

20 JUNE 2016



REMUNERATION REQUEST APPROVAL REPORT

LAURA ASHLEY (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED)
ACN 004 817 323

CRITICAL THINKING
AT THE CRITICAL TIME™

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Part 1: Declaration

This report sets out the information that the *Corporations Act* (“**Act**”) and the 3rd Edition of the *Code of Professional Practice* published by the Australian Restructuring Insolvency and Turnaround Association (“**ARITA**”) requires creditors to receive before voting on resolutions with respect to our claim for remuneration at the Reconvened Second Meeting of Creditors convened for 30 June 2016.

I have undertaken a proper assessment of our claim for remuneration arising from our appointment as Voluntary Administrators of Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323 in accordance with the law and applicable professional standards.

I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of this external administration.

Part 2: Executive Summary

Remuneration previously determined by Creditors

The amount of remuneration previously determined by the Committee of Creditors in this external administration is \$1,667,474.00 plus GST and disbursements as summarised in Table 1 below.

Table 1: Remuneration previously approved

Period	Amount (ex GST) (\$)
7 January 2016 to 29 February 2016 (inclusive)	998,570.00
1 March 2016 to 30 April 2016 (inclusive)	550,000.00
1 May 2016 to 13 May 2016 (inclusive)	118,904.00
Total past approved remuneration	\$1,667,474.00

Remuneration for which approval is sought

This report provides details of the following remuneration for which approval is sought:

Table 2: Remuneration for which approval is sought

Period	Report Reference	Liquidation Amount (ex GST)	DOCA Amount (ex GST)
<i>Voluntary Administration</i>			
Resolution 1: 14 May 2016 to 15 June 2016 (inclusive)	Table 3	\$335,432.50	\$335,432.50
Resolution 2: 16 June 2016 to 30 June 2016 (inclusive)*	Table 4	\$100,000.00	\$100,000.00
<i>Liquidation</i>			
Resolution 3: From 30 June 2016 (inclusive)*	Table 5	\$300,000.00	

Table 2: Remuneration for which approval is sought

Period	Report Reference	Liquidation Amount (ex GST)	DOCA Amount (ex GST)
Deed of Company Arrangement (“DOCA”)			
Resolution 4: From 1 July 2016 to execution of a DOCA (inclusive)*			\$100,000.00
Resolution 5: From the execution of a DOCA (inclusive)*			\$100,000.00
Total		\$735,432.50	\$635,432.50

* The quantum of future remuneration for which approval is sought is based on an estimate of the work necessary to complete the administration. Should additional work beyond what is contemplated be necessary, further approval may be sought from creditors. If a lesser amount is incurred, we will limit our remuneration to that lesser amount.

Please refer to the sections of the report detailed above for full details of the calculation and composition of the remuneration for which approval is sought.

The Administrators have not previously provided an estimate to creditors with respect to their remuneration.

Part 3: Description of Work Completed and to be Completed

Table 3: Resolution 1 Voluntary Administrators fees – for work completed as Voluntary Administrators from 14 May 2016 to 15 June 2016 (inclusive)

Company	Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323	From	14-May-16	To	15-June-16
Practitioners	R Blakeley, Q Olde and J Park	Firm	FTI Consulting		
Administration Type	Voluntary Administration				
Task Area	General Description	Includes			
Assets 147.7 hours \$64,633.00	Sale of Business	<ul style="list-style-type: none"> ▪ Correspondence with purchaser regarding completion of conditions precedent to sale. ▪ Liaising with legal representatives regarding sale and actions required in order to complete sale. ▪ Liaising with the Licensor, Laura Ashley Limited, with respect to the sale. ▪ Liaising with landlords with respect to the sale and the granting of leases to the Purchaser. ▪ Dealing with the purchaser to reach agreement for timing of completion. ▪ Calculating the final amount payable by the purchaser pursuant to the sale. ▪ Meeting the seller’s obligations for completion under the 			

Table 3: Resolution 1 Voluntary Administrators fees – for work completed as Voluntary Administrators from 14 May 2016 to 15 June 2016 (inclusive)

