim.
- Premium Timber 2009 scheme.
- Global Rewards fruit marketing agreement.
- Sandalwood 2007 scheme.
- Use of scheme funds.
- Charges granted by the companies.
- Director related remuneration and agreements.
- Insolvent trading.
- Unfair preference claims.

The above list is not exhaustive and other matters may be identified and investigated, as deemed appropriate.

We note that at this point given the lack of funding in the administrations we have only considered seeking legal advice in relation to certain matters identified. Our investigations are continuing and we are currently seeking legal advice on several matters. We will report to creditors following the outcome of these investigations and receipt of the advice sought, where appropriate.

Given the nature of the claims we have identified and possible costs involved in investigating and pursuing such claims, it is currently difficult to determine with any degree of certainty the quantum of such claims and therefore any amount ultimately realised for creditors.

7.1 Report to ASIC

Section 438D of the Act requires an Administrator to lodge a report with the ASIC should we become aware of:

- Any offences committed by a past or present officer of any of the companies over which we are appointed;
- Evidence that monies or property has been misapplied or retained; and
- Evidence that a party is guilty of negligence, default, breach of duty or breach of trust in relation to any of the companies over which I am appointed.

As previously advised, based upon our preliminary investigations conducted to date and possible contraventions discussed above, we advise that we have lodged a confidential report with ASIC pursuant to section 438D of the Act outlining these issues for ASIC's attention. The ASIC has requested a supplementary report from us concerning these matters which we are currently preparing. The contents of this report are confidential between ASIC and the Deed

Administrators. Regular updates have been provided to ASIC regarding these continuing investigations.

8. Status of DOCA's

As discussed earlier, the extension of the DOCA's approved by creditors on 19 April 2011 has allowed for further opportunity for the Group to be restructured and in this regard under the DOCA's the RGAG and the Consortium's offer to the secured creditor of the Group, NAB to acquire the majority of the Group's and Ark's properties was left open for acceptance by NAB.

Please refer to our previous Reports to Creditors for specific details of the terms of the DOCA's.

We understand that RGAG and the Consortium have corresponded with NAB and the Receivers and Managers of the Group throughout the period of the DOCA's, however the latest offer put forward by RGAG and the Consortium has not been accepted by NAB. Further, we have not been privy to the specific details of the sale campaign being conducted by the Receivers and Managers of the Group however understand this process is continuing.

In view of the above, the critical events of the DOCA's are unable to be completed and RGAG has advised that it does not wish to put forward a variation to the DOCA's. Accordingly, it is the Deed Administrators' recommendation that each of the companies of the Group should be placed into liquidation.

9. Creditors' Options, Dividend Estimates & Cost Estimates

We are required to provide creditors of each entity of the Group with a statement setting out our opinion on whether it is in the creditors' interests:

- That the DOCA be terminated and the company placed into liquidation; or
- That the DOCA be terminated and control of the company revert to the directors.

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect, and the likely costs under each option, however in the current circumstances such estimates are not available or may be difficult to predict with accuracy.

The DOCA's are clearly unable to be completed in their current form and in our view the only viable option is for each company of the Group to be placed into liquidation. If the DOCA's are terminated and control of the Group is handed back to the directors, there is no orderly process for the wind-down of the Group nor process for the Group to pay its debts when it is clearly insolvent.

Given the nature and costs involved in realising the Group's assets and potential recoveries in a liquidation scenario, along with the complexity that Receivers and Managers have been appointed to other Group entities it is difficult to determine with any degree of certainty the likely level of return to unsecured creditors that would arise from liquidation. We also note that given that NAB holds various securities and guarantees over the Group to secure its entire debt that this adds additional complexity to determining the likely return to creditors. Upon finalisation of the Receivers and Managers' sale process we will be in a better position to determine the likely dividend (if any) to creditors.

The estimated costs of winding up the Group's affairs are tabled in **Annexure 1**, though these costs would be considerably higher in the event that the potential claims we have previously identified are pursued, absent of any external litigation funding arrangement.

10. Deed Administrators' Opinion

The extension of the DOCA's has allowed for further opportunity for the Group to be restructured and in this regard under the DOCA's the RGAG and the Consortium's offer to the secured creditor of the Group, NAB to acquire the majority of the Group's and Ark's properties was left open for acceptance by NAB. We understand that RGAG and the Consortium have corresponded with NAB and the Receivers and Managers of the Group throughout the period of the DOCA's.

At the time of writing this report, whilst we have not been privy to the specific details of the sale campaign being conducted by the Receivers and Managers of the Group we understand the realisation of the properties is continuing.

In view of the above, the critical events of the DOCA's are unable to be completed and RGAG has advised that it does not wish to put forward a variation to the DOCA's. Accordingly, it is the Deed Administrators' recommendation that each of the companies of the Group should be placed into liquidation for the following reasons:

- Liquidation will not prejudice growers' potential claims against landowners for equitable claims in respect of compensation.
- An alternate RE may still be appointed to any or all of the MIS projects should growers so determine.
- The liquidation of RMPL will allow for the liquidator to apply to GEERS for funds to meet certain employee claims whereas at present RMPL is ineligible for GEERS assistance given it is subject to a DOCA.
- Actions in relation to certain recoveries only available to a liquidator may be pursued and the Act provides a liquidator with greater powers than under a DOCA to conduct investigations.
- The Group continues to hold limited funds in the administration and immediate liquidation will likely reduce ongoing administrative costs as the Act allows certain administrative and reporting concessions to a liquidator.
- If the DOCA is terminated and control of the Group is handed back to the directors, there is no orderly process for the wind-down of the Group nor process for the Group to pay its debts when it is clearly insolvent.

In forming our recommendation to creditors throughout this report, we have considered the following:

- The level of return available to creditors under each option.
- Other alternatives available.
- The timing of payment of a dividend to creditors.

For the reasons set out above the Deed Administrators' recommend that each entity of the Group be wound up.

11. Deed Administrators' Remuneration Report

We enclose as **Annexure 1** the Deed Administrators' Remuneration Report. At the upcoming meeting of creditors, we intend seeking approval of the remuneration set out in the remuneration report. Details of disbursements incurred are also included in the remuneration report.

12. Further Queries

We will advise creditors in writing, if practicable, of any additional matter that comes to our attention after the dispatch of this report that, in our view, is material to creditors' deliberations.

In the meantime, should creditors have any queries, please do not hesitate to contact Sean Holmes or Andrew Smith of this office.

DATED this 9th day of September 2011.

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, sweeping flourish underneath.

Martin Jones
Joint and Several Deed Administrator of the Group

Annexure 1

Deed Administrators' Remuneration Report



CORPORATIONS ACT 2001

Section 449E

**REWARDS GROUP LIMITED ACN 087 702 547
REWARDS PROJECTS LIMITED ACN 089 582 427
REWARDS LAND PTY LTD ACN 089 949 824
REWARDS MANAGEMENT PTY LTD ACN 089 940 376
RURAL LABOUR PTY LTD ACN 130 732 786
(All Subject to Deed of Company Arrangement)
(Some Receivers and Managers Appointed)
(referred to as the “Rewards Group”)**

REMUNERATION REPORT

The Deed Administrators’ Remuneration Report, prepared pursuant to Section 449E of the Corporations Act 2001, takes the following format:

Part A

- A1 Schedule of hourly rates and general guide to staff experience.
- A2 Where Liquidators are appointed, a schedule of the Liquidators’ anticipated tasks and estimated remuneration from 26 September 2011 to the conclusion of the Liquidation for each of the Rewards Group companies.
- A3 Resolutions regarding remuneration to be put to the Creditors at the Meeting of Creditors on Monday, 26 September 2011 for each of the Rewards Group companies.

