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## Voluntary Administrators' Report to Creditors

Pursuant to Section 439A of the Corporations Act 2001 and 75-225 of the Insolvency Practice Rules (Corporations) 2016

### Administrators

Alan Walker, Nicholas Charlwood & Glenn Livingstone

**28 May 2025**

**Finnish Early Childhood Education (Hampton Park) Pty Ltd (Administrators Appointed)**  
**Formerly T/As "ILO Hampton Park Early Education Centre"**  
**ACN 637 712 951**

**Finnish Early Childhood Education (Charlotte) Pty Ltd (Administrators Appointed)**  
**Formerly T/As "HEI Schools Charlotte Early Education Centre"**  
**ACN 646 582 881**

**Finnish Early Childhood Education (Armstrong Creek) Pty Ltd (Administrators Appointed)**  
**ACN 660 849 374**

**(All Administrators Appointed) (collectively the "Companies")**



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| <b>ANNEXURE</b> | <b>DESCRIPTION</b>                        |
|-----------------|---|
| A               | Notice of the Second Meeting of Creditors |
| B               | Administrators' Remuneration Reports      |
| C               | Summary Receipts and Payments             |
| D               | Proxy Form                                |
| E               | Proof of Debt Form                        |
| F               | Creditor Information Sheet                |
| G               | FEC Group entities in Administration      |

# 01

## GLOSSARY OF TERMS

| TERM              | DESCRIPTION  |
|-------------------|--|
| \$                | Australian Dollars   |
| ACN               | Australian Company Number  |
| Act               | Corporations Act 2001 (Cth)  |
| Administration    | The Voluntary Administration of the Companies  |
| Administrators    | Glenn Livingstone, Nicholas Charlwood and Alan Lee Walker  |
| ARITA             | Australian Restructuring, Insolvency & Turnaround Association  |
| Armstrong Creek   | Finnish Early Childhood Education (Armstrong Creek) Pty Ltd<br>ACN 660 849 374 (Administrators Appointed)  |
| ASIC              | Australian Securities & Investments Commission   |
| ATO               | Australian Taxation Office   |
| BAS               | Business Activity Statement required by the TAA and the GST Act  |
| c.                | Circa  |
| CBA               | Commonwealth Bank of Australia   |
| Charlotte         | Finnish Early Childhood Education (Charlotte) Pty Ltd<br>ACN 646 582 881 (Administrators Appointed)  |
| Chairperson       | Voluntary Administrator chairing the Second Meeting  |
| Code              | ARITA Code of Professional Practice  |
| COI               | Committee of Inspection  |
| Convening Periods | The period in which the Second Meeting must be convened  |
| Court             | Supreme Court of New South Wales   |
| DEWR              | Department of Employment and Workplace Relations   |
| Director          | Kam Ming Yu  |
| DIRRI             | Declaration of Independence, Relevant Relationships and Indemnities, pursuant to section 436DA of the Act and Code                                     |
| DOA               | Date of appointment of the Administrators being 11 February 2025   |
| DOCA              | Deed of Company Arrangement  |
| DPN               | Director Penalty Notices issued by the ATO   |
| ERV               | Estimated Realisable Value   |
| FEG               | Fair Entitlements Guarantee  |
| First Meeting     | First meeting of creditors held on 21 February 2025  |
| FY                | Financial year   |
| Group             | 16 entities within Finnish Early Childcare group in Administration under the control of the Administrators (Annexure G)                                |
| GST               | Goods and Services Tax payable pursuant to the GST Act   |
| GST Act           | A New Tax System (Goods and Services Tax) Act 1999 (Cth)   |
| Hampton Park      | Finnish Early Childhood Education (Hampton Park) Pty Ltd<br>ACN 637 712 951 (Administrators Appointed)   |
| Head Office       | Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed) and ILO Early Learning (Australia) Pty Ltd (Administrators Appointed) |
| HEI Schools       | Helsinki International Schools Group Oy BIC 2722710-9  |

|                     |  |
|---------------------|--|
| Holistic            | Holistic Development Pty Ltd (Administrators Appointed)  |
| IAS                 | Installment Activity Statement   |
| Initial Notice      | Our initial notice to creditors dated 13 February 2025   |
| IPR                 | <i>Insolvency Practice Rules (Corporations) 2016</i> (Cth)   |
| ITAA                | <i>Income Tax Assessment Act 1997</i> (Cth)  |
| k                   | Thousand \$  |
| Longwarry           | Finnish Early Childhood Education (Longwarry) Pty Ltd (Administrators Appointed) ACN 637 227 546   |
| M                   | Million \$   |
| Management Accounts | Accounts maintained by the Company on Quickbooks software.   |
| NES                 | National Employment Standards  |
| NSW                 | New South Wales  |
| PAYG                | Pay as you go  |
| PILN                | Payment in Lieu of Notice  |
| PPSA                | Personal Property Securities Act 2009 (Cth)  |
| PPSR                | Personal Property Securities Register maintained pursuant to the PPSA  |
| Report              | This report of 27 May 2025 pursuant to IPR 75-225  |
| ROCAP               | Report on Company Activities and Property  |
| Second Meeting      | Second meeting of creditors held pursuant to IPR 75-225 and section 439A of the Act, where creditors determine the future of the Companies.<br>The Second Meeting will be held at 10:00 AM (AEST) on 3 June 2025 |
| SRO                 | State Revenue Office – Victoria  |
| TAA                 | Tax Administration Act 1953 (Cth)  |
| VIC                 | Victoria   |
| Waurm Ponds         | Finnish Early Childhood Education (Waurm Ponds) Pty Ltd (Administrators Appointed) ACN 638 461 579   |

# 02

## EXECUTIVE SUMMARY

| QUESTION   | EXPLANATION   |
|--|---|
| <b>What did the Companies do?</b>                                      | <p>The Companies operated early learning childcare centres providing childcare and kindergarten services from the following leasehold premises:</p> <ul style="list-style-type: none"><li>- 9 Winnima Avenue, Hampton Park, VIC 3976</li><li>- '4' 4 Charlotte Street, Brisbane City, QLD 4000</li><li>- 12 Sail Court Armstrong Creek, VIC 3217</li></ul> <p>The Companies operated under the ILO education framework under license from HEI Schools.</p>  |
| <b>What is the current status of the Companies?</b>                    | <p>On 11 February 2025, Alan Walker, Nick Charlwood and Glenn Livingstone were appointed as Administrators by the Companies' sole Director in accordance with s 436A of the Act.</p>  |
| <b>Who is in control of the Companies?</b>                             | <p>On appointment, the Administrators assumed control of the Companies' businesses and affairs.</p> <p>The Director's powers in relation to the Companies' property and affairs are suspended during the Administration.</p> <p>The Administrators were also appointed over 13 other entities in the Group.</p>   |
| <b>What is happening with the Companies' business and assets?</b>      | <p>The Companies had all ceased trading prior to administration and the leases were terminated. There were no physical assets available on our appointment.</p>   |
| <b>Has a DOCA proposal been put forward for creditors to consider?</b> | <p>No DOCA proposal has been put forward for creditors to consider.</p>   |
| <b>When is the Second Meeting of creditors?</b>                        | <p>The Administrators made an application to the Supreme Court of New South Wales on 7 March 2025 seeking an extension to the convening period for the Second Meeting of creditors. On 10 March 2025, the Court granted the application and made orders extending the convening period to 11 June 2025 (3 months).</p> <p>Given that the Companies' businesses have already ceased, the Administrators do not consider it necessary to utilise the full extension period. Accordingly, the Second Meeting of creditors will be held on <b>Thursday, 5 June 2025 at 10:00 AM AEST</b>. A formal notice of this meeting is enclosed at <b>Annexure A</b>.</p> <p>Creditors wishing to attend the meeting are requested to follow the instructions set out in <b>Section 3.5</b> of this Report and return the completed forms contained at Annexures D and E as soon as possible.</p> |