		<p>sale agreement.</p> <ul style="list-style-type: none"> ▪ Attending and facilitating settlement and handover.
	Inventory	<ul style="list-style-type: none"> ▪ Maintaining stock register. ▪ Reviewing inventory holdings and compare to store performance. ▪ Discussing stock position with Purchaser, in particular the purchase of additional stock in lead up to settlement. ▪ Facilitating stocktake. ▪ Reviewing results of the stocktake and arranging for results to be uploaded to stock system. ▪ Discussing stocktake with purchaser.
	Plant and Equipment	<ul style="list-style-type: none"> ▪ Liaising with purchaser with regard to offers made for plant and equipment originally excluded from the sale. ▪ Liaising with valuers regarding valuation of excluded plant and equipment assets. ▪ Reaching agreement with the purchaser for the sale of excluded plant and equipment. ▪ Arranging for relocation of warehouse plant and equipment to head office. ▪ Arranging for relocation of fixtures and fittings from closed stores to head office.
	Other Assets	<ul style="list-style-type: none"> ▪ Liaising with stockbroker regarding sale of Telstra shares owned by the Company. ▪ Investigating existence of shares held in Laura Ashley Limited, a company listed in the United Kingdom.
<p>Creditors 157.20 hours \$63,502.50</p>	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receiving and dealing with creditor queries by telephone, email and post. ▪ Maintaining register of creditor enquiries. ▪ Liaise with creditors regarding substantiation of claims.
	Creditor Reports	<ul style="list-style-type: none"> ▪ Drafting report to creditors pursuant to Section 439A of the Act. ▪ Preparing analysis of likely financial outcome for creditors for inclusion in the report. ▪ Investigations into the Company’s affairs for the report.
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparing presentation and meeting file for second

Table 3: Resolution 1 Voluntary Administrators fees – for work completed as Voluntary Administrators from 14 May 2016 to 15 June 2016 (inclusive)

		<p>meeting of creditors.</p> <ul style="list-style-type: none"> ▪ Reviewing proofs of debt and proxies received for second meeting. ▪ Attending and facilitating the second meeting. ▪ Preparing the minutes of the second meeting of creditors. ▪ Preparing this circular to creditors and associated documents to reconvene the second meeting of creditors; and ▪ Lodging required notices of the reconvened second meeting of creditors.
	Processing proofs of debt (“PODs”)	<ul style="list-style-type: none"> ▪ Receiving and filing PODs. ▪ Maintaining POD register. ▪ Requesting further documentation where required to substantiate PODs.
<p>Employees 105.7 hours \$28,626.50</p>	Calculating entitlements	<ul style="list-style-type: none"> ▪ Telephone correspondence with each individual employee who has not responded to the Administrator’s letter regarding the calculation of their entitlements and obtain further information to assist with review. ▪ Liaising with key staff of the Company regarding the calculation of outstanding employee entitlements. ▪ Liaising with the Australian Taxation Office regarding the calculation of Superannuation Guarantee Charge (“SGC”).
	Employee communications	<ul style="list-style-type: none"> ▪ Respond to queries from employees. ▪ Maintain file register of employee queries.
	Offers of employment with the Purchaser	<ul style="list-style-type: none"> ▪ Liaising with Purchaser regarding offers to employees to take up employment with the Purchaser upon settlement of the conditional sale of the business. ▪ Providing notice of termination to employees who were not offered employment with the Purchaser.
<p>Trade On 267.0 hours \$98,473.50</p>	Operations	<ul style="list-style-type: none"> ▪ Liaise with Laura Ashley staff at Head Office to maintain key controls and processes to assist with the trading of the business. ▪ Attendance on site to assist with continued trading and employee queries. ▪ Review daily cash position and orders outstanding. ▪ Preparing ad-hoc cash position updates detailing cash at

Table 3: Resolution 1 Voluntary Administrators fees – for work completed as Voluntary Administrators from 14 May 2016 to 15 June 2016 (inclusive)