Part B

- B1 Deed Administrators’ Remuneration and Disbursements for each of the Rewards Group companies.
- B2 Summary of Receipts and Payments for the period 16 May 2010 to 31 August 2011 for each of the Rewards Group companies.
- B3 Other creditor information on remuneration.

This remuneration report must be read in conjunction with the report to creditors dated 9 September 2011.



PART A

A1 SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE

Title	Rate (\$)	Experience
Partner/Principal/ Appointee	560	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director	460	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	430	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	360	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	320	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	275	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	245	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	195	0 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Intermediate 2	170	0 – 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing more complex administrative tasks.
Senior Secretary	160	Appropriate skills including machine usage.
Clerk/Junior	140	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time.



A2. Where Liquidators are appointed, a schedule of the Liquidators' anticipated tasks and estimated remuneration from 26 September 2011 to the conclusion of the Liquidation.

1. Rewards Group Limited

Liquidators' anticipated fees, based on the tasks detailed below and covering the period 26 September 2011 to the end of the Liquidation are estimated to be **\$200,000.00** (excl. GST).

Task Area	General Description	Includes
Assets 101.0 hours \$32,120.00	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ All tasks associated with realising a charged asset, as appropriate
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors ▪ Reviewing and assessing debtors ledgers
	Other assets	<ul style="list-style-type: none"> ▪ Tasks associated with realising other assets
Creditors 111.0 hours \$31,915.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receiving and following up creditor and investor enquiries via telephone and email ▪ Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post ▪ Corresponding with creditors regarding status of the administration
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditors
	Creditors reports	<ul style="list-style-type: none"> ▪ General reporting to creditors
	Dealing with Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Receipting and filing POD's
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Receiving and following up on investor and creditor queries in relation to the creditors meeting ▪ Attending and chairing creditors meeting ▪ Responding to stakeholder queries and questions immediately following the meeting
Administration 266.0 hours \$74,445.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers ▪ Maintaining accounts
	ASIC forms	<ul style="list-style-type: none"> ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Preparing BAS statements
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussing status of administration ▪ Liaising with R&M on various issues
Investigation 170.0 hours \$45,500.00	Conducting investigation	<ul style="list-style-type: none"> ▪ Investigating matters specifically identified by creditors and investors ▪ Reconstruction of financial statements ▪ Reviewing company's books and records and Report as to Affairs ▪ Preparation of comparative financial statements ▪ Preparation of deficiency statement ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Preparation of investigation file ▪ Lodgement of report with the ASIC pursuant to section 533 of the Act ▪ Preparation and lodgement of supplementary report if required



Task Area	General Description	Includes
Investigation (cont'd)	Examinations	<ul style="list-style-type: none"> ▪ Preparing brief to solicitor ▪ Liaising with solicitor regarding examinations ▪ Attendance at examinations ▪ Reviewing examination transcripts ▪ Liaising with solicitor regarding outcome of examinations and further actions available
	ASIC Reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Liaising with ASIC
Dividend 47.0 hours \$16,020.00	Processing Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of POD ▪ Receipting POD's ▪ Maintaining POD Register ▪ Adjudicating POD's ▪ Request further information from claimants regarding POD's ▪ Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures (if any)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Advertisement of intention to declare dividend ▪ Obtain clearance from ATO to allow distribution of company's assets ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend



1. Rewards Group Limited – Calculation of Rewards Group Limited remuneration for the period 26 September 2011 to end of Liquidation.

Employee	Position	Rate		Total		Assets		Creditors		Administration		Investigations		Dividends	
		\$	Hours	\$	Hours	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jones, M	Partner	560.00	5.0	2,700.00	-	-	-	-	-	5.0	2,700.00	-	-	-	-
Field, M	Senior Manager	430.00	14.0	6,000.00	-	-	-	-	-	4.0	1,700.00	-	-	10.0	4,300.00
Smith, A	Senior Manager	430.00	112.0	48,000.00	28.0	12,000.00	16.0	6,800.00	40.0	17,200.00	18.0	7,700.00	10.0	4,300.00	
Chu, K	Supervisor	320.00	26.0	8,260.00	12.0	3,820.00	-	-	14.0	4,440.00	-	-	-	-	
Holmes, S	Senior 1	275.00	242.0	66,515.00	40.0	11,000.00	43.0	11,820.00	101.0	27,775.00	39.0	10,700.00	19.0	5,220.00	
Gunnis, J	Senior 1	275.00	103.0	28,200.00	17.0	4,600.00	17.0	4,600.00	26.0	7,200.00	35.0	9,600.00	8.0	2,200.00	
Webb, G	Senior 1	275.00	75.0	20,745.00	-	-	25.0	6,995.00	10.0	2,750.00	40.0	11,000.00	-	-	
Vetten, P	Intermediate 1	195.00	11.0	2,240.00	-	-	-	-	11.0	2,240.00	-	-	-	-	
Smith, H	Intermediate 2	170.00	75.0	12,800.00	4.0	700.00	10.0	1,700.00	23.0	3,900.00	38.0	6,500.00	-	-	
Westwood, J	Secretary	160.00	11.0	1,705.00	-	-	-	-	11.0	1,705.00	-	-	-	-	
Martin, K	Clerk	140.00	5.0	675.00	-	-	-	-	5.0	675.00	-	-	-	-	
Tolotti, B	Clerk	140.00	11.0	1,485.00	-	-	-	-	11.0	1,485.00	-	-	-	-	
Robertson, A	Clerk	140.00	5.0	675.00	-	-	-	-	5.0	675.00	-	-	-	-	
Total			695.0	200,000.00	101.0	32,120.00	111.0	31,915.00	266.0	74,445.00	170.0	45,500.00	47.0	16,020.00	



2. Rewards Projects Limited

Liquidators' anticipated fees, based on the tasks detailed below and covering the period 26 September 2011 to the end of the Liquidation are estimated to be **\$750,000.00** (excl. GST).

Task Area	General Description	Includes
Assets 146.0 hours \$46,300.00	Sale of real property	<ul style="list-style-type: none"> Liaising with valuers and agents
	Assets subject to specific charges	<ul style="list-style-type: none"> All tasks associated with realising a charged assets as appropriate
	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtors ledgers
	Other assets	<ul style="list-style-type: none"> Tasks associated with realising other assets
Creditors 630.0 hours \$179,200.00	Creditor Enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post Correspondence with committee of creditors members
	Secured creditor reporting	<ul style="list-style-type: none"> Preparing reports to secured creditor Responding to secured creditor's queries
	Creditor reports/circulars	<ul style="list-style-type: none"> Preparing general reports to creditors
	Dealing with Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> Receipting and filing POD's when not related to a dividend Corresponding with OSR and ATO regarding POD's when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> Preparation and lodgement minutes of meetings with ASIC Respond to stakeholder queries and questions immediately following meeting
Administration 1,283.0 hours \$338,925.00	Correspondence	<ul style="list-style-type: none"> General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> 6 monthly administration reviews Filing of documents File reviews Updating checklists
	Insurance	<ul style="list-style-type: none"> Identification of potential issues requiring attention of insurance specialists Correspondence with Willis regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911 etc Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing BAS statements Completing group certificates
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	<ul style="list-style-type: none"> Discussions regarding status/strategy of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage
	Investigation 693.0 hours \$155,915.00	Conducting investigation