| QUESTION  | EXPLANATION  |
|---|--|
| <p><b>What is the purpose of the Second Meeting and what will creditors need to do?</b></p> | <p>The purpose of the Second Meeting is to provide an update to creditors on the Companies' financial position, as well as detail the work the Administrators undertook during the period.</p> <p>At the Second Meeting, creditors will also consider this Report and decide the Companies future.</p> <p>The options available to creditors include whether:</p> <ul style="list-style-type: none"> <li>- the Administration should end, or</li> <li>- the Companies be wound up</li> </ul> <p>The Administrators will also be asking creditors to vote on resolutions for our remuneration for the Administration.</p>   |
| <p><b>Why did the Companies become insolvent?</b></p>                                       | <p>Based on the Administrators' preliminary investigations and discussions with the Director, the Companies' insolvency was primarily caused by the poor financial performance of the Group. Several factors contributed to the Companies' failure, including:</p> <ul style="list-style-type: none"> <li>- Low occupancy levels across majority of the Group's Centres</li> <li>- Head Office expenses were significantly higher than what was required for a Group of this size</li> <li>- Fixed licensing fees due to HEI Schools</li> <li>- Staffing issues across multiple centres leading to increased costs in labor staff</li> <li>- Poor strategic management decisions, particularly relating to the rapid expansion of new centres, which placed significant strain on the Group's financial and operational resources, and</li> <li>- High costs associated with expansion, including leasehold improvements, and staffing expenses when the Group was not able to generate any income prior to receiving its Service Approval.</li> </ul> |
| <p><b>When do the Administrators consider the Companies became insolvent?</b></p>           | <p>Based on our preliminary analysis of the Management Accounts, the Companies were relying on the capital invested at the Group level in order to support working capital requirements.</p> <p>The Companies' earnings from the early learning centres were not enough to support the working capital needs to keep the centres operational.</p> <p>Charlotte ceased operations in November 2023.</p> <p>Hampton Park ceased operations in September 2024.</p> <p>Armstrong Creek never commenced operations with their invested capital purportedly used to support working capital requirements of other Group Companies.</p> <p>Based on the financial accounts available to the Administrators, it appears the Group became insolvent between April – June 2024.</p>  |

| QUESTION  | EXPLANATION  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
|---|--|---------------|------------|-------------------|----------|--------------------|-----|-----------------------------|-----|------------------|----------|---------------|------------|-------------------|-----|--------------------|------|-----------------------------|----------|------------------|----------|---------------|------------|-------------------|------|--------------------|-----|-----------------------------|-----|------------------|----------|
|   | Further details relating to our investigations are set out in <b>Section 7</b> of this Report.   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| <p><b>Would there be any claims or recoveries in a liquidation?</b></p> | <p>Our preliminary view on claims or recoveries that could be pursued by a liquidator in the event of a winding up are:</p> <p><b>Hampton Park</b></p> <table border="1" data-bbox="613 468 1344 806"> <thead> <tr> <th>Type of claim</th> <th>Likelihood</th> </tr> </thead> <tbody> <tr> <td>Insolvent trading</td> <td>Possible</td> </tr> <tr> <td>Unfair preferences</td> <td>Low</td> </tr> <tr> <td>Payments to related parties</td> <td>Low</td> </tr> <tr> <td>Breach of duties</td> <td>Possible</td> </tr> </tbody> </table> <p><b>Charlotte</b></p> <table border="1" data-bbox="613 873 1344 1211"> <thead> <tr> <th>Type of claim</th> <th>Likelihood</th> </tr> </thead> <tbody> <tr> <td>Insolvent trading</td> <td>Low</td> </tr> <tr> <td>Unfair preferences</td> <td>None</td> </tr> <tr> <td>Payments to related parties</td> <td>Possible</td> </tr> <tr> <td>Breach of duties</td> <td>Possible</td> </tr> </tbody> </table> <p><b>Armstrong Creek</b></p> <table border="1" data-bbox="613 1278 1344 1617"> <thead> <tr> <th>Type of claim</th> <th>Likelihood</th> </tr> </thead> <tbody> <tr> <td>Insolvent trading</td> <td>None</td> </tr> <tr> <td>Unfair preferences</td> <td>Low</td> </tr> <tr> <td>Payments to related parties</td> <td>Low</td> </tr> <tr> <td>Breach of duties</td> <td>Possible</td> </tr> </tbody> </table> <p>Our preliminary view is that there are potential claims available for a liquidator to pursue against the Companies, however it is still uncertain as to whether these claims would be commercially viable and in the best interest of a future liquidation estate.</p> <p>For further details, please see <b>Section 7.8</b>.</p> | Type of claim | Likelihood | Insolvent trading | Possible | Unfair preferences | Low | Payments to related parties | Low | Breach of duties | Possible | Type of claim | Likelihood | Insolvent trading | Low | Unfair preferences | None | Payments to related parties | Possible | Breach of duties | Possible | Type of claim | Likelihood | Insolvent trading | None | Unfair preferences | Low | Payments to related parties | Low | Breach of duties | Possible |
| Type of claim   | Likelihood   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Insolvent trading   | Possible   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Unfair preferences  | Low  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Payments to related parties   | Low  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Breach of duties  | Possible   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Type of claim   | Likelihood   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Insolvent trading   | Low  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Unfair preferences  | None   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Payments to related parties   | Possible   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Breach of duties  | Possible   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Type of claim   | Likelihood   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Insolvent trading   | None   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Unfair preferences  | Low  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Payments to related parties   | Low  |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |
| Breach of duties  | Possible   |               |            |                   |          |                    |     |                             |     |                  |          |               |            |                   |     |                    |      |                             |          |                  |          |               |            |                   |      |                    |     |                             |     |                  |          |

| QUESTION   | EXPLANATION  |
|--|--|
| <b>What is the cost of the Administration?</b>                                 | Please refer to <b>Section 5</b> of the Report for information relating to the approval of Administrators' fees.   |
| <b>What is the estimated return to creditors?</b>                              | Please refer to <b>Section 8</b> of this Report for further details relating to the estimated return to creditors.   |
| <b>What is the recommendation to creditors on the future of the Companies?</b> | <p>We are required pursuant to s 438A of the Act to provide an opinion on each of the following:</p> <ul style="list-style-type: none"> <li>- Whether the Administrations should end,</li> <li>- Whether the Companies should be wound up, or</li> <li>- Whether the Companies execute a DOCA.</li> </ul> <p>The Administrations cannot end as the Companies are insolvent.</p> <p>No DOCA proposal has been submitted for creditors to consider.</p> <p>Our opinion and recommendation is that the Companies be wound up and a Liquidator/(s) be appointed.</p> |
| <b>Where can I get more information?</b>                                       | <p>If you require any further information, please contact Billy Foley.</p> <p>Email: <a href="mailto:finnisheducation@wlpr.com.au">finnisheducation@wlpr.com.au</a>.</p>   |

# 03

## THE ADMINISTRATION

### 3.1 APPOINTMENT OF THE ADMINISTRATORS

We, Alan Walker, Nicholas Charlwood and Glenn Livingstone were appointed Administrators to the Companies on 11 February 2025 by the sole Director of the Companies in accordance with Section 436A of the Act.

### 3.2 OBJECTIVE OF ADMINISTRATION

In a voluntary administration, administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During voluntary administration there is a moratorium over most pre-administration creditor claims.

The objective of the Administration was to take control of the business and affairs of the Companies along with other Group Companies.

As Administrators, we are also required to:

- Investigate the affairs of each of the Companies; and
- Report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interests, including providing information to the creditors supporting that opinion prior to their voting at the Second Meeting.

ASIC has produced information sheets for creditors to assist their understanding of common company insolvency procedures. These insolvency information sheets can be downloaded from <https://asic.gov.au> under the regulatory resources tab.

### 3.4 FIRST MEETING OF CREDITORS AND COMMITTEE OF INSPECTION

Section 436E of the Act requires us to convene the first meeting of creditors within eight business days of our appointment.