		<p>bank, liabilities and inventory position.</p> <ul style="list-style-type: none"> ▪ Attending management team teleconferences and review of daily performance schedules and emails. ▪ Continuing to implement trading controls, liaising with key suppliers, reviewing and approving purchase orders, daily correspondence with interim CFO, ongoing communication with Company management regarding day-to-day requirements and trading, payment of expenses. ▪ Responding to ad-hoc activities during the trading of the business. ▪ Considering trading strategy required in the event that the sale does not proceed.
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Preparing and authorising payments for suppliers and employees. ▪ Maintaining purchase order register. ▪ Accounting procedures including entry and authorisation of payments and receipts. ▪ Conducting weekly account reconciliations.
	Financial and Banking	<ul style="list-style-type: none"> ▪ Further obtaining financial information from management for review. ▪ Liaising with interim CFO and finance team regarding ongoing financial and banking requirements.
<p>Investigation 171.1 hours \$63,520.00</p>	Conducting investigation into affairs of the Company	<ul style="list-style-type: none"> ▪ Conducting investigations into the Company’s affairs for inclusion in the report to creditors pursuant to Section 439A of the Act. ▪ Conducting voidable transaction review and gathering evidence against creditors considered to have been the recipients of voidable transactions. ▪ Gathering of evidence in support of a trading whilst insolvent claim against the Director. ▪ Investigating the affairs of the Director prior to the Administration to determine any contraventions of the Act. ▪ Considering summary of investigations for discussion at the second meeting of creditors.
	Insolvency Report	<ul style="list-style-type: none"> ▪ Investigating the Company’s records with respect to indicia of insolvency. ▪ Discussions with key staff relating to preparation of the

Table 3: Resolution 1 Voluntary Administrators fees – for work completed as Voluntary Administrators from 14 May 2016 to 15 June 2016 (inclusive)

		<p>insolvency report.</p> <ul style="list-style-type: none"> ▪ Preparing the insolvency report.
<p>Administration 48.5 hours \$15,927.00</p>	Bank accounts	<ul style="list-style-type: none"> ▪ Ongoing communications with the Commonwealth Bank of Australia (“CBA”) regarding the transfer of funds from the administration received into the pre-appointment bank account. ▪ Procuring and reviewing bank account statements. ▪ Ongoing bank account reconciliations.
	Planning review	<ul style="list-style-type: none"> ▪ Numerous internal meetings concerning the status of the administration and ongoing strategic direction including store performance, stock position and sale of the business.
	General correspondence and word processing	<ul style="list-style-type: none"> ▪ Word processing including correspondence and file notes. ▪ Preparing file notes on internal updates / strategy planning.
	Statutory lodgements	<ul style="list-style-type: none"> ▪ Lodging minutes of the second meeting of creditors with ASIC.
	File review/checklist/document maintenance	<ul style="list-style-type: none"> ▪ Updating matter checklist. ▪ Administration review. ▪ Document filing and maintenance.
<p>Non-Insolvency Services 1.5 Hours \$750.00</p>	Strategic Communications	<ul style="list-style-type: none"> ▪ Reviewing reports; and ▪ Revising media statement regarding the conditional sale.

Table 4: Resolution 2 Voluntary Administrators fees – for work completed as Voluntary Administrators from 16 June 2016 to 30 June 2016 (inclusive)

Company	Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323	From	16-June-16	To	30-June-16
Practitioners	R Blakeley, Q Olde and J Park	Firm	FTI Consulting		
Administration Type	Voluntary Administration				
Task Area	General Description	Includes			
Assets 50.0 hours \$20,000.00	Sale of Business	<ul style="list-style-type: none"> ▪ Liaising with the purchaser regarding any issues arising post settlement of the sale. 			
	Leased Equipment	<ul style="list-style-type: none"> ▪ Disclaiming surplus assets. ▪ Liaising with financiers of disclaimed assets regarding their collection. 			
Creditors 100.0 hours \$40,000.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receiving and dealing with creditor enquiries. ▪ Maintaining register of creditor enquiries. ▪ Responding to creditor enquiries by telephone, email and post. ▪ Maintaining a register of customers who have become unsecured creditors. 			
	Creditor Meetings	<ul style="list-style-type: none"> ▪ Preparing and distributing meeting notices, proxies and advertisements for the Reconvened Second Meeting of Creditors. ▪ Correspondence with teleconference attendees to the Reconvened Second Meeting of Creditors. ▪ Preparing meeting pack, including presentation, agenda and attendance registers for Reconvened Second Meeting of Creditors. ▪ Holding the Reconvened Second Meeting of Creditors. ▪ Responding to queries arising prior to the Reconvened Second Meeting of Creditors. 			
	Processing proofs of debt (“PODs”)	<ul style="list-style-type: none"> ▪ Reviewing proofs of debt and proxies received and further correspondence with creditors as required regarding any defects in these documents. ▪ Maintaining register of proofs of debt and proxies received. ▪ Preparing reconciliation with PODs to the company books and records. 			
Employees 25.0 hours	Employee Communications	<ul style="list-style-type: none"> ▪ Responding to employee enquiries by telephone, email and post. 			