Task Area	General Description	Includes
Investigation (cont'd)		<ul style="list-style-type: none"> ▪ Conducting and summarising statutory searches ▪ Preparation of comparative financial statements ▪ Preparation of deficiency statement ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Liaising with directors regarding certain transactions ▪ Preparation of investigation file ▪ Lodgement of report with the ASIC pursuant to section 533 of the Act ▪ Preparation and lodgement of supplementary report if required
	Examinations	<ul style="list-style-type: none"> ▪ Preparing brief to solicitor ▪ Liaising with solicitor(s) regarding examinations ▪ Attendance at examination ▪ Reviewing examination transcripts ▪ Liaising with solicitor(s) regarding outcome of examinations and further actions available
	Litigation / Recoveries	<ul style="list-style-type: none"> ▪ Internal meetings to discuss status of litigation ▪ Preparing brief to solicitors ▪ Liaising with solicitors regarding recovery actions ▪ Attending to negotiations ▪ Attending to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Preparing affidavits seeking non lodgements assistance ▪ Liaising with ASIC
Dividend 69.0 hours \$29,660.00	Processing Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of POD ▪ Receipting POD's ▪ Maintaining POD Register ▪ Adjudicating POD's ▪ Request further information from claimants regarding POD's ▪ Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures (if any)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Advertisement of intention to declare dividend ▪ Obtain clearance from ATO to allow distribution of company's assets ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend



2. Rewards Projects Limited – Calculation of Rewards Projects Limited remuneration for the period 26 September 2011 to end of Liquidation.

Employee	Position	Rate \$	Total		Assets		Creditors		Administration		Investigations		Dividends	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jones, M	Partner	560.00	19.0	10,800.00	-	-	5.0	2,900.00	14.0	7,900.00	-	-	-	-
Field, M	Senior Manager	430.00	93.0	40,000.00	-	-	-	-	46.0	19,800.00	-	-	47.0	20,200.00
Smith, A	Senior Manager	430.00	327.0	140,600.00	46.0	19,800.00	95.0	40,875.00	141.0	60,575.00	23.0	9,890.00	22.0	9,460.00
Chu, K	Supervisor	320.00	138.0	44,250.00	-	-	46.0	14,750.00	92.0	29,500.00	-	-	-	-
Gauci, S	Senior 1	275.00	48.0	13,250.00	-	-	24.0	6,625.00	24.0	6,625.00	-	-	-	-
Holmes, S	Senior 1	275.00	385.0	106,000.00	100.0	26,500.00	95.0	26,500.00	140.0	39,750.00	50.0	13,250.00	-	-
Gunnis, J	Senior 1	275.00	300.0	82,250.00	-	-	120.0	33,000.00	90.0	24,625.00	90.0	24,625.00	-	-
McCann, L	Senior 1	275.00	128.0	35,250.00	-	-	42.0	11,550.00	86.0	23,700.00	-	-	-	-
Webb, G	Senior 1	275.00	265.0	72,850.00	-	-	55.0	15,100.00	90.0	24,750.00	120.0	33,000.00	-	-
Savage, B	Intermediate 1	195.00	328.0	64,000.00	-	-	80.0	15,600.00	211.0	41,150.00	37.0	7,250.00	-	-
Vetton, P	Intermediate 1	195.00	328.0	64,000.00	-	-	30.0	5,900.00	120.0	23,400.00	178.0	34,700.00	-	-
Smith, H	Intermediate 2	170.00	376.0	64,000.00	-	-	38.0	6,400.00	143.0	24,400.00	195.0	33,200.00	-	-
Westwood, J	Secretary	160.00	29.0	4,650.00	-	-	-	-	29.0	4,650.00	-	-	-	-
Martin, K	Clerk	140.00	19.0	2,700.00	-	-	-	-	19.0	2,700.00	-	-	-	-
Tolotti, B	Clerk	140.00	19.0	2,700.00	-	-	-	-	19.0	2,700.00	-	-	-	-
Robertson, A	Clerk	140.00	19.0	2,700.00	-	-	-	-	19.0	2,700.00	-	-	-	-
Total			2,821.0	750,000.00	146.0	46,300.00	630.0	179,200.00	1,283.0	338,925.00	693.0	155,915.00	69.0	29,660.00



3. Rewards Land Pty Ltd

Liquidators' anticipated fees, based on the tasks detailed below and covering the period 26 September 2011 to the end of the Liquidation are estimated to be **\$50,000.00** (excl. GST).

Task Area	General Description	Includes
Assets 21.0 hours \$6,840.00	Sale of business as a going concern	<ul style="list-style-type: none"> ▪ Corresponding with interested parties ▪ Referring interested parties onto Receivers and Managers, as appropriate
Creditors 49.0 hours \$15,740.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Attendance of creditors meeting
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing circular to creditors following resolution of liquidation ▪ General reporting to creditors
	Dealing with Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Receiving and following up on investor and creditor queries in relation to the creditors meeting ▪ Preparing and maintaining register of proxies ▪ Attending and chairing final meeting of creditors
Administration 53.0 hours \$16,495.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 524 and 911 etc ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ BAS statements and taxation reporting
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage
Investigations 36.0 hours \$10,925.00	Conducting investigation	<ul style="list-style-type: none"> ▪ Investigating matters specifically identified by creditors and investors ▪ Reconstruction of financial statements ▪ Reviewing company's books and records and Report as to Affairs ▪ Preparation of comparative financial statements ▪ Preparation of deficiency statement ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Preparation of investigation file ▪ Lodgement of report with the ASIC pursuant to section 533 of the Act ▪ Preparation and lodgement of supplementary report if required
	Examinations	<ul style="list-style-type: none"> ▪ Preparing brief to solicitor ▪ Liaising with solicitor regarding examinations ▪ Attendance at examinations ▪ Reviewing examination transcripts ▪ Liaising with solicitor regarding outcome of examinations and further actions available
	ASIC Reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Liaising with ASIC



3. Rewards Land Pty Ltd – Calculation of Rewards Land Pty Ltd remuneration for the period 26 September 2011 to end of Liquidation.

Employee	Position	Rate \$	Total		Assets		Creditors		Administration		Investigations	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jones, M	Partner	560.00	5.0	2,700.00	-	-	-	-	5.0	2,700.00	-	-
Smith, A	Senior Manager	430.00	46.0	19,600.00	7.0	3,000.00	20.0	8,600.00	12.0	5,000.00	7.0	3,000.00
Chu, K	Supervisor	320.00	3.0	885.00	2.0	565.00	-	-	1.0	320.00	-	-
Gauci, S	Senior 1	275.00	5.0	1,325.00	-	-	2.0	525.00	2.0	525.00	1.0	275.00
Holmes, S	Senior 1	275.00	50.0	13,780.00	10.0	2,750.00	15.0	4,130.00	11.0	3,050.00	14.0	3,850.00
Gunnis, J	Senior 1	275.00	21.0	5,640.00	2.0	525.00	1.0	275.00	9.0	2,400.00	9.0	2,440.00
Webb, G	Senior 1	275.00	13.0	3,525.00	-	-	3.0	805.00	5.0	1,360.00	5.0	1,360.00
Godfrey, A	Intermediate 1	195.00	2.0	390.00	-	-	2.0	390.00	-	-	-	-
Vetten, P	Intermediate 1	195.00	5.0	960.00	-	-	4.0	765.00	1.0	195.00	-	-
Smith, H	Intermediate 2	170.00	2.0	250.00	-	-	2.0	250.00	-	-	-	-
Martin, K	Clerk	140.00	2.0	270.00	-	-	-	-	2.0	270.00	-	-
Tolotti, B	Clerk	140.00	5.0	675.00	-	-	-	-	5.0	675.00	-	-
Total			159.0	50,000.00	21.0	6,840.00	49.0	15,740.00	53.0	16,495.00	36.0	10,925.00



4. Rewards Management Pty Ltd

Liquidators' anticipated fees, based on the tasks detailed below and covering the period 26 September 2011 to the end of the Liquidation are estimated to be **\$200,000.00** (excl. GST).