The First Meeting for the Companies were held on 21 February 2025, at which our appointment as Administrators was confirmed for each of the Companies. A COI was not formed for any of the Companies.

The minutes of the First Meeting of the Companies were lodged with ASIC on 7<sup>th</sup> March 2025.

### 3.5 SECOND MEETING OF CREDITORS

Due to the number of early learning centres in Administration, as well as the complex way in which the Group finance function was operating prior to the commencement of administration proceedings, a decision was made by the Administrators to file an application with the Court to extend the convening period of the Second Meeting.

This provided the Administrators with more time to investigate the financial affairs of the Group and report their findings to creditors.

On 10 March 2025, the Court ordered the period to convene the Second Meeting be extended by 3 months.

Given that the Companies' businesses have already ceased, the Administrators do not consider it necessary to utilise the full extension period. Pursuant to s 439A of the Act, the Second Meeting has now been convened for **10:00 AM AEST on Thursday, 5 June 2025** at the offices of WLP Restructuring Suite 19.02 Level 19, 1 Castlereagh Street, Sydney NSW 2000. Teleconference facilities will be provided on request.

At the Second Meeting, creditors will decide the Company's future by voting on one of the following options:

- that the Administration end (with control of the Company reverting to the Director); or
- that the Companies be wound up.

We are required to provide creditors with our opinion as to which outcome of the administration process is in creditors' best interests. Our opinion and recommendations are set out in **Section 9** of this Report.

The Notice of Meeting of Creditors is attached (**Annexure A**) along with an appointment of proxy form (**Annexure D**) and a Proof of debt form (**Annexure E**).

Creditors and the Chairperson presiding at the Second Meeting are permitted to adjourn the meeting for up to a period of 45 business days to enable further investigations to be undertaken, with a view to issuing further reports to creditors in respect of the outcome of those investigations.

All creditors with a claim(s) against the Companies are entitled to attend the Second Meeting and vote on the resolutions for the Companies.

Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office **by 4:00pm AEST on Wednesday, 4 June 2025**. Forms can be scanned and emailed to [finnisheducation@wlp.com.au](mailto:finnisheducation@wlp.com.au). Teleconference call details will be provided on request once the relevant forms listed below have been submitted.

| FORM                            | COMMENTS  | ACTION REQUIRED  |
|---------------------------------|---|--|
| Appointment of proxy (Form 532) | <ul style="list-style-type: none"> <li>- Corporate creditors must appoint an individual to act on their behalf.</li> <li>- Individuals voting in person are not required to complete this form unless they are appointing a representative to vote on their behalf.</li> <li>- Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.</li> </ul> | To be eligible to vote, creditors must submit proxy and proof of debt forms to our office before <b>4:00 PM AEST on Wednesday, 4 June 2025</b> . |
| Proof of Debt (Form 535)        | <ul style="list-style-type: none"> <li>- Creditors must submit documentation to support the amount they have claimed.</li> <li>- Creditors who have already submitted a proof of debt are not required to re-submit a proof of debt form unless their claim has changed.</li> </ul>   |  |

### **3.6 PURPOSE AND BASIS OF THIS REPORT**

IPR 75-225 requires Administrators to provide a report to all creditors ahead of the Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of all of the entities under Administration, and
- The Administrators' opinion and recommendation on each of the options available to creditors for each of those entities.

This Report also informs creditors about the preliminary investigations that we have undertaken to date. Accordingly, the views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the Second Meeting.

This Report has been prepared primarily from information obtained from the Companies' books and records and discussions with the Director. Although we have conducted certain investigations of the affairs of the Companies, there may be matters of which we are unaware because an audit of the Companies has not been undertaken.

To complete our Report, we have utilised information from the following sources:

- Registers maintained by ASIC;
- The Companies' book and records;
- Discussions with the Director;
- Discussions and enquiries with creditors of the Companies, and;
- Other public databases and searches.

This is a joint Report for all of the Companies. We consider this is appropriate due to the current state of the Companies and the interrelated dealings between the Companies. We provide information and opinions in relation to each individual company where this is relevant and necessary.

### **3.7 CONTEXT OF THIS REPORT**

The statements and opinions given in this Report are in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information that may be provided to us between the date of this Report, the date of the Second Meeting (except where otherwise stated) and any subsequent reports and meetings.

In considering the options available to creditors and formulating our opinion and recommendation, we may make forecasts of realisations and creditors' claims based on our best assessment of the information at hand. These forecasts and estimates may change as matters progress, and we receive creditor claims. Consequently, the outcome for creditors might differ from any guidance provided in this Report. Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

# 04

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

In accordance with section 436DA of the Act and the Code, a DIRRI was enclosed with our Initial Notice and tabled at the First Meeting. A copy of our DIRRI was also lodged with ASIC.

The DIRRI disclosed information regarding our independence, prior personal or professional relationships with the Companies or related parties, and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to our independence.

Following the First Meeting, we were appointed as Administrators on 28 February 2025 of two additional companies in the Group being Waurm Ponds and Longwarry. On 3 March 2025 we issued an updated DIRRI to all known creditors of the Companies and lodged a copy with ASIC on 7 March 2025. There has been no change in the declaration since.

ASIC has produced information sheets for creditors to assist their understanding of common company insolvency procedures. These information sheets can be downloaded from <https://asic.gov.au> under the regulatory resources tab.

# 05

## ADMINISTRATORS' REMUNERATION

At the upcoming meeting of creditors, we will be seeking approval of the following remuneration:

### Hampton Park

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 26/05/2025                         | 21,137                   |
| Administration future fees  | 27/05/2025 – 05/06/2025                         | 10,000                   |
| Liquidation (if applicable) | 05/06/2025 to the conclusion of the liquidation | 50,000                   |

### Charlotte

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 26/05/2025                         | 17,896                   |
| Administration future fees  | 27/05/2025 – 05/06/2025                         | 10,000                   |
| Liquidation (if applicable) | 05/06/2025 to the conclusion of the liquidation | 50,000                   |

### Armstrong Creek

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 26/05/2025                         | 15,351                   |
| Administration future fees  | 27/05/2025 – 05/06/2025                         | 10,000                   |
| Liquidation (if applicable) | 05/06/2025 to the conclusion of the liquidation | 50,000                   |

This is consistent with previous estimates from the Initial Remuneration Notices dated 13 February 2025.

More details of our proposed remuneration and the terms of the resolutions to be voted upon at the Second Meeting are included in our Remuneration Approval Reports at **Annexure B**. This includes resolutions for our past and future remuneration as Voluntary Administrators. Creditors should complete the proxy forms enclosed with this Report at **Annexure D** and return them to [bfoley@wlpr.com.au](mailto:bfoley@wlpr.com.au) before **4:00 PM on Wednesday, 4 June 2025**.

ARITA has issued an 'Approving remuneration in external administrations' information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration, or a DOCA. This information sheet is available from the ARITA website ([www.arita.com.au](http://www.arita.com.au)).

# 06

## FINANCIAL POSITION

### 6.1 FINANCIAL POSITION OF THE COMPANIES

Creditors should read the following information together with the historical financial information set out at **Section 7.3** and the estimated outcome for creditors set out in **Section 8**.

Pursuant to section 438B(2) of the Act, within five business days after the DOA, the Director is required to provide a report on the Company's business, property and affairs in the prescribed format (known as a ROCAP).

The Director engaged a specialist business advisory firm to assist with the preparation of the ROCAP and it was received on 3 April 2025 after the Administrators provided an extension of time to submit.

Illustrated in the table below is a summary of the Director's ROCAP together with the Administrators' estimate of the realisable value of assets and an estimate of the Company's liabilities.