Table 4: Resolution 2 Voluntary Administrators fees – for work completed as Voluntary Administrators from 16 June 2016 to 30 June 2016 (inclusive)

\$10,000.00		<ul style="list-style-type: none"> ▪ Updating post-appointment employee entitlements. ▪ Continuing to verify outstanding employee claims.
Trade On 25.0 hours \$10,000	Suppliers	<ul style="list-style-type: none"> ▪ Providing notice to suppliers of settlement of the sale. ▪ Finalising accounts with suppliers for the administration period.
	Employees	<ul style="list-style-type: none"> ▪ Finalising wage entitlements up to the settlement of the sale.
Investigation 25.0 hours \$10,000.00	Investigations into potential recovery actions	<ul style="list-style-type: none"> ▪ Reviewing potential recovery actions available to a liquidator, if appointed. ▪ Liaising with key staff and obtain appropriate books and records required to consider any potential claims.
Administration 25.0 hours \$10,000.00	General Correspondence and Word Processing	<ul style="list-style-type: none"> ▪ Word processing including correspondence and file notes.
	File Review/Checklist/Document Maintenance	<ul style="list-style-type: none"> ▪ Administration review. ▪ Document filing and maintenance. ▪ Updating checklist.
	Bank Accounts	<ul style="list-style-type: none"> ▪ Further communications with CBA regarding the pre-appointment account. ▪ Instructing CBA to conduct a bank transfer sweep of pre-appointment monies into the Administrators account. ▪ Procuring and reviewing bank account statements. ▪ Ongoing bank account reconciliations.
	ASIC lodgements	<ul style="list-style-type: none"> ▪ Lodging notice of the second meeting of creditors.
	Planning Review	<ul style="list-style-type: none"> ▪ Conducting internal meetings concerning the status of the administration.

Table 5: Resolution 3 for work to be completed from the appointment of a liquidator

Company	Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323	From	30-June-16		
Practitioners	R Blakeley, Q Olde and J Park	Firm	FTI Consulting		
Administration Type	Liquidation				
Task Area	General Description	Includes			
Assets	Sale of Business	<ul style="list-style-type: none"> ▪ Liaising with purchaser and legal advisors regarding any 			

Table 5: Resolution 3 for work to be completed from the appointment of a liquidator		
100.0 hours \$40,000.00		potential post-settlement issues relating to the sale of the business.
	Leased Assets	<ul style="list-style-type: none"> ▪ Liaising with lessors as required regarding assets not included in the sale of the Company’s business. ▪ Dealing with any assets excluded from the sale.
	Shares	<ul style="list-style-type: none"> ▪ Liaising with broker regarding sale of Telstra shares. ▪ Determining strategy for dealing with shares in Laura Ashley Limited, a UK company.
Creditors 75.0 hours \$30,000.00	Creditor Enquires	<ul style="list-style-type: none"> ▪ Receiving creditor enquiries. ▪ Maintaining register of creditor enquiries. ▪ Responding to creditor enquiries by telephone, email, facsimile and post.
	Second Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparing minutes for the second meeting of creditors. ▪ Lodging minutes of the meeting with ASIC. ▪ Corresponding with creditors regarding any queries raised at the second meeting of creditors.
	Committee of Inspection (if appointed)	<ul style="list-style-type: none"> ▪ Convening meetings. ▪ Corresponding with committee of inspection members and considering views regarding the liquidation. ▪ Providing updates to committee of inspection.
	Meetings of Creditors	<ul style="list-style-type: none"> ▪ Preparing circulars to creditors. ▪ Convening meetings of creditors as required. ▪ Holding meetings of creditors. ▪ Lodging minutes of meetings of creditors.
Employees 140.0 Hours \$50,000.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receiving employee enquiries. ▪ Maintaining register of employee enquiries. ▪ Responding to employee enquiries by telephone, email, facsimile and post.
	Fair Entitlements Guarantee (“FEG”) scheme	<ul style="list-style-type: none"> ▪ Correspondence with employees regarding submitting FEG claims. ▪ Extensive communications with the Department of Employment regarding calculation of FEG claims. ▪ Liaising with employees regarding any supporting documentation required for FEG claims. ▪ Investigating discrepancies.