Task Area	General Description	Includes
Assets 91.0 hours \$24,915.00	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ All tasks associated with realising a charged asset, as appropriate
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors ▪ Reviewing and assessing debtors ledgers ▪ Liaising with debt collectors and solicitors
	Other assets	<ul style="list-style-type: none"> ▪ Tasks associated with realising other assets
Creditors 110.0 hours \$32,570.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Correspondence with committee of creditors members
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing general reports to creditors
	Dealing with Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation and lodgement minutes of meetings with ASIC ▪ Respond to stakeholder queries and questions immediately following meeting
	Secured Creditor Reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditors ▪ Responding to secured creditor's queries
Administration 301.0 hours \$81,685.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Updating checklists ▪ Filing of documents ▪ File reviews ▪ 6 monthly administration reviews
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Requesting bank statement ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	Insurance	<ul style="list-style-type: none"> ▪ Correspondence with Willis regarding ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with previous brokers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 524, 911 etc ▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Notification of appointment ▪ Preparing BAS statements ▪ Completing group certificates
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage
	Finalisation	<ul style="list-style-type: none"> ▪ Notifying ATO of finalisation ▪ Cancelling ABN / GST / PAYG registration ▪ Completing checklists ▪ Finalising WIP
	Investigation 110.5 hours \$34,975.00	Conducting investigation



Task Area	General Description	Includes
Investigation (cont'd)		<ul style="list-style-type: none"> Review of specific transactions and liaising with directors regarding certain transactions Liaising with directors regarding certain transactions Preparation of investigation file Lodgement of report with the ASIC pursuant to section 533 of the Act Preparation and lodgement of supplementary report if required
	ASIC reporting	<ul style="list-style-type: none"> Preparing statutory investigation reports Preparing affidavits seeking non lodgements assistance Liaising with ASIC
	Litigation/Recoveries	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters
	Examinations	<ul style="list-style-type: none"> Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available
Dividend / Employees 91.5 hours \$27,645.00	Processing Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting lodgement of POD Receipting and Adjudicating POD's Maintaining POD Register Request further information from claimants regarding POD's Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures (if any)	<ul style="list-style-type: none"> Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution and dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone, email and facsimile Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	GEERS	<ul style="list-style-type: none"> Liaising with GEERS with respect to adjudication of claims Providing information with respect to employee entitlements to GEERS Receiving and receipting GEERS forms from employees Reviewing GEERS forms
	Calculation of entitlements	<ul style="list-style-type: none"> Finalising employee entitlements Reviewing employee files and company's books and records Reviewing awards and contracts Liaising with solicitors regarding entitlements
	Employee dividend	<ul style="list-style-type: none"> Correspondence with employees regarding dividend Preparing dividend file Preparing distribution Receipting and Adjudicating POD's Ensuring PAYG is remitted to ATO



4. Rewards Management Pty Ltd – Calculation of Rewards Management Pty Ltd remuneration for the period 26 September 2011 to end of Liquidation.

Employee	Position	Rate \$	Total		Assets		Creditors		Administration		Investigations		Dividend / Employees	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jones, M	Partner	560.00	6.00	3,240.00	1.00	560.00	-	-	5.00	2,680.00	-	-	-	-
Field, M	Senior Manager	430.00	24.00	10,400.00	-	-	-	-	10.00	4,300.00	14.00	6,100.00	-	-
Smith, A	Senior Manager	430.00	154.0	66,000.00	12.0	6,000.00	37.0	12,000.00	55.0	26,000.00	25.0	11,000.00	25.00	11,000.00
Chu, K	Supervisor	320.00	17.0	5,310.00	-	-	5.0	1,550.00	12.0	3,760.00	-	-	-	-
Holmes, S	Senior 1	275.00	241.0	66,250.00	48.0	13,200.00	48.0	13,200.00	72.0	19,800.00	36.5	10,025.00	36.50	10,025.00
Gauci, S	Senior 1	275.00	12.0	3,180.00	-	-	2.0	530.00	8.0	2,100.00	1.0	275.00	1.00	275.00
Gunnis, J	Senior 1	275.00	64.0	17,625.00	11.0	3,125.00	18.0	4,950.00	17.0	4,700.00	10.0	2,750.00	8.00	2,100.00
McCann, L	Senior 1	275.00	9.0	2,350.00	-	-	-	-	4.0	980.00	2.5	685.00	2.50	685.00
Webb, G	Senior 1	275.00	21.0	5,640.00	-	-	-	-	16.0	4,270.00	2.5	685.00	2.50	685.00
Vetten, P	Intermediate 1	195.00	33.0	6,435.00	-	-	-	-	16.0	3,120.00	9.0	1,755.00	8.00	1,560.00
Savage, B	Intermediate 1	195.00	7.0	1,440.00	-	-	2.0	400.00	5.0	1,040.00	-	-	-	-
Linfoot, C	Intermediate 2	170.00	6.0	960.00	-	-	-	-	6.0	960.00	-	-	-	-
Smith, H	Intermediate 2	170.00	48.0	8,115.00	10.0	1,700.00	-	-	20.0	3,400.00	10.0	1,700.00	8.00	1,315.00
Caledra, G	Secretary	160.00	6.0	930.00	-	-	-	-	6.0	930.00	-	-	-	-
Westwood, J	Secretary	160.00	5.0	775.00	-	-	-	-	5.0	775.00	-	-	-	-
Martin, K	Clerk	140.00	3.0	405.00	-	-	-	-	3.0	405.00	-	-	-	-
Tolotti, B	Clerk	140.00	5.0	675.00	-	-	-	-	5.0	675.00	-	-	-	-
Robertson, A	Clerk	140.00	2.0	270.00	-	-	-	-	2.0	270.00	-	-	-	-
Total			663.0	200,000.00	82.0	24,585.00	112.0	32,630.00	267.0	80,165.00	110.5	34,975.00	91.5	27,645.00



5. Rural Labour Pty Ltd

Liquidators' anticipated fees, based on the tasks detailed below and covering the period 26 September 2011 to the end of the Liquidation are estimated to be **\$100,000.00** (excl. GST).

Task Area	General Description	Includes
Creditors 24.0 hours \$6,715.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receiving and following up creditor and investor enquiries via telephone and email ▪ Reviewing and preparing correspondence to creditors and their representatives via facsimile, email and post ▪ Corresponding with creditors regarding status of the administration ▪ Assisting creditors with their preparation for the second creditors meeting
	Secured creditor reporting	<ul style="list-style-type: none"> ▪ Preparing reports to secured creditors ▪ Discussing possible restructuring options
	Creditors reports	<ul style="list-style-type: none"> ▪ General reporting to creditors
	Dealing with Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Receipting and filing POD's
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparing and maintaining register of proxies ▪ Reviewing, adjudicating validity of proxy forms and contacting creditors with invalid proxies ▪ Attending and chairing creditors meeting ▪ Responding to stakeholder queries and questions immediately following the meeting
Administration 86.0 hours \$21,528.00	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Bank account administration	<ul style="list-style-type: none"> ▪ Bank account reconciliations ▪ Corresponding with bank regarding specific transfers ▪ Maintaining accounts
	ASIC forms	<ul style="list-style-type: none"> ▪ Corresponding with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Preparing BAS statements
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussing status of administration ▪ Liaising with R&M on various issues
Employees 78.1 hours \$21,245.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone, email and facsimile ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Other employee issues	<ul style="list-style-type: none"> ▪ Correspondence with Child Support ▪ Correspondence with Centrelink
Investigation 112.0 hours \$29,905.10	Conducting investigation	<ul style="list-style-type: none"> ▪ Investigating matters specifically identified by creditors and investors ▪ Reconstruction of financial statements ▪ Reviewing company's books and records and Report as to Affairs ▪ Preparation of comparative financial statements ▪ Preparation of deficiency statement ▪ Review of specific transactions and liaising with directors regarding certain transactions ▪ Preparation of investigation file ▪ Lodgement of report with the ASIC pursuant to section 533 of the Act ▪ Preparation and lodgement of supplementary report if required