### 6.2 FINANCIAL POSITION – Hampton Park

The financial position for the Hampton Park is illustrated below using the Director's estimated asset values from the ROCAP and our own estimates, followed by explanatory notes.

| <b>ASSETS AND LIABILITIES</b>         | <b>NOTES</b> | <b>ROCAP \$</b>  | <b>ADMINISTRATORS ESTIMATE \$</b> |
|---------------------------------------|--------------|------------------|-----------------------------------|
| <b>Assets</b>                         |              |                  |                                   |
| Cash at Bank                          | 6.2.1        | -                | 200                               |
| Related Debtor (Intercompany Loans)   | 6.2.2        | 52,240           | -                                 |
| Plant and Equipment                   | 6.2.3        | 25,000           | -                                 |
| <b>Total Assets</b>                   |              | <b>77,240</b>    | <b>200</b>                        |
|                                       |              |                  |                                   |
| <b>Liabilities</b>                    |              |                  |                                   |
| Secured Creditors                     | 6.2.4        |                  | 225                               |
| Priority Employee Creditors           | 6.2.5        | 126,379          | 126,379                           |
| Unsecured Creditors                   | 6.2.6        | 371,721          | 377,316                           |
| Related Creditor (Intercompany Loans) | 6.2.7        | 816,510          | 816,510                           |
| <b>Total Liabilities</b>              |              | <b>1,314,610</b> | <b>1,320,430</b>                  |
| <b>Estimate Deficit</b>               |              | <b>1,237,370</b> | <b>1,320,230</b>                  |

#### 6.2.1 CASH AT BANK

The Director's ROCAP did not disclose any Cash at Bank assets held by Hampton Park. We identified three bank accounts held by Westpac in the name of Hampton Park with a total balance of \$200.

We are not aware of any other accounts held in Hampton Park's name with Westpac or any other bank.

#### 6.2.2 INTERCOMPANY DEBTOR LOANS

The Director disclosed \$52,240 of related party debtors in his ROCAP. Our review of the Management Accounts have identified the following related party debtors:

| <b>RELATED LOANS</b>                                  | <b>Management Accounts</b> |
|---|----------------------------|
|   | <b>\$</b>                  |
| Finnish Early Childhood Education (Longwarry) Pty Ltd | 195                        |
| Holistic Development Pty Ltd                          | 52,045                     |
| <b>TOTAL</b>  | <b>52,240</b>              |

All intercompany loans appear to relate to loans provided to other Group companies to fund working capital requirements / Head Office costs. The Group did not account separately for each company's income and expenditure but sent funds to each entity as funding was required. This has been detrimental to Hampton Park's financial position and its ability to pay its liabilities.

### 6.2.3 PLANT AND EQUIPMENT

The Director's ROCAP disclosed plant and equipment with an estimated value of \$25,000, while the Quickbook accounts for Hampton Park reflect a book value of \$30,117. It should be noted that these fixtures and fittings were held in leasehold premises which was disclaimed several months prior to the appointment of the Administrators. Therefore, there are no assets available for creditors.

### 6.2.4 SECURED CREDITORS

The director did not disclose any money owing to secured creditors, however a PPSR search identified the following security interests as of our appointment date:

| <b>SECURED PARTY</b>   | <b>COLLATERAL CLASS</b> | <b>ROCAP \$</b> | <b>ERV \$</b> |
|------------------------|-------------------------|-----------------|---------------|
| Bizcap AU Pty Ltd      | All PAP                 | N/A             | Discharged    |
| B2B Finance Pty Ltd    | Other Goods             | N/A             | 225           |
| Winc Australia Pty Ltd | Other Goods             | N/A             | Discharged    |
| <b>TOTAL</b>           |                         |                 |               |

Upon appointment, we contacted all security interest holders, requesting they provide details of their respective registrations along with supporting documentation.

#### **Bizcap AU Pty Ltd**

On 13<sup>th</sup> February 2025, Bizcap advised the PPSR registration was discharged.

#### **B2B Finance Pty Ltd**

B2B responded to the Administrators noting a balance outstanding of \$225 which is secured over the assets of the Company.

#### **Winc Australia Pty Ltd**

On 13<sup>th</sup> February 2025, Winc Australia advised the PPSR registration was discharged.

### 6.2.5 PRIORITY CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up all unpaid employee priority claims. No unpaid Annual Leave/Leave Loading was recorded in his ROCAP.

Employees with unpaid entitlements are classified as priority creditors and receive payment before unsecured creditors. The following priority (employee) creditor claims are outstanding as at the DOA:

| <b>ENTITLEMENTS</b> | <b>AMOUNT</b><br>\$ |
|---------------------|---------------------|
| Superannuation      | 126,379             |
| <b>TOTAL</b>        | <b>126,379</b>      |

## 6.2.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to Hampton Park but remain unpaid at the DOA, and
- ATO debts that accrued prior to Administration.

Our current estimate of these amounts is below:

| <b>CREDITOR NAME</b>                | <b>ROCAP</b><br>\$ | <b>POD</b><br>\$ | <b>ADMINISTRATORS' ESTIMATE</b><br>\$ |
|-------------------------------------|--------------------|------------------|---------------------------------------|
| ATO                                 | 217,141            | 217,141          | 217,141                               |
| ASL Real Estate                     | 101,557            | -                | 101,557                               |
| Gallagher Bassett Services          | 25,708             | 25,708           | 25,708                                |
| Jani-King (VIC) PTY LTD             | 6,160              | 6,160            | 6,160                                 |
| William Shum                        |                    | 5,500            | 5,500                                 |
| National Australian Nappies Pty Ltd | 122                | 122              | 122                                   |
| RCR Financial Group                 | 8,261              | 8,356            | 8,356                                 |
| Other                               | 12,772             |                  | 12,772                                |
| <b>TOTAL</b>                        | <b>371,721</b>     | <b>262,987</b>   | <b>377,316</b>                        |

Any creditors that have not yet submitted details of their claims should do so using the proof of debt form attached at **Annexure E**.

### ATO

The Director's ROCAP records the ATO as a creditor for \$217,141.

The ATO has submitted a claim against Hampton Park for \$217,141 relating to a RBA deficit of the BAS amounts owed. This amount may change when any outstanding returns are lodged.

### ASL Real Estate

The Director's ROCAP records ASL Real Estate as a creditor to the amount of \$101,557. The Administrators have not received a POD from this ASL Real Estate at the time of drafting this Report.

### Gallagher Basset Services

The Director's ROCAP has noted Gallagher Basset Services as a creditor to the amount of \$25,708 which matches what has been included on the POD received.

### Jani-King (VIC) PTY LTD

The Director's ROCAP records Jani-King (VIC) LTD as a creditor to the amount of \$6,160 which matches the POD filed by the same entity. This balance relates to cleaning services for Hampton Park.

### William Shum

The Director's ROCAP did not contain any amounts owing to William Shum however they have filed a claim in the Administration for \$5,500. This claim relates to consultancy services.

### National Australian Nappies Pty Ltd

The Director's ROCAP records National Australian Nappies Pty Ltd as a creditor to the amount of \$122 which matches the POD filed by the same entity. This balance relates to consumables for Hampton Park.

### RCR Financial Group

The Director's ROCAP records RCR financial as a creditor to the amount of \$8,261 however they have filed a claim in the Administration for \$8,356.

### Other

The Director's ROCAP records other creditor amounts that have not filed a claim with the Administrators to date. This balance is made up of 6 other creditors with claims totalling \$12,772.

## 6.2.7 INTERCOMPANY CREDITOR LOANS

The Director disclosed \$816,510 of related party creditors in his ROCAP. Our review of the Management Accounts have identified the following related party creditors:

| <b>RELATED LOANS</b>                                  | <b>Management Accounts</b> |
|---|----------------------------|
|   | <b>\$</b>                  |
| Finnish Early Childhood Education (Australia) Pty Ltd | 577,714                    |
| ILO Early Learning (Australia) Pty Ltd                | 238,796                    |
| <b>TOTAL</b>  | <b>816,510</b>             |

All intercompany loans appear to relate to loans provided to other Group companies to fund working capital requirements / head office costs. The Group did not account separately for each company's income and expenditure but sent funds to each entity as funding was required. This has been detrimental to the Company's financial position.