Table 5: Resolution 3 for work to be completed from the appointment of a liquidator

		<ul style="list-style-type: none"> ▪ Making distributions pursuant to the FEG scheme.
	Calculating entitlements	<ul style="list-style-type: none"> ▪ Liaising with the ATO regarding calculation of the SGC. ▪ Investigating the Company's records regarding outstanding superannuation. ▪ Liaising with employees regarding any claims not covered by the FEG scheme and investigating same.
	Employee dividend (if applicable)	<ul style="list-style-type: none"> ▪ Communications with employees. ▪ Communications with ATO concerning SGC proof of debt. ▪ Adjudicating claims. ▪ Calculating dividend rate. ▪ Preparing dividend file. ▪ Distributing dividend payments. ▪ Preparing PAYG Payment Summaries in relation to dividend. ▪ Remitting PAYG from dividend to the ATO.
Trade On 180.0 Hours \$60,000.00	Trade On Management	<ul style="list-style-type: none"> ▪ Finalising trading obligations. ▪ Communicating with key suppliers and landlords. ▪ Communicating with suppliers regarding final payments. ▪ Maintaining and updating payables ledger.
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Preparing and authorising of receipts and payments.
Investigations 230.0 Hours \$100,000.00	Potential Antecedent Transaction Recoveries and Insolvent Trading Claim	<ul style="list-style-type: none"> ▪ Analysing specific transactions warranting further investigation. ▪ Investigating potential unfair preference payment claims. ▪ Reviewing the Company's records regarding potential claims. ▪ Reviewing Company's electronic records in relation to potential claims. ▪ Communications with directors and/or officers concerning company information. ▪ Preparing solvency report. ▪ Liaising with legal counsel regarding potential claims. ▪ Issuing letters of demand in respect of claims. ▪ Reviewing correspondence with respondents in relation to any claims made.

Table 5: Resolution 3 for work to be completed from the appointment of a liquidator

		<ul style="list-style-type: none"> ▪ Investigating any allegations made by respondents. ▪ Considering the merits of, and if appropriate, issuing summonses for public examinations. ▪ Issuing proceedings if required. ▪ Attending Court if required. ▪ Attending mediation proceedings if required.
	Reporting to ASIC	<ul style="list-style-type: none"> ▪ Further investigating the Company’s affairs and preparing and lodging a statutory investigation report pursuant to Section 533 of the Act with ASIC. ▪ Preparing a supplementary statutory investigation report to ASIC (if required). ▪ Requesting funding from ASIC if required. ▪ Communications with ASIC concerning investigations.
Administration 85.0 Hours \$20,000.00	General correspondence and word processing	<ul style="list-style-type: none"> ▪ Word processing including correspondence and file notes. ▪ Telephone calls relating to the administration. ▪ Responding to enquires relating to the administration.
	File review/checklist/document maintenance	<ul style="list-style-type: none"> ▪ Administration review. ▪ Document filing and maintenance. ▪ Updating checklist.
	Bank Accounts	<ul style="list-style-type: none"> ▪ Bank account reconciliations. ▪ Procuring and reviewing bank statements. ▪ Communications concerning bank account transactions.
	ASIC Lodgements	<ul style="list-style-type: none"> ▪ Preparing and lodging necessary forms with ASIC. ▪ General communications with ASIC.
	ATO lodgements	<ul style="list-style-type: none"> ▪ Preparing and submitting BAS statements. ▪ Preparing and submitting annual PAYG report to the ATO. ▪ Preparing any income tax returns required by the ATO.
	Planning review	<ul style="list-style-type: none"> ▪ Ad hoc meetings concerning the status of the administration.
	Finalisation	<ul style="list-style-type: none"> ▪ Convening a final meeting of creditors. ▪ Preparing a final report to creditors. ▪ Holding a final meeting of creditors. ▪ Preparing and lodging minutes of a final meeting of creditors.

Table 5: Resolution 3 for work to be completed from the appointment of a liquidator

		<ul style="list-style-type: none">▪ Cancelling ABN/GST/PAYG registrations.▪ Completing finalisation statutory lodgements.▪ Completing checklists.
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Part 4: Calculation of Remuneration

Resolution 1: Remuneration from 14 May 2016 to 15 June 2016 (inclusive)