Task Area	General Description	Includes
Investigation (cont'd)	Examinations	<ul style="list-style-type: none"> ▪ Preparing brief to solicitor ▪ Liaising with solicitor regarding examinations ▪ Attendance at examinations ▪ Reviewing examination transcripts ▪ Liaising with solicitor regarding outcome of examinations and further actions available
	ASIC Reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Liaising with ASIC
Dividend 76.0 hours \$20,606.90	Processing Proofs Of Debt's (POD's)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of POD ▪ Receipting POD's ▪ Maintaining POD Register ▪ Adjudicating POD's ▪ Request further information from claimants regarding POD's ▪ Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures (if any)	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Advertisement of intention to declare dividend ▪ Obtain clearance from ATO to allow distribution of company's assets ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend



5. Rural Labour Pty Ltd – Calculation of Rural Labour Pty Ltd remuneration for the period 26 September 2011 to end of Liquidation.

Employee	Position	Rate \$	Total		Creditors		Administration		Employees		Investigations		Dividend	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jones, M	Partner	560.00	13.0	7,020.00	2.0	1,110.00	2.0	1,110.00	3.0	1,600.00	3.0	1,600.00	3.0	1,600.00
Field, M	Senior Manager	430.00	20.0	8,760.00	1.0	430.00	4.0	1,760.00	5.0	2,210.00	6.0	2,600.00	4.0	1,760.00
Smith, A	Senior Manager	430.00	20.0	8,760.00	1.0	430.00	4.0	1,760.00	5.0	2,210.00	6.0	2,600.00	4.0	1,760.00
Chu, K	Supervisor	320.00	32.0	10,295.50	2.0	640.00	6.0	1,950.00	5.0	1,600.00	13.0	4,155.50	6.0	1,950.00
Gauci, S	Senior 1	275.00	45.0	12,444.40	3.0	825.00	9.0	2,480.00	9.0	2,480.00	15.0	4,179.40	9.0	2,480.00
McCann, L	Senior 1	275.00	46.0	12,542.60	3.0	825.00	10.0	2,750.00	10.0	2,750.00	13.0	3,467.60	10.0	2,750.00
Webb, G	Senior 1	275.00	46.0	12,525.50	3.0	825.00	9.0	2,480.00	10.0	2,750.00	13.0	3,467.60	11.0	3,002.90
Vetten, P	Intermediate 1	195.00	66.0	12,928.00	4.0	780.00	12.0	2,398.00	15.0	2,925.00	21.0	4,095.00	14.0	2,730.00
Smith, H	Intermediate 2	170.00	76.0	12,944.00	5.0	850.00	18.0	3,060.00	16.0	2,720.00	22.0	3,740.00	15.0	2,574.00
Westwood, J	Secretary	160.00	8.0	1,240.00	-	-	8.0	1,240.00	-	-	-	-	-	-
Tolotti, B	Clerk	140.00	4.0	540.00	-	-	4.0	540.00	-	-	-	-	-	-
Total			376.0	100,000.00	24.0	6,715.00	86.0	21,528.00	78.0	21,245.00	112.0	29,905.10	76.0	20,606.90



A3. Resolutions regarding remuneration to be put to the Creditors Meeting convened for 26 September 2011 for each of the Rewards Group companies.

At the meeting of Creditors of the Rewards Group convened for 26 September 2011, creditors of each entity of the Rewards Group will be asked to consider the below resolution in relation to the Deed Administrators' remuneration for each of the Rewards Group companies.

1. Rewards Group Limited

If Liquidation goes ahead:

"That a provision for the Liquidators' remuneration as set out in the Deed Administrators' remuneration report dated 9 September 2011 for the period 26 September 2011 to the conclusion of the liquidation in the sum of \$200,000 exclusive of GST be approved but subject to upward or downward resolution by creditors and that the Liquidators' be authorised to draw their fees when funds come to hand."

2. Rewards Projects Limited

If Liquidation goes ahead:

"That a provision for the Liquidators' remuneration as set out in the Deed Administrators' remuneration report dated 9 September 2011 for the period 26 September 2011 to the conclusion of the liquidation in the sum of \$750,000 exclusive of GST be approved but subject to upward or downward resolution by creditors and that the Liquidators' be authorised to draw their fees when funds come to hand."

3. Rewards Land Pty Ltd

If Liquidation goes ahead:

"That a provision for the Liquidators' remuneration as set out in the Deed Administrators' remuneration report dated 9 September 2011 for the period 26 September 2011 to the conclusion of the liquidation in the sum of \$50,000 exclusive of GST be approved but subject to upward or downward resolution by creditors and that the Liquidators' be authorised to draw their fees when funds come to hand."

4. Rewards Management Pty Ltd

If Liquidation goes ahead:

"That a provision for the Liquidators' remuneration as set out in the Deed Administrators' remuneration report dated 9 September 2011 for the period 26 September 2011 to the conclusion of the liquidation in the sum of \$200,000 exclusive of GST be approved but subject to upward or downward resolution by creditors and that the Liquidators' be authorised to draw their fees when funds come to hand."

5. Rural Labour Pty Ltd

If Liquidation goes ahead:

"That a provision for the Liquidators' remuneration as set out in the Deed Administrators' remuneration report dated 9 September 2011 for the period 26 September 2011 to the conclusion of the liquidation in the sum of \$100,000 exclusive of GST be approved but subject to upward or downward resolution by creditors and that the Liquidators' be authorised to draw their fees when funds come to hand."



PART B

B1 Deed Administrators' Remuneration and Disbursements

Set out below is a summary of the remuneration approved and drawn to date for each of the Rewards Group of companies:

Company	Amount Approved (\$) (Ex GST)	Amount Drawn (\$) (Ex GST)
Rewards Group Ltd	257,348	-
Rewards Management Pty Ltd	403,371	329,102
Rewards Land Pty Ltd	78,074	-
Rural Labour Pty Ltd	36,569	-
Rewards Projects Ltd	2,461,548	749,503
Total	\$ 3,236,910	\$ 1,078,605

I advise that CBA and Investec have advanced funds to the Administrators totalling approximately \$80,000 to meet their fees and costs. I confirm that this amount has been included in the above amount drawn in relation to RMPL.

Disbursements are divided into three types **D1**, **D2** and **D3**.

- D1 Disbursements are all externally provided professional services and are recovered at cost. An example of a D1 disbursement is legal fees.
- D2 Disbursements are externally provided non professional costs such as travel, accommodation and search fees. D2 disbursements are recovered at cost.
- D3 Disbursements are internally provided non professional costs such as photocopying and document storage. D3 disbursements are charged at cost except for photocopying, printing and telephone calls which are charged at a rate which is intended to recoup both variable and fixed costs.

The relevant rates at which disbursements are charged are set out below:

Disbursement	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Document Production and Photocopying	35 cents per page
Facsimile	At cost
Company Search	At cost
Advertising	At cost
Storage – Per Box	At cost
Storage – Per File	At cost
Couriers	At cost



1. Rewards Group Limited

Disbursements incurred by the Deed Administrators of Rewards Group Limited for the period 16 May 2010 to 31 August 2011 are set out below. As at the date of this report, the disbursements are yet to be drawn.