## 6.3 FINANCIAL POSITION – Charlotte

The financial position for Charlotte is illustrated below using the Director's estimated asset values from the ROCAP and our own estimates, followed by explanatory notes.

| <b>ASSETS AND LIABILITIES</b> | <b>NOTES</b> | <b>ROCAP \$</b>  | <b>ADMINISTRATORS' ESTIMATE \$</b> |
|-------------------------------|--------------|------------------|------------------------------------|
| <b>Assets</b>                 |              |                  |                                    |
| Cash at Bank                  | 6.3.1        | 1                | -                                  |
| Plant and Equipment           | 6.3.2        | -                | -                                  |
| <b>Total Assets</b>           |              | <b>1</b>         | <b>Nil</b>                         |
| <b>Liabilities</b>            |              |                  |                                    |
| Intercompany Creditors        | 6.3.3        | 1,087,695        | 1,098,186                          |
| Priority Employee Creditors   | 6.3.4        | 34,529           | 32,398                             |
| Unsecured Creditors           | 6.3.5        | 88,890           | 1,483,626                          |
| <b>Total Liabilities</b>      |              | <b>1,211,114</b> | <b>2,614,210</b>                   |
| <b>Estimated Deficiency</b>   |              | <b>1,211,113</b> | <b>2,614,210</b>                   |

### 6.3.1 CASH AT BANK

The Director's ROCAP disclosed Cash at Bank assets held by Charlotte of \$1.

We identified three bank accounts held with Westpac under Charlotte's name with a nil balance. We are not aware of any other accounts held in Charlotte's name with Westpac or any other bank.

We are not aware of any other accounts held in Charlotte's name with Westpac or any other bank.

### 6.3.2 PLANT AND EQUIPMENT

The Director's ROCAP did not disclose any plant and equipment held by Charlotte, while the Management Accounts reflect a fixtures and fittings book value of \$40,305. It should be noted that these fixtures and fittings were held in a leasehold premises which was disclaimed several months prior to the appointment of the Administrators. Therefore, there are no assets available for creditors.

### 6.3.3 RELATED CREDITORS (Intercompany Loans Payable)

The Director disclosed \$1,087,695 of related party creditors in his ROCAP. Our review of the Management Accounts has identified the following related party creditors:

| <b>RELATED LOANS</b>                                  | <b>Management<br/>Accounts</b> |
|---|--------------------------------|
|   | <b>\$</b>                      |
| Finnish Early Childhood Education (Australia) Pty Ltd | 1,079,494                      |
| ILO Early Learning (Australia) Pty Ltd                | 18,450                         |
| ILO Early Learning (Kurunjang) Pty Ltd                | 192                            |
| <b>TOTAL</b>  | <b>1,098,186</b>               |

All intercompany loans appear to relate to loans provided to other Group companies to fund working capital requirements / head office costs. The Group did not account separately for each company's income and expenditure but sent funds to each entity as funding was required. This has been detrimental to the Company's financial position.

### 6.2.4 PRIORITY CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up all unpaid employee priority claims. No unpaid Annual Leave/Leave Loading was recorded in his ROCAP.

Employees with unpaid entitlements are classified as priority creditors and receive payment before unsecured creditors. The following priority (employee) creditor claims are outstanding as at the DOA:

| <b>ENTITLEMENTS</b> | <b>AMOUNT</b> |
|---------------------|---------------|
|                     | <b>\$</b>     |
| Superannuation      | 32,398        |
| <b>TOTAL</b>        | <b>32,398</b> |

### 6.3.5 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Company but remain unpaid at the DOA, and
- ATO debts that accrued prior to Administration.

Our current estimate of these amounts is below:

| <b>CREDITOR NAME</b>              | <b>ROCAP<br/>\$</b> | <b>POD<br/>\$</b> | <b>ADMINISTRATORS'<br/>ESTIMATE<br/>\$</b> |
|-----------------------------------|---------------------|-------------------|--|
| ATO                               |                     | 53,446            | 53,446                                     |
| RCR Financial Group               | -                   | 1,669             | 1,669                                      |
| Hillier Carter Properties Pty Ltd | 80,699              | -                 | 80,699                                     |
| Formo Group Pty Ltd               | -                   | 1,339,621         | 360,668                                    |
| Other                             | 8,191               |                   | 8,191                                      |
| <b>TOTAL</b>                      | <b>88,890</b>       | <b>1,394,736</b>  | <b>1,483,626</b>                           |

Any creditors that have not yet submitted details of their claims should do so using the proof of debt form attached at **Annexure E**.

#### **ATO**

The ROCAP records the ATO as a creditor for \$53,446.

The ATO has submitted a claim against Charlotte for \$53,446 relating to a RBA deficit of the BAS amounts owed. This amount may change when any outstanding returns are lodged.

#### **RCR Financial Group**

The Director's ROCAP records RCR financial as a creditor to the amount of \$1,669 which matches what has been included on the POD received.

#### **Hillier Carter Properties Pty Ltd**

The ROCAP records Jani-King (VIC) as a creditor to the amount of \$6,160 which matches the POD filed by the same entity. This balance relates to cleaning services for Charlotte.

#### **Formo Group Pty Ltd**

The ROCAP did not contain any amounts owing to Formo Group Pty Ltd however they have filed a claim in the Administration for \$1,339,621. This amount relates to historical rental arrears, as well as future amounts due under the rental agreement. The lease has been disclaimed therefore future rental expenses in the POD have been excluded from the Administrators' estimate. It should be noted however that no formal adjudication of claims have not been completed yet.

#### **Other**

The ROCAP records other creditor amounts that have not filed a claim with the Administrators to date. This balance is made up of 4 other creditors with claims totalling \$8,191.

## 6.4 FINANCIAL POSITION – Armstrong Creek

The financial position for Armstrong Creek is illustrated below, followed by explanatory notes.

| ASSETS AND LIABILITIES            | NOTES | ROCAP \$       | ADMINISTRATORS' ESTIMATE \$ |
|-----------------------------------|-------|----------------|-----------------------------|
| <b>Assets</b>                     |       |                |                             |
| Cash at Bank                      | 6.4.1 | 37,655         | -                           |
| Debtors                           | 6.4.2 | 13,286         | -                           |
| Intercompany Loans                | 6.4.3 | 532,456        | -                           |
| Plant & Equipment                 | 6.4.4 | -              | -                           |
| <b>Total Assets</b>               |       | <b>583,397</b> | <b>Nil</b>                  |
| Priority Employee Creditors       | 6.4.5 | 2,416          | 2,235                       |
| Unsecured Creditors               | 6.4.6 | 60,005         | 60,768                      |
| Related Party Creditors           | 6.4.7 |                | 146,140                     |
| <b>Total Liabilities</b>          |       | <b>62,421</b>  | <b>209,143</b>              |
| <b>Estimate Surplus/(Deficit)</b> |       | <b>574,976</b> | <b>(209,143)</b>            |

### 6.4.1 CASH AT BANK

The Director's ROCAP disclosed that there was \$855 in a bank account held by Armstrong Creek. The Director's ROCAP also stated that there was a rental bond held to the amount of \$36,800. We identified three bank accounts held with Westpac under Armstrong Creek name with a nil balance.

The rental bond disclosed in the Director's ROCAP has since been claimed against historical rental arrears.

We are not aware of any other accounts held in Armstrong Creek's name with Westpac or any other bank.

### 6.4.2 DEBTORS

The Director's ROCAP disclosed that there were debtors balances of \$13,286. This balance related to a purported payment made to the ATO for GST. Armstrong Creek's Management Accounts do not reflect this balance. The Company's ATO ledger does not indicate any payments made to the ATO.