Table 3: Calculation of Remuneration															
Appointor/Position	Rate/hour (\$) (excl GST)	Total Hours	Total (\$) (excl GST)	Task Area											
				Trade on		Assets		Creditors		Employees		Investigation		Administration	
				Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)	Hours	(\$)
Insolvency Services															
Ross Blakeley, Appointor	625.00	33.30	20,812.50	1.30	812.50	10.00	6,250.00	5.50	3,437.50	0.00	0.00	5.30	3,312.50	11.20	7,000.00
Quentin Olde, Appointor	625.00	0.70	437.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	437.50
Managing Director	575.00	2.70	1,552.50	1.30	747.50	0.00	0.00	0.40	230.00	0.50	287.50	0.50	287.50	0.00	0.00
Senior Director	565.00	112.00	63,280.00	0.60	339.00	71.90	40,623.50	28.90	16,328.50	0.00	0.00	10.60	5,989.00	0.00	0.00
Director	510.00	157.00	80,070.00	107.30	54,723.00	0.00	0.00	0.00	0.00	0.00	0.00	49.70	25,347.00	0.00	0.00
Senior Consultant II	425.00	64.50	27,412.50	0.00	0.00	0.00	0.00	61.90	26,307.50	0.00	0.00	1.80	765.00	0.80	340.00
Senior Consultant I	370.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consultant II	350.00	79.30	27,755.00	4.40	1,540.00	10.30	3,605.00	14.50	5,075.00	1.00	350.00	48.60	17,010.00	0.50	175.00
Consultant I	305.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Associate II	275.00	199.50	54,862.50	76.30	20,982.50	2.30	632.50	38.40	10,560.00	70.90	19,497.50	2.30	632.50	9.30	2,557.50
Associate I	255.00	189.80	48,399.00	75.80	19,329.00	52.80	13,464.00	4.20	1,071.00	33.30	8,491.50	12.80	3,264.00	10.90	2,779.50
Junior Associate	180.00	39.50	6,912.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.50	6,912.50	0.00	0.00
Administration II	180.00	12.80	2,304.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.80	2,304.00
Administration I	145.00	6.10	884.50	0.00	0.00	0.40	58.00	3.40	493.00	0.00	0.00	0.00	0.00	2.30	333.50
Total Insolvency Services		897.20	334,682.50	267.00	98,473.50	147.70	64,633.00	157.20	63,502.50	105.70	28,626.50	171.10	63,520.00	48.50	15,927.00
Average hourly rate (excluding GST)			373.03		368.81		437.60		403.96		270.83		371.24		328.39
Non-Insolvency Services															
Senior Director	500.00	1.50	750.00												
Total Non-Insolvency Services		1.50	750.00												
Total (excluding GST)		898.70	335,432.50												
GST			33,543.25												
Total (including GST)			368,975.75												

Part 5: Statement of Remuneration Claim

The Act requires our remuneration to be determined before it can be drawn by us. The determination must be made by creditors at a Meeting of Creditors, by a Committee of Creditors or Inspection or by the Court.

Resolution 1: Part remuneration for the Voluntary Administration period, specifically for the period from 14 May 2016 to 15 June 2016 (inclusive)

That the remuneration of the Voluntary Administrators of Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323 and staff for the period 14 May 2016 to 15 June 2016 (inclusive) be determined in the amount of \$335,432.50 plus GST and disbursements and that the Administrations be authorised to draw same. Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates effective 1 January 2016.

This fee resolution includes Non-Insolvency services provided by FTI Consulting.

Resolution 2: Part remuneration for the Voluntary Administration period, specifically for the period from 16 June 2016 to 30 June 2016 (inclusive)

That the remuneration of the Voluntary Administrators of Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323 and staff for the period 16 June 2016 to 30 June 2016 (inclusive) be determined at an initial sum equal to the cost of time incurred by the Administrators and staff, calculated at the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates effective 1 January 2016, to a maximum amount of \$100,000 plus GST and disbursements and that the Administrators be authorised to draw the remuneration as required.

This fee resolution includes Non-Insolvency services provided by FTI Consulting.

Resolution 3: Remuneration for Liquidators' fees from 30 June 2016

That the preliminary remuneration of the Liquidators of Laura Ashley (Australia) Pty Ltd (In Liquidation) ACN 004 817 323 and staff for the period from the conclusion of the second meeting of creditors on 30 June 2016 be determined at an initial sum equal to the cost of time incurred by the Liquidators and their staff, calculated at the hourly rates applicable to the grades or classifications set out in the FTI Consulting Standard Rates schedule issued 1 January 2016, to an interim maximum amount of \$300,000 plus GST and disbursements and that the Liquidators be authorised to draw the remuneration on a monthly basis or as required.