Disbursement	Amount Incurred \$
Advertising	4,366.41
Consultancy Fees	33.59
Courier	54.45
Fax	1,501.00
Meals	234.77
Meeting Expenses	3,822.51
Photocopying	1,429.75
Postage	1,191.89
Printing	15,734.51
Search	9,894.89
Stationery	13.25
Storage	75.70
Taxis and Parking	1,506.10
Telephone	897.88
Travelling	5,823.41
Total	\$46,580.11



2. Rewards Projects Limited

Disbursements incurred by the Deed Administrators of Rewards Projects Limited for the period 16 May 2010 to 31 August 2011 are set out below. As at the date of this report, \$107,504 of disbursements have been drawn.

Disbursement	Amount Incurred to 31 August 2011 \$	Drawn to Date
Advertising	1,376.43	-
ASIC	34.00	-
Bank Charges	45.45	-
Courier	859.20	90.68
Fax	233.50	36.00
Freight	73.96	-
Leases	32,215.26	32,215.26
Meals	1,249.43	573.44
Photocopying	5,234.25	155.30
Postage	9,459.98	68.08
Printing	41,622.36	2,315.60
Processing	1,152.64	409.90
Search	6,911.25	392.80
Stationary	145.99	14.60
Storage	2,653.73	1,318.28
Sundry	2,385.00	2,385.00
Taxis	3,990.42	1,418.26
Telephone	6,076.63	1,620.23
Travel	13,731.10	4,663.61
Wages	58,384.24	52,251.84
Total	\$ 187,834.82	\$ 107,504.30



3. Rewards Land Pty Ltd

Disbursements incurred by the Deed Administrators of Rewards Land Pty Ltd for the period 16 May 2010 to 31 August 2011 are set out below. As at the date of this report, the disbursements are yet to be drawn.

Disbursement	Amount Incurred \$
Advertising	1,376.40
Photocopying	81.90
Postage	51.04
Printing	509.64
Search	2,371.90
Stationery	2.02
Telephone	1.31
Total	\$4,394.21



4. Rewards Management Pty Ltd

Disbursements incurred by the Deed Administrators of Rewards Management Pty Ltd for the period 16 May 2010 to 31 August 2011 are set out below. As at the date of this report, the disbursements are yet to be drawn.

Disbursement	Amount Incurred \$
Advertising	1,376.40
Fax	11.00
Freight and Cartage	72.58
Meals	328.13
Photocopying	331.00
Postage	6,049.03
Printing	19,368.50
Search	119.70
Stationery	19.31
Storage	70.30
Taxis and Parking	682.24
Telephone	573.66
Travelling	46.44
Wages	3,162.58
Total	\$32,210.87



5. Rural Labour Pty Ltd

Disbursements incurred by the Deed Administrators of Rural Labour Pty Ltd for the period 16 May 2010 to 31 August 2011 are set out below. As at the date of this report, the disbursements are yet to be drawn.

Disbursement	Amount Incurred \$
Advertising	1,606.31
Meals	6.64
Photocopying	119.00
Postage	897.30
Printing	1,501.83
Search	38.40
Stationery	2.02
Storage	300.71
Sundry	69.00
Taxis and Parking	37.78
Telephone	40.70
Total	\$4,630.69



B2 Summary of Receipts and Payments for the period 16 May 2010 to 31 August 2011

1. Rewards Group Limited

The following receipts and payments were incurred by the Deed Administrators of Rewards Group Limited for the period 16 May 2010 to 31 August 2011.

IPO Account

	\$
Receipts	
Bank Interest	126.18
Pre-Appointment Cash at Bank	89.74
Transfer from Management Fee Account	8.00
Total Receipts	223.92
Payments	
Bank Charges	(223.92)
Total Payments	(223.92)
Net Receipts/(Payments) as at 31 August 2011	\$ -

Operating Account

Receipts	
Bank Interest	33.18
Pre-Appointment Cash at Bank	167.80
Refund	730.05
Total Receipts	931.03
Payments	
Bank Charges	(194.81)
Sundry Expenses	(523.58)
Total Payments	(718.39)
Net Receipts/(Payments) as at 31 August 2011	\$212.64



2. Rewards Projects Limited

The following receipts and payments were incurred by the Deed Administrators of Rewards Projects Limited for the period 16 May 2010 to 31 August 2011.

Berries 2007 Trust Account

Receipts	
Bank Interest	918.62
CG Funding Arrangement	342,506.00
Harvest Proceeds	76,508.77
Management Fees	35,732.73
Other Income - Trading Revenue	28,313.00
Pre-Appointment Cash at Bank	5,464.52
Total Receipts	489,443.94
Payments	
Bank Charges	(251.65)
Hire and Leasing	(280,471.98)
Transfer to Operating Account	(145,432.43)
Total Payments	(426,156.06)
Net Receipts/(Payments) as at 31 August 2011	\$63,287.58

Berries 2008 Trust Account

\$	
Receipts	
Bank Interest	1479.99
CG Funding Arrangement	463,228.55
Harvest Proceeds	56,943.85
Management Fees	93,745.96
Other Income - Trading Revenue	36,049.00
Pre-Appointment Cash at Bank	127,115.40
Total Receipts	778,562.75
Payments	
Bank Charges	(237.05)
Hire and Leasing	(42,645.67)
Lease Payment	(370,582.73)
Sundry Expenses	(2,957.28)
Transfer to Operating Account	(262,618.93)
Total Payments	(679,041.66)
Net Receipts/(Payments) as at 31 August 2011	\$99,521.09



Brushwood 2001 Trust Account

	\$
Receipts	
Bank Interest	22.87
Pre-Appointment Cash at Bank	8.92
Total Receipts	31.79
Payments	
Bank Charges	(31.79)
Total Payments	(31.79)
Net Receipts/(Payments) as at 31 August 2011	\$ -

Cash Management Account (Planting Funds)

	\$
Receipts	
Bank Interest	22,913.31
Pre-Appointment Cash at Bank	1,135,950.90
Total Receipts	1,158,864.21
Payments	
Bank Charges	(226.90)
Transfer to Operating Acct	(18,664.67)
Total Payments	(18,891.57)
Net Receipts/(Payments) as at 31 August 2011	\$1,139,972.64

Custodian Trust Account

	\$
Receipts	
Bank Interest	381.55
Pre-Appointment Cash at Bank	28,467.62
Total Receipts	28,849.17
Payments	
Bank Charges	(225.00)
Total Payments	(225.00)
Net Receipts/(Payments) as at 31 August 2011	\$28,624.17

Forestry Maintenance Funds Account

	\$
Receipts	
Bank Errors	3229.18
Bank Interest	1,927.74
Other Income	154,986.86
Pre-Appointment Cash at Bank	625,560.13
Total Receipts	785,703.91
Payments	
Bank Charges	(176.55)
Transfer to Operating Account	(716,222.86)
Transfer to Other Income	(26,090.94)
Wages and Salaries	(3,225.43)
Total Payments	(745,715.78)
Net Receipts/(Payments) as at 31 August 2011	\$39,988.13



Licensee SLF Trust Account

Receipts	
Bank Interest	784.85
Pre-Appointment Cash at Bank	58,446.29
Total Receipts	59,231.14
Payments	
Bank Charges	(225.00)
Total Payments	(225.00)
Net Receipts/(Payments) as at 31 August 2011	\$59,006.14