### 6.4.3 INTERCOMPANY DEBTOR LOANS

The Director disclosed \$532,456 of related party debtors in his ROCAP. Our review of the Management Accounts have identified the following related party debtors:

| RELATED LOANS   | Management Accounts \$ |
|---|------------------------|
| Finnish Early Childhood Education (Australia) Pty Ltd | 30,000                 |
| ILO Early Learning (Australia) Pty Ltd                | 485,034                |
| <b>TOTAL</b>  | <b>515,084</b>         |

All intercompany loans appear to relate to balances forwarded to prop up the trading of the Group and the moving around of funds in order to meet working capital requirements at various points during the period of operations. The Group did not separate cash held by Armstrong Creek and instead sent funds to each entity as and when payments fell due, regardless of where the funds were generated across the Group.

#### 6.4.4 PLANT AND EQUIPMENT

The Director's ROCAP did not disclose any plant and equipment held by Armstrong Creek, while the Management Accounts reflect a fixtures and fittings book value of \$9,217. It should be noted that these fixtures and fittings were held in leasehold premises which was disclaimed a number of months prior to the appointment of the Administrators. Therefore, there is no realisable value relating to this balance.

#### 6.4.5 PRIORITY CREDITORS

Employees with unpaid entitlements are classified as priority creditors and receive payment before unsecured creditors. The following priority (employee) creditor claims appear to be outstanding as of our appointment date. It should be noted that these amounts were never reported to the ATO as outstanding.

| ENTITLEMENTS              | AMOUNT<br>\$ |
|---------------------------|--------------|
| Superannuation            | 1,251        |
| Annual Leave <sup>1</sup> | 983          |
| <b>TOTAL</b>              | <b>2,235</b> |

<sup>1</sup>Includes leave loading where applicable.

Note that the above amounts have been calculated in accordance with section 556 of the Act. Under these provisions, Directors are classified as excluded employees and may claim as priority creditors up to \$2,000 for wages and superannuation and up to \$1,500 for unpaid leave entitlements. Any remaining Director claims will be treated as unsecured.

Should Armstrong be placed into liquidation, employees may make a claim under the Fair Entitlements Guarantee (FEG) Scheme for their outstanding Annual Leave (subject to certain eligibility criteria and caps). **FEG does not pay unpaid superannuation.** For further information, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au).

#### 6.4.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to Armstrong Creek but remain unpaid at the DOA, and
- ATO debts that accrued prior to Administration.

Our current estimate of these amounts is below:

| CREDITOR NAME        | ROCAP<br>\$   | POD<br>\$    | ADMINISTRATORS'<br>ESTIMATE<br>\$ |
|----------------------|---------------|--------------|-----------------------------------|
| RCR Financial Group  | 220           | 1,001        | 1,001                             |
| Essentia Property    | 42,752        | -            | 42,752                            |
| Pre-School Equipment | 8,000         | 8,000        | 8,000                             |
| Other                | 9,015         | -            | 9,015                             |
| <b>TOTAL</b>         | <b>60,004</b> | <b>9,001</b> | <b>60,768</b>                     |

Any creditors that have not yet submitted details of their claims should do so using the proof of debt form attached at **Annexure E**.

**RCR Financial Group**

The Director's ROCAP records RCR Financial Group as a creditor for \$220, however it submitted a POD for \$1,001.

**Essentia Property**

The Director's ROCAP records Essentia Property as a creditor totalling \$47,752. The Administrators have not received a POD from this entity at the time of drafting this Report.

**Pre-School Equipment**

The ROCAP has noted Pre School Equipment as a creditor totalling \$8,000. This matches the balance filed in their POD.

**Other**

The ROCAP records other creditor amounts that have not filed a claim with the Administrators to date. This balance is made up of 5 other creditors with claims totalling \$9,015.

**6.4.7 RELATED PARTY CREDITORS**

The Director's ROCAP did not disclose any related party creditors as at the Administrators' DOA. Armstrong Creek's Management Accounts disclosed amounts payable of \$146,140 to purported related party creditors. Within this balance is \$111,140 payable to the Director which has been traced back through Armstrong Creek's bank statements.

## INVESTIGATION INTO THE COMPANIES' AFFAIRS

### 7.1 ADMINISTRATORS' INVESTIGATIONS

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs, and financial circumstances.

Our investigations have focused on the reasons for the failure of the Companies, solvency of the Companies and claims that a liquidator might be able to pursue if the Companies are wound up, including voidable transactions, insolvent trading and breaches of director's duties.

Investigations allow an administrator to advise creditors what funds might become available to a liquidator in a winding up such that creditors can properly assess and decide on whether to give control of the Companies back to the Director or resolve to wind up the Companies. We investigated matters to the extent possible in the time available and no audit of the financial information was undertaken.

The Administrators' knowledge of the Companies' affairs comes principally from the following sources:

- Discussions with the Director and his advisors
- Management Accounts, books and records and financial statements
- Searches obtained from relevant statutory authorities
- Records maintained by the ATO, and
- Publicly available information.

Our investigations are preliminary at this stage and will continue if the Companies were to be wound up.

### 7.2 HISTORY OF THE COMPANIES AND REASONS FOR FAILURE

The Companies operated early learning centres that provided childcare and kindergarten education services from the following leasehold premises:

- 9 Winnima Avenue, Hampton Park, VIC 3976.
- '4' 4 Charlotte Street, Brisbane City, QLD 4000
- 12 Sail Court Armstrong Creek, VIC 3217

As at the DOA, the Companies had all ceased operations and were no longer trading.

For further details regarding the events leading to the appointment of Administrators, please refer to **Section 2** of this Report.

The Companies' Director provided us with information relating to the Companies' business, property, and affairs, including the reasons why the Companies were unable to meet their liabilities. We have also relied on the Management Accounts and discussions with Management to understand the Companies' historical activities and the reasons for their financial difficulties. Our preliminary investigations have identified the following key events for the Companies' operations:

- On 27 November 2019, the Director incorporated Hampton Park.
- On 14 December 2020, the Director incorporated Charlotte.

- On 8 July 2022, the Director incorporated Armstrong Creek.
- These entities were incorporated with the primary goal of expanding the Group's network of early childhood learning centres in NSW and VIC.
- Hampton Park and Charlotte incurred losses in each year of trading, relying on equity invested by shareholders to sustain its operations and meet liabilities as they arose.
- Armstrong Creek incurred initial start-up costs prior to the commencement of operations at the proposed childcare site, however a decision was taken to halt operations before enrolments began.
- The Companies' financial operations were structured such that all funds were held at the Group level, with cash being released to subsidiary entities as needed to meet cashflow requirements.
- Holistic operated as the approved service provider for all centres in the Group.
- Finnish Australia and ILO Australia provided Head Office support services such as human resources, training, payroll and other operational services as required.
- After a period of sustained losses, the Director felt it was no longer commercially viable to have Charlotte remain open and ceased operations in November 2023.
- Similarly due to trading losses, Hampton Park closed in September 2024.
- In November 2024 winding up proceedings commenced against other Group Companies lead to a review of all entities within the Group, both trading and otherwise.
- On 11 February 2025, the Director appointed Voluntary Administrators for the Companies and to the majority of companies in the Group.

### **7.3 HISTORICAL FINANCIAL INFORMATION**

#### **TRADING PERFORMANCE OF THE COMPANIES**

Detailed below is our analysis of the Companies' financial statements and Management Accounts for the period FY22 to YTD25. We advise that the data presented for FY22 to FY24 has been extracted from the financial statements which were prepared the Companies' former external accountants. The data presented for YTD25 has been extracted from the Management Accounts which has been maintained by the bookkeeper during the period. The information for YTD25 may be subject to change as it has not been reviewed or audited by an external accountant.

Creditors should note that we, and the firm of WLP Restructuring, have not performed an audit of the information contained in the financial statements or Management Accounts and are unable to attest to the accuracy of the information presented. We have outlined the financial information from the source it was obtained and have provided our commentary based on that information as well as our review and discussions with bookkeeper and Management.