This fee resolution includes Non-Insolvency services provided by FTI Consulting.

Resolution 4: Part remuneration for the Voluntary Administration period, specifically for the period from 1 July 2016 to the execution of a Deed of Company Arrangement.

That the remuneration of the Voluntary Administrators of Laura Ashley (Australia) Pty Ltd (Administrators Appointed) ACN 004 817 323 and staff for the period from 1 July 2016 to the execution of the Deed of Company Arrangement be determined at an initial sum equal to the cost of time incurred by the Administrators and staff, calculated at the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates effective 1 January 2016, to an interim maximum amount of \$100,000 plus GST and disbursements, and that the Administrators

be authorised to draw the remuneration on a monthly basis or as required. This fee resolution includes Non-Insolvency services provided by FTI Consulting.

This fee resolution includes Non-Insolvency services provided by FTI Consulting.

Resolution 5: Remuneration for Deed Administrator fees from the execution of a Deed of Company Arrangement

That the remuneration of the Deed Administrators of Laura Ashley (Australia) Pty Ltd (Subject to Deed of Company Arrangement) ACN 004 817 323 and staff for the period from the execution of the Deed of Company Arrangement be determined at an initial sum equal to the cost of time incurred by the Deed Administrators and staff, calculated at the hourly rates applicable to the grades or classifications set out in the FTI Consulting Schedule of Standard Rates effective 1 January 2016, to an interim maximum amount of \$100,000 (plus GST and disbursements), and that the Deed Administrators be authorised to draw the remuneration on a monthly basis or as required. This fee resolution includes Non-Insolvency services provided by FTI Consulting.

This fee resolution includes Non-Insolvency services provided by FTI Consulting.

Remuneration is calculated in accordance with the hourly rates applicable to the grades or classifications set in the Schedule of FTI Consulting Standard Rates effective 1 January 2016 which appears at **Schedule 1** to this report.

Part 6: Disbursements

Explanatory note on disbursements

Disbursements are divided into three types:

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

I have undertaken a proper assessment of disbursements incurred during this external administration in accordance with the law and applicable professional standards. I am satisfied that the disbursements incurred are necessary and proper.

The following disbursements have been incurred by the external administration to FTI Consulting during the period 14 May 2016 to 15 June 2016. Where an amount has been paid to FTI Consulting as reimbursement of externally provided services and costs, such payment is on account of an amount previously paid by FTI Consulting due to a lack of funds in the external administration at the time the payment was due pursuant to the invoicing of FTI Consulting by the supplier.

Where payments to third parties have been made from the bank account of the external administration, those payments are also included in the summary of receipts and payments.

Table 4: Disbursements incurred between 14 May 2016 and 15 June 2016

Type	Basis of charge (excl. GST)	
	GST (\$)	Amount (excl. GST) (\$)
Printing and Photocopying	50 cents per page	1,248.00
Transport	At cost	631.76
Computer Related Expenses	At cost	0.00
Telephone	At cost	69.50
Searches	At cost	455.70
Office Supplies	At cost	99.86
Australia Post	At cost	60.95
Total		2,565.77

Creditor approval for disbursements is not required. However creditors have the right to question the incurring of the disbursements and can challenge disbursements in Court.

Future disbursements provided by FTI Consulting will be charged to the external administration on the following basis:

Table 5: Future Internal Disbursements

Type	Basis of Charge (excl. GST) (\$)
Advertising and search fees	At cost
Courier	At cost
Postage	At cost
Printing and photocopying	Per Page 0.50 (b/w) 1.00 (colour)
Facsimile	Per Page 1.50 (local) 4.50 (international)
Storage of records (including boxes)	At cost
Staff Travel - mileage	Cents per km method (per ATO rates)

Part 7: Report on Progress of the External Administration

The progress of the external administration is detailed in the section 439A Report to Creditors and the supplementary report dated 20 June 2016 which accompanies this report.

Part 8: Summary of Receipts and Payments

A summary of receipts and payments to and from the external administration bank account for the period 7 January 2016 to 10 June 2016 is enclosed with the Report to Creditors which accompanies this report.

If any large or exceptional receipts and payments are received or made after this report is prepared but before the meeting at which this claim for remuneration will be considered, additional information will be provided at the meeting.