Management Fee Account

\$	
Receipts	
Bank Interest	7,627.77
Management Fees	6,078,208.33
Sales Revenue	232.50
Transfer from RPL Accounts	1046624.71
Total Receipts	7,149,571.14
Payments	
Bank Charges	(6,490.54)
Casual Labour	(59,619.13)
Chemical Costs	(233,155.12)
Fuel and Oil	(12,064.95)
Hire and Leasing	(467,897.03)
Leases	(67,801.18)
Legal Fees	(198,333.18)
Management Fee Expense	(819,956.69)
Other Income	(323,032.96)
Professional Fees	(13,750.00)
R&M Recharges	(270,127.90)
Security Bond	(116,666.67)
Sundry Expenses	(329,408.96)
Superannuation	(53,179.84)
Transfer to Operating Account	(2,633,180.57)
Valuations	(431,236.78)
Total Payments	(6,052,779.33)
Net Receipts/(Payments) as at 31 August 2011	\$1,096,791.81



RGAG and CG Operating Account

	\$
Receipts	
Bank Errors	150,740.75
Bank Interest	2,948.53
Blacktree Reimbursements	88,278.79
BR07 Trust Funds	134,233.00
BR08	253,647.00
CG Funding Agreement	185,373.52
FABAL Finance Deed	534,926.48
Funds from Pre-appointment	38,879.30
Funds transferred to Operating Account	1,938,498.67
GST Control	433,607.80
Harvest Proceeds	939,839.53
Lease Overpayment	14,376.00
Other Income	1,884,400.02
Reversal	19,039.90
RGAG Funding Agreement	1,624,383.30
Sundry	2026.81
TC02 Trust Funds	127,752.25
TF03 Trust Funds	49,302.00
TF04 Trust Funds	108,374.00
TF05 Trust Funds	366
Transfer from Administrator	1,144,957.45
Transfer from Management Fee Account	439,712.98
Total Receipts	10,115,664.08
Payments	
Accommodation and Meals	(5,982.10)
Agents Fees	(6,221.88)
Appointee Fees	(695,000.00)
ASIC Fees	(2,018.00)
Bank Charges	(1,661.76)
Bank Errors	(135,560.75)
Casual Labour	(1,667,440.07)
Chemical Costs	(922,280.54)
Compliance Costs	(31,073.71)
Crop Monitoring	(55,594.00)
Document Storage	(3,228.98)
Employee Reimbursement	(18,315.86)
Firebreak Maintenance Costs	(110,628.25)
Freight	(22,313.50)
Fuel and Oil	(89,016.36)
Grower Meeting Expense	(34,873.42)
GST Control	(28,155.00)
Harvest Expenses	(1,064,839.53)
Hire and Leasing	(2,566,346.50)
Insurance	(8,019.06)
IT Costs	(3,378.74)
Leases	(37,586.82)
Legal Fees	(281,497.43)
Licence Renewal	(5,227.58)
Management Fees Expenses	(260,420.14)
Motor Vehicle Costs	(7,033.80)
Other Expenses	(135,836.96)
PAYG Control	16,260.00
PAYG Withheld	26,815.00



Printing and Stationery	(27,073.72)
Professional Fees	(166,403.76)
Rent and Rates	(52,692.00)
Repairs	(4,021.01)
RGAG Funding	(2,475.00)
Subcontractors	(90,990.44)
Sundry Expenses	(696,709.78)
TC02 Trust Payment	(5,026.19)
Utilities	(61,128.16)
Valuation Costs	(8,250.00)
Transfer to Management Fee Account	(296,000.65)
Wages and Salaries	(308,954.86)
Total Payments	(9,876,201.31)
Net Receipts/(Payments) as at 31 August 2011	\$239,462.77

Ord Orchard Land Unit Trust Account

	\$
Receipts	
Bank Interest	1,786.02
Hire and Leasing	28,282.38
Land Leases	298,509.75
Pre-Appointment Cash at Bank	2,752.97
Total Receipts	331,331.12
Payments	
ASIC Fees	(218.00)
Bank Charges	(725.00)
GST Control Account	(5,142.00)
Transfer to Operating Account	(325,246.12)
Total Payments	(331,331.12)
Net Receipts/(Payments) as at 31 August 2011	\$0.00

Premium Vineyards 2009 Trust Account

	\$
Receipts	
Bank Interest	1104.18
Other Income	264.00
Harvest Income	387,860.42
Vineyard Expenses	27,159.00
Total Receipts	416,387.60
Payments	
Bank Charges	(181.75)
Transfer to TF and BR Funds replacement funds	(335,861.60)
Professional Fees	(6,772.70)
Total Payments	(342,816.05)
Net Receipts/(Payments) as at 31 August 2011	\$73,571.55



Sandalwood 2000 Trust Account

	\$
Receipts	
Bank Interest	189.61
Management Fees	68,823.54
Sales	33,781.60
Pre-Appointment Cash at Bank	120.41
Total Receipts	102,915.16
Payments	
Bank Charges	(294.45)
Lease Payments	(31,924.50)
Legal Fees	(11,254.10)
Other Payments	(6,676.00)
Professional Fees	(11,537.90)
Total Payments	(61,686.95)
Net Receipts/(Payments) as at 31 August 2011	\$41,228.21

Tropical Citrus 2002 Trust Account

	\$
Receipts	
Bank Interest	9,053.81
Harvest Proceeds	675,372.17
Management Fees	9,915.76
Pre-Appointment Cash at Bank	29.71
Total Receipts	694,371.45
Payments	
Bank Charges	(337.05)
Harvest Costs (Freight)	(1,709.66)
Transfer to Operating Account for Maintenance Costs	(682,513.35)
Total Payments	(684,560.06)
Net Receipts/(Payments) as at 31 August 2011	\$9,811.39

Tropical Fruits 2003 Trust Account

	\$
Receipts	
Bank Interest	1,683.37
Harvest Proceeds	67,883.16
Management Fees	6,112.30
Pre-Appointment Cash at Bank	23.39
Total Receipts	75,702.22
Payments	
Bank Charges	(1,635.08)
Transfer to Operating Account	(60,915.67)
Total Payments	(62,550.75)
Net Receipts/(Payments) as at 31 August 2011	\$13,151.47



Tropical Fruits 2004 Trust Account

	\$
Receipts	
Bank Interest	967.59
Harvest Proceeds	153,428.17
Management Fees	26,803.16
Pre-Appointment Cash at Bank	31.05
Total Receipts	181,229.97
Payments	
Bank Charges	(344.65)
Harvest Costs (Freight)	(5,026.19)
Transfers to Operating Account	(119,987.67)
Total Payments	(125,358.51)
Net Receipts/(Payments) as at 31 August 2011	\$55,871.46

Tropical Fruits 2005 Trust Account

	\$
Receipts	
Bank Interest	32.56
Management Fees	192.87
Pre-Appointment Cash at Bank	303.64
Total Receipts	529.07
Payments	
Bank Charges	(158.67)
Transfer to Operating Account	(366.00)
Total Payments	(524.67)
Net Receipts/(Payments) as at 31 August 2011	\$4.40

Tropical Fruits 2006 Trust Account

	\$
Receipts	
Bank Interest	1255.12
Management Fees	3,978.67
Pre-Appointment Cash at Bank	116,203.94
Total Receipts	121,437.73
Payments	
Bank Charges	(232.05)
Transfer to Operating Account	(31,999.00)
Total Payments	(32,231.05)
Net Receipts/(Payments) as at 31 August 2011	\$89,206.68



Tropical Fruits 2007 Trust Account

	\$
Receipts	
Bank Interest	2,609.62
Management Fees	13,351.74
Pre-Appointment Cash at Bank	233,561.10
Total Receipts	249,522.46
Payments	
Bank Charges	(232.85)
Transfer to Operating Account	(60,578.00)
Total Payments	(60,810.85)
Net Receipts/(Payments) as at 31 August 2011	\$188,711.61