## Hampton Park

### PROFIT AND LOSS

Illustrated below is a summary of Hampton Park's profit and loss statements for the period from FY22 to YTD25:

| <b>PROFIT AND LOSS</b>   | <b>FY22</b>     | <b>FY23</b>      | <b>FY24</b>      | <b>YTD25</b>     |
|--------------------------|-----------------|------------------|------------------|------------------|
|                          | <b>\$</b>       | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| Income                   |                 | 232,221          | 379,841          | 96,935           |
| Cost of Sales            |                 | (21,754)         | (34,231)         | (3,426)          |
| <b>Gross Profit</b>      | <b>0</b>        | <b>210,467</b>   | <b>345,610</b>   | <b>93,509</b>    |
| Operating Expense        | (78,947)        | (792,425)        | (954,762)        | (289,452)        |
| <b>Operating Profit</b>  | <b>(78,947)</b> | <b>(581,958)</b> | <b>(609,152)</b> | <b>(195,943)</b> |
| Other Income             |                 | 26,729           | 23,799           | 10,123           |
| Income Tax Expense       |                 |                  |                  | 0                |
| <b>Net profit/(loss)</b> | <b>(78,947)</b> | <b>(555,229)</b> | <b>(585,353)</b> | <b>(185,820)</b> |

This shows:

- A Loss has been recorded since FY22.
- The Company ceased operation in September 2024.
- Other income relates to government grants.

### BALANCE SHEET

Illustrated below is the summary of Hampton Park's balance sheets as at 30 June 2022, 30 June 2023, 30 June 2024 and as at the DOA:

| <b>BALANCE SHEET AS AT</b>       | <b>FY22</b>     | <b>FY23</b>      | <b>FY24</b>      | <b>YTD25</b>       |
|----------------------------------|-----------------|------------------|------------------|--------------------|
|                                  | <b>\$</b>       | <b>\$</b>        | <b>\$</b>        | <b>\$</b>          |
| Current Asset                    | 533,786         | 10,264           | 9,076            | 815                |
| Non-Current Asset                | 384,325         | 2,003,173        | 1,815,813        | 2,572,008          |
| <b>Total Asset</b>               | <b>918,111</b>  | <b>2,013,437</b> | <b>1,824,889</b> | <b>2,572,823</b>   |
| Current Liabilities              | 638,477         | 331,205          | 566,148          | 1,984,905          |
| Non-Current Liabilities          | 358,597         | 1,922,575        | 2,130,996        | 1,645,951          |
| <b>Total Liabilities</b>         | <b>997,074</b>  | <b>2,253,780</b> | <b>2,697,144</b> | <b>3,630,856</b>   |
| <b>Net Asset / (Liabilities)</b> | <b>(78,963)</b> | <b>(240,343)</b> | <b>(872,255)</b> | <b>(1,058,033)</b> |

This shows:

- Significant current and non-current assets relate to intercompany loans and intangible assets relating to the right of use of the franchise name for trading.
- Current assets in FY 2022 were intercompany loans reclassified to non-current assets.
- Significant non-current liabilities relates to capitalized lease liability.
- Net liability position throughout Hampton Park's life cycle.

## Charlotte

### PROFIT AND LOSS

Illustrated below is a summary of Charlotte's profit and loss statements for the period from FY22 to YTD25:

| <b>PROFIT AND LOSS</b>   | <b>FY22</b>     | <b>FY23</b>      | <b>FY24</b>      | <b>YTD25</b> |
|--------------------------|-----------------|------------------|------------------|--------------|
|                          | <b>\$</b>       | <b>\$</b>        | <b>\$</b>        | <b>\$</b>    |
| Income                   | -               | 155,672          | 204,059          | -            |
| Cost of Sales            | -               | (21,559)         | (15,282)         | -            |
| <b>Gross Profit</b>      | -               | <b>134,113</b>   | <b>188,777</b>   | -            |
| Operating Expense        | (78,947)        | (643,644)        | (485,620)        | -            |
| <b>Operating Profit</b>  | <b>(78,947)</b> | <b>(509,531)</b> | <b>(296,843)</b> | -            |
| Other Income             | -               | -                | -                | -            |
| Income Tax Expense       | -               | -                | -                | -            |
| <b>Net profit/(loss)</b> | <b>(78,947)</b> | <b>(509,531)</b> | <b>(296,843)</b> | -            |

This shows:

- Charlotte ceased trading in November 2023.
- Was loss making throughout the period of operations.

### BALANCE SHEET

Illustrated below is the summary of Charlotte's balance sheets as at 30 June 2022, 30 June 2023, 30 June 2024 and as at the DOA:

| <b>BALANCE SHEET AS AT</b>       | <b>FY22</b>     | <b>FY23</b>     | <b>FY24</b>      | <b>YTD25</b>     |
|----------------------------------|-----------------|-----------------|------------------|------------------|
|                                  | <b>\$</b>       | <b>\$</b>       | <b>\$</b>        | <b>\$</b>        |
| Current Asset                    | 533,786         | 7,425           | 755              | 423              |
| Non-Current Asset                | 384,325         | 902,930         | 888,725          | 917,627          |
| <b>Total Asset</b>               | <b>918,111</b>  | <b>910,355</b>  | <b>889,480</b>   | <b>918,050</b>   |
| Current Liabilities              | 638,478         | 106,255         | 177,137          | 164,361          |
| Non-Current Liabilities          | 358,597         | 882,596         | 1,087,682        | 1,608,186        |
| <b>Total Liabilities</b>         | <b>997,075</b>  | <b>988,851</b>  | <b>1,264,819</b> | <b>1,772,546</b> |
| <b>Net Asset / (Liabilities)</b> | <b>(78,964)</b> | <b>(78,496)</b> | <b>(375,339)</b> | <b>(854,496)</b> |

This shows:

- Significant non-current assets relate to capitalized costs relating to upgrades made to leasehold property, as well as intangible assets relating to the right of use of the franchise name which are non-recoverable.
- Significant non-current liabilities relates to intercompany amounts payable.
- Net liability position throughout Charlotte's life cycle.

### Armstrong Creek

Armstrong creek never began to trade, therefore an external accountant was not engaged to complete financial accounts. The financial statements below have been extracted from Armstrong Creek's Management Accounts.

## PROFIT AND LOSS

Illustrated below is a summary of Armstrong Creek's profit and loss statements for the period from FY22 to YTD25:

| <b>PROFIT AND LOSS</b>   | <b>FY22</b> | <b>FY23</b> | <b>FY24</b>     | <b>YTD25</b>    |
|--------------------------|-------------|-------------|-----------------|-----------------|
|                          | <b>\$</b>   | <b>\$</b>   | <b>\$</b>       | <b>\$</b>       |
| Income                   | -           |             |                 | -               |
| Cost of Sales            | -           |             |                 | -               |
| <b>Gross Profit</b>      | -           |             |                 | -               |
| Operating Expense        |             |             | (87,892)        | (15,235)        |
| <b>Operating Profit</b>  |             |             | <b>(87,892)</b> | <b>(15,235)</b> |
| Other Income             |             |             |                 |                 |
| Income Tax Expense       |             |             |                 |                 |
| <b>Net profit/(loss)</b> |             |             | <b>(87,892)</b> | <b>(15,235)</b> |

This shows:

- Operating costs incurred in FY24 and YTD25 relating to start-up costs associated with preparing for the commencement of trading as an early learning centre which never materialised.

## BALANCE SHEET

Illustrated below is the summary of the Company's balance sheets as at 30 June 2022, 30 June 2023, 30 June 2024 and as at the DOA:

| <b>BALANCE SHEET AS AT</b>       | <b>FY22</b> | <b>FY23</b> | <b>FY24</b>    | <b>YTD25</b>   |
|----------------------------------|-------------|-------------|----------------|----------------|
|                                  | <b>\$</b>   | <b>\$</b>   | <b>\$</b>      | <b>\$</b>      |
| Current Asset                    |             |             | 311,918        | 252,858        |
| Non-Current Asset                |             |             | 8,320          | 9,217          |
| <b>Total Asset</b>               |             |             | <b>320,237</b> | <b>262,075</b> |
| Current Liabilities              |             |             | 181,370        | 122,442        |
| Non-Current Liabilities          |             |             |                | 90,000         |
| <b>Total Liabilities</b>         |             |             | <b>181,370</b> | <b>212,442</b> |
| <b>Net Asset / (Liabilities)</b> |             |             | <b>501,607</b> | <b>474,517</b> |

This shows:

- Current assets relate to intercompany amounts payable which appear to be unrecoverable.
- Current liabilities relate to various loans payable to the director as well as other external third party debtors.
- Non-current liabilities relate to intercompany balances payable.