Part 9: Information Sheets on Remuneration Approval

ARITA has produced an information sheet entitled “*Creditor Information Sheet: Approving remuneration in external administrations*” which can be downloaded from the ARITA web site <http://www.arita.com.au/>.

ASIC has produced a series of information sheets about insolvency which includes “*Information Sheet 85 Approving Fees: A Guide to Creditors*”. Those information sheets can be downloaded from the ASIC web site www.asic.gov.au/insolvencyinfosheets or from the ARITA web site www.arita.com.au.

Part 10: Queries

Please let us know if you have any queries or require any further information concerning our claim for remuneration.

Yours faithfully
Laura Ashley (Australia) Pty Ltd
(Administrators Appointed)



Ross Blakeley
Administrator

Enc.

Schedule 1: Schedule of Rates

FTI Consulting Standard Rates effective 1 January 2016 (excluding GST)		
Typical classification	\$/hour	General guide to classifications
Senior Managing Director	625	Registered/Official Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	575	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered/Official Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	565	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered/Official Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	510	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	425	Typically an ARITA professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	370	Assists with the planning and control of small to medium administrations. May have the conduct of minor administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	350	Typically CAANZ qualified (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large administrations.
Consultant 1	305	Qualified accountant with several years experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	275	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	255	Typically a university undergraduate or graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	180	Undergraduate in the latter stage of their university degree.
Administration 2	180	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping or similar skills.
Junior Accountant	145	Undergraduate in the early stage of their university degree.
Administration 1	145	Has appropriate skills and experience to support professional staff in an administrative capacity.

The FTI Consulting Standard Rates above apply to the Corporate Finance and Restructuring practice and are subject to review at 1 January each year.

Schedule 2: Statement of receipts and payments from 7 January 2016 to 10 June 2016

Laura Ashley (Australia) Pty Ltd (Administrators Appointed) Receipts and Payments for the period 7 January 2016 to 10 June 2016 (\$)	
Trading Receipts	
Sales	11,825,938.32
Total Trading Receipts	11,825,938.32
Trading Payments	
Rent and Rates	(3,121,143.05)
Wages & Salaries	(2,439,799.05)
Cost of Goods Sold	(676,654.17)
Freight	(480,710.60)
GST Paid	(422,335.00)
PAYG Paid	(403,405.00)
Sale of Business	(300,000.00)
IT Support	(241,427.43)
Consulting Fees	(178,455.19)
Superannuation	(171,996.97)
Payroll Tax	(132,291.89)
Postage	(105,889.82)
Utilities	(83,705.04)
Merchant Fees	(63,854.92)
Advertising	(37,536.32)
Employee Reimbursement	(35,702.40)
Subcontractors	(33,756.15)
Merchant Cashback	(33,403.33)
Telephone & Fax	(21,745.24)
Staff Reimbursement	(21,587.75)
Storage	(18,677.05)
Food Services	(18,600.27)
Packaging	(16,160.69)
Allowances	(10,000.00)
Photocopier Expense	(9,617.71)
Cleaning	(8,626.10)
Printing & Stationery	(8,124.05)
Hire and Leasing	(7,093.62)
Waste Management Expense	(5,066.02)
Web Hosting Fees	(4,972.00)
Hygiene Services	(4,572.60)
Motor Vehicle Expenses	(4,499.04)
Travel Expense	(4,086.37)
Background Music	(3,693.71)
Reporting and Transcription Services	(3,052.50)
Cash Advance	(2,000.00)
Tolls	(1,417.28)
Security	(1,374.45)
Couriers	(1,259.01)
Room Hire	(635.00)
Repairs & Maintenance	(523.05)
Public Relations Tool	(220.00)
Infringements	(152.00)
Total Trading Payments	(9,139,821.84)
Net Trading Receipts and Payments	2,686,116.48
Non-Trading Receipts	
Sale of Business	2,551,255.73
Interest Income	215.10
Total Non-Trading Receipts	2,551,470.83
Non-Trading Payments	
Administrators' Fees	(1,829,814.80)
Legal Fees	(991,961.19)
Insurance	(82,642.76)
Administrators' Disbursements	(23,375.00)
Bank Charges	(19,807.05)
Auctioneer's Charges	(3,850.00)
Total Non-Trading Payments	(2,951,450.80)
Net Non-Trading Receipts and Payments	(399,979.97)
Net Receipts and Payments	2,286,136.51



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CRITICAL THINKING
AT THE CRITICAL TIME™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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