

June 17th, 1960.

AS SUBMITTED

AN AUSTRALIAN ORGANISATION TO CARRY OUT REAL ESTATE RESEARCH,
CITY PLANNING AND URBAN DESIGN WORK ON A CONSULTATIVE BASIS.

The Company

C. G. and Y. propose to form a proprietry limited Company to establish and operate the organisation as previously discussed and as outlined above. C. G. and Y. would between them take up the first issue of Ordinary Shares in the Company, and each would be a Director of the Company. C. G. and Y. would each contract themselves to work exclusively for the Company as employees.

The Investor

The investment required to launch the Company at the minimum desirable scale of operations consistent with the high standards previously agreed to be necessary is calculated as £18,000. This capitalization would cover one year's running costs as detailed below. The capital is sought from the Investor in the form of 18,000 fully paid £1 Preference Shares, which would draw an immediate return of, say, 8 per cent per annum, but which would not carry voting rights. The Investor's shareholding could be secured through a Nominee, for the reasons previously agreed.

The share issue arrangements could be varied to suit the Investor's

wishes. It is intended that the Company will be able to repay the investment capital, commencing repayments at the end of five years. Whenever repayment is found to be possible, the Investor may wish to re-invest his original capital in major Company projects such as interstate expansion.

Standard provisions will be incorporated in the Memorandum and Articles of the Company, under which the transfer of any Shares in the Company will require the consent of the other Shareholders.

The Special Client

It has been suggested in discussion that a Special Client will require the Company to provide some considerable volume of service. In order that the scale and character of the Company's initial operations can be more closely planned, it is desirable that the Special Client indicate the likely volume, type and priorities of service which the Company should be prepared to provide on behalf of the Special Client.

A first priority and constant availability of service is offered to the Special Client. This priority of service could be ensured in the standard form of a small annual retainer. A retainer of say, one thousand guineas per annum, is therefore sought.

Staff Responsibilities and Profit Sharing

It is recognised that the success of the Company depends in large measure upon the calibre, skills, initiative and enthusiasm of the senior staff of the Company. Key personnel will therefore be given a direct interest in the profitability of the Company. Other personnel will participate in a bonus scheme.

Working Capital Estimate - First Year's Costs

Office Space	600 sq. ft. at £1 per sq. ft.	£600.
Office Equipment (new)	File cabinet £40; Plan cabinet £40; Tables £40; Shelving £40; Lighting £40;	£200.
Office Materials and Services	Stationery, supplies Plan printing Postage, petty cash £80; Phone £80; Electricity £40; Cleaning £50; Accountancy £50; Insurances £100;	£400. £800. £400.
Travel	50,000 vehicle miles 5 air journeys	£2,200.
Documents	Maps, Acts, Reports, Surveys, Research material, periodicals	£400.
Entertainment & Public Relations		£100.

over

Contingencies		£1,000.
Salaries	3 Principals @ £3,000	£9,000.
	1 Assistant	£2,000.
	1 Secretary	£ 900.
<hr/>		
TOTAL		£18,000.
<hr/>		

VOLUME OF WORK

At present the proposed Company has some £8,000 of work contracted and in hand. It therefore requires an additional £10,000 worth of work to reach the break-even point. This new volume could come in various alternative proportions from the Special Client and from other clients with whom the principals of the proposed Company are at present negotiating.

Respectfully submitted for discussion,

CLARKE, GAZZARD AND TOMANS.