Tropical Fruits 2008 Trust Account

	\$
Receipts	
Bank Interest	3.12
Pre-Appointment Cash at Bank	483.63
Total Receipts	486.75
Payments	
Bank Charges	(325.50)
Total Payments	(325.50)
Net Receipts/(Payments) as at 31 August 2011	\$161.25

Vineyard Project 2 Trust Account

Receipts	
Bank Interest	838.51
Harvest Proceeds	393,915.84
Other Income	529
Pre-Appointment Cash at Bank	91,932.23
Total Receipts	487,215.58
Payments	
Bank Charges	(228.95)
Casual Labour	(5,660.90)
Chemical Costs	(7,150.50)
Crop Monitoring	(2,739.00)
Fuel and Oil	(1,680.00)
Hire and Leasing	(6,880.50)
Legal Fees	(9,008.85)
Management Fees	(10,720.65)
Subcontractors	(4,160.00)
Lease Payments	(22,795.75)
Management and Marketing Costs	(115,000.00)
Purported Trust Funds	(235,495.89)
Total Payments	(421,520.99)
Net Receipts/(Payments) as at 31 August 2011	\$65,694.59



Vineyard Trust Account

		\$
Receipts		
Bank Interest		1,036.00
Harvest Proceeds		179,486.83
Pre-Appointment Cash at Bank		89,201.00
Total Receipts		269,723.83
Payments		
Management and Marketing Fees		(40,779.03)
Transfer to new RE		(228,943.80)
Total Payments		(269,722.83)
Net Receipts/(Payments) as at 31 August 2011		\$ -

CBA Terms Account

		\$
Receipts		
Loan Repayments		3,490,818.42
Management Fees		782,429.45
QPR Receipts		42,083.31
Total Receipts		4,315,331.18
Payments		
AMEX Charges		(9,528.59)
Bank Charges		(7,177.55)
CBA Collections		(1,711,037.99)
Dishonours		(244,934.00)
Investec Collections		(1,373,724.15)
Other		(12,532.39)
Transfer to Rewards Projects Ltd		(730,852.21)
Total Payments		(4,089,786.88)
Net Receipts/(Payments) as at 31 August 2011		\$225,544.30

VY Allotment Account

		\$
Receipts		
Opening Balance		162,238.99
Bank Interest		1,224.85
Total Receipts		163,463.84
Payments		
Bank Charges		(120.00)
Total Payments		(120.00)
Net Receipts/(Payments) as at 31 August 2011		\$163,343.84



TF and BR Account

		\$
Receipts		
Bank Interest		615.81
Harvest Proceeds		335,861.60
Other Income		548,822.75
Transfer from Administrator		49,263.86
TF06 Trust Funds		31,999.00
TF07 Trust Funds		60,578.00
VY Trust Funds		40,779.03
Total Receipts		1,067,920.05
Payments		
Appointee Fees		(335,500.00)
ATO costs		(30.00)
Bank Charges		(190.75)
Creditors Meeting Costs		(1,823.00)
Hire and Leasing		(140,913.50)
Legal Fees		(229,324.81)
Ord Packer Costs		(28,718.32)
Professional Fees		(17,600.00)
Subcontractors		(8,726.50)
Transfer of BR and TF Funds		(213,416.10)
Transfer to Deed Administrator		(91,677.07)
Total Payments		(1,067,920.05)
Net Receipts/(Payments) as at 31 August 2011		\$ -

Forestry Maintenance Account

		\$
Receipts		
Bank Interest		22,913.31
Pre-Appointment Cash at Bank		1,135,950.90
Total Receipts		1,158,864.21
Payments		
Bank Charges		(226.90)
Transfer to Operating Acct		(18,664.67)
Total Payments		(18,891.57)
Net Receipts/(Payments) as at 31 August 2011		\$1,139,972.64



Rewards Land Pty Ltd

There were no receipts and payments incurred by the Deed Administrators of Rewards Land Pty Ltd the period 16 May 2010 to 31 August 2011.



3. Rewards Management Pty Ltd

The following receipts and payments were incurred by the Deed Administrators of Rewards Management Pty Ltd for the period 16 May 2010 to 31 August 2011.

RMPL Operating Account

	\$
Receipts	
Appointee Fees	82,500.00
Bank Errors	524,951.31
Bank Interest	4,519.65
Management Fees	759
Other Income	264,293.11
Payment from Investec	14,992.00
Pre-Appointment Cash at Bank	14,989.00
RPL reimbursement	49,627.97
Sales	6,550.20
Transfer from Administrator	255,667.49
Transfer from Operating Account	648,213.01
Total Receipts	1,867,062.74
Payments	
Appointee Costs	(151,534.75)
Bank Charges	(505.38)
Bank Errors	(522,429.77)
Computer IT costs	(27,178.59)
Contractors	(19,505.07)
Casual Labour	(157,892.88)
Employee Re-imbursments	(3,339.54)
Freight	(76,298.31)
Fuel and Oil	(1,915.51)
Funding	(3,550.78)
GST Control	(9,299.00)
Hire and Leasing	(12,910.11)
Insurance	(46,631.00)
PAYG Withheld	3,594.00
Pre Appointment Transfer	(100.00)
Printing	(26,980.94)
Expenses paid to the Receivers and Managers	(6,550.20)
Rental Payments	(49,973.14)
Repairs	(1,166.00)
Subcontractors	(46,237.13)
Sundry Expenses	(51,161.59)
Superannuation	(664.02)
Transfer to Deed Administrator	(255,667.49)
Utilities	(2,623.80)
Wages and Salaries	(72,264.44)
Total Payments	(1,542,785.44)
Net Receipts/(Payments) as at 31 August 2011	\$324,277.30



RMPL Proceeds Account

	\$
Receipts	
Bank Interest	943.68
Loan Repayments	100.00
Opening Balance	87,654.65
Total Receipts	88,698.33
Payments	
Bank Charges	(177.50)
Total Payments	(177.50)
Net Receipts/(Payments) as at 31 August 2011	\$88,520.83

RMPL Terms Account

	\$
Receipts	
Bank Interest	951.64
Loan Repayments	1,117,836.23
Pre-Appointment Cash at Bank	90,101.75
Sundry	8,441.38
Total Receipts	1,217,331.00
Payments	
Bank Charges	(11,255.96)
CBA Collections	(192,755.93)
IT expenses	(805.00)
Investec Collections	(705,134.57)
Transfers to Loan Clearing Account	(263,724.84)
Total Payments	(1,173,676.30)
Net Receipts/(Payments) as at 31 August 2011	\$43,654.70



4. Rural Labour Pty Ltd

Rural Labour Cheque Account

Receipts	
Bank Interest	24.60
Other Income	311.49
PAYG paid	156
Pre-Appointment Cash at Bank	2,081.25
Refund	5,771.57
Total Receipts	8,344.91
Payments	
Bank Charges	(391.40)
Insurance	(1,710.78)
Motor Vehicle Expenses	(50.95)
Printing and Stationary	(142.27)
Sundry	(771.08)
Superannuation	(3,983.44)
Unreconciled Amount	(14.03)
Total Payments	(7,063.95)
Net Receipts/(Payments) as at 31 August 2011	\$1,280.96



B3 Other creditor information on remuneration

The partners of Ferrier Hodgson WA are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

Queries regarding remuneration should be directed to either Hannay Smith or Penny Vetten of this office.

Dated this 9th day of September 2011.

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, sweeping flourish underneath.

Martin Jones

Joint and Several Deed Administrator of
Rewards Group Limited
Rewards Projects Limited
Rewards Land Pty Ltd
Rewards Management Pty Ltd
Rural Labour Pty Ltd