## 7.4 COMPANIES' STATUTORY INFORMATION

Statutory details for each of the Companies as extracted from ASIC's database at the time of our appointment are summarized in the tables below:

### 7.4.1 Hampton Park

| Hampton Park                |  |
|-----------------------------|--|
| ACN                         | 637 712 951  |
| ABN                         | 34 637 712 951   |
| Business Names              | Finnish Early Childhood Education (Hampton Park) Pty Ltd   |
| Incorporation Date          | 27 November 2019   |
| Registered Address          | Suite 2115 Level 2 1 Main Street Box Hill VIC 3128   |
| Principal Place of Business | 9 Winnima Avenue Hampton Park VIC 3976   |
| Director(s)                 | Kam Ming Yu<br>27 November 2019 to Date  |
| Previous Director(s)        | N/A  |
| Shareholder(s)              | Pui Ka Eleanor Ho – 30 ORD Shares<br>Man Tat Lo – 30 ORD Shares<br>Finnish Early Childhood Education (Australia) Pty Ltd<br>– 120 Ordinary Shares, beneficially held |

Source: ASIC

### 7.4.2 CHARLOTTE

| Charlotte                   |   |
|-----------------------------|---|
| ACN                         | 646 582 881   |
| ABN                         | 30 646 582 881  |
| Business Names              | Finnish Early Childhood Education (Charlotte) Pty Ltd   |
| Incorporation Date          | 14 December 2020  |
| Registered Address          | Suite 2115 Level 2 1 Main Street Box Hill VIC 3128  |
| Principal Place of Business | Unit 4 4 Charlotte Street Brisbane City QLD 4000  |
| Director(s)                 | Kam Ming Yu<br>14 December 2020 to Date   |
| Previous Director(s)        | N/A   |
| Shareholder(s)              | Chi Ki Kwong – 60 Ordinary shares, beneficially held<br>Finnish Early Childhood Education (Australia) Pty Ltd<br>– 120 Ordinary shares, beneficially held |

Source: ASIC

### 7.4.3 ARMSTRONG CREEK

| <b>Armstrong Creek</b>             |   |
|------------------------------------|---|
| <b>ACN</b>                         | 660 849 374   |
| <b>ABN</b>                         | 23 660 849 374  |
| <b>Business Names</b>              | Finnish Early Childhood Education (Armstrong Creek) Pty Ltd   |
| <b>Incorporation Date</b>          | 8 July 2022   |
| <b>Registered Address</b>          | Suite 2115 Level 2 1 Main Street Box Hill VIC 3128  |
| <b>Principal Place of Business</b> | 12 Sail Court Armstrong Creek VIC 3217  |
| <b>Director(s)</b>                 | Kam Ming Yu<br>8 July 2022 to Date  |
| <b>Previous Director(s)</b>        | N/A   |
| <b>Shareholder(s)</b>              | Raymond Wai Yuen Koo – 2 Ordinary shares, beneficially held<br>Wai Lung Leung – 9 Ordinary shares, beneficially held<br>Finnish Early Childhood Education (Australia) Pty Ltd - 132 Ordinary shares, beneficially held<br>Pui Yee Leung – 10 Ordinary shares, beneficially held<br>Yuen Wah Ng – 2 Ordinary shares, beneficially held |
| <b>Previous Shareholder(s)</b>     |   |

Source: ASIC

### 7.5 REGISTERED SECURITY INTERESTS

As indicated earlier, the only registered security interests are against Hampton Park.

The claims of each of these parties were discussed in more detail in **Section 6**.

Details of the security interest holders for Hampton Park are set out below.

#### Hampton Park

| <b>REGISTRATION NUMBER</b> | <b>PMSI</b> | <b>COLLATERAL CLASS</b> | <b>SECURED PARTY</b>   | <b>DATE OF REGISTRATION</b> | <b>STATUS OF REGISTRATION</b> |
|----------------------------|-------------|-------------------------|------------------------|-----------------------------|-------------------------------|
| 202205190071428            | Yes         | Other Goods             | B2B Finance Pty Ltd    | 19 Jun 2022                 | Active                        |
| 202211230010360            | Yes         | Other Goods             | Winc Australia Pty Ltd | 23 Nov 2022                 | Discharged                    |
| 202402220073095            | No          | All PAP                 | Bizcap AU Pty Ltd      | 22 Feb 2024                 | Discharged                    |

### 7.6 BOOKS AND RECORDS

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the Company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

A failure to maintain books and records in accordance with section 286 of the Act provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

We have been provided with access to Management Accounts for the Company. Based on the information received to date, we consider that books and records were maintained in accordance with section 286 of the Act.

## 7.7 SOLVENCY

For certain actions to be available to a liquidator, including seeking compensation from directors for insolvent trading, the Companies' insolvency must be established.

A company is considered insolvent under section 95A when it is unable to meet debts as and when they fall due. This is primarily a cash flow test, allowing consideration of commercial realities. However, balance sheet analysis and indicators of insolvency can be relevant.

Our assessment of the Companies' solvency is largely based on the balance cash flow test. As the Group's funds were often pooled and used to pay liabilities that were most urgent across the Group, using the cash flow test, the Companies were insolvent indicating signs of insolvency from April 2024 when it started neglecting its tax obligations. In November 2024, statutory creditors commenced recovery proceedings against the Companies which resulted in issuing winding up proceedings.

The Management Accounts and Charlotte and Hampton Park also illustrate that balances payable to the ATO were beginning to accrue significantly at the same point, which is a common indicator for entities in financial distress. A Liquidator, if one is appointed, has greater powers to further investigate the solvency of the Companies.

## 7.8 RECOVERIES

A Liquidator has powers to investigate and commence certain recovery actions that may be voidable if it is established that the company was insolvent at the relevant time. A company is insolvent if it is unable to pay its debts as and when they become due and payable.

More information on the types of recoveries that would possibly be available to liquidators are contained in the information sheet at **Annexure F**.

My preliminary view in relation to potential claims for all the Companies are summarised below:

### Hampton Park

| Type of claim      | Likelihood | Reason  |
|--------------------|------------|---|
| Insolvent trading  | Possible   | Hampton Park continued to trade and incur further losses after the point at which the Group became balance sheet insolvent. The Company operated at a loss during this period.  |
| Unfair preferences | Low        | Our preliminary investigations indicate that, during the six months preceding the Administration, there were minimal payments made to creditors that may be considered unfair preference transactions. To date, we have identified payments of approximately \$70k that |

|  |          |  |
|--|----------|--|
|  |          | may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defence to any potential claim.   |
| Payments to related parties / unreasonable director-related transactions | Low      | There were several payments were made to related parties (\$325k paid to Head Office) in the two years prior to the Administrators appointment. This was due to the way fund flow was managed by the Group. Further investigations into intercompany balances owed by Group Companies needs to be conducted following the Company being placed into liquidation. |
| Breach of duties   | Possible | The Director did not act in the best in interest of the Company by transferring funds into other Group entities that were loss making placing financial constraints on the Company. This will be investigated further if the Company is placed into liquidation.   |

### Charlotte

| Type of claim  | Likelihood | Reason  |
|--|------------|---|
| Insolvent trading  | Low        | Charlotte continued to trade and incur losses after the point at which the Group became balance sheet insolvent. The Company did not operate at a significant loss during this period so the amount would be low.   |
| Unfair preferences   | N/A        | There were no payments made to creditors in the 6 months leading to our appointment.  |
| Payments to related parties / unreasonable director-related transactions | Possible   | Significant payments were made to related parties (\$249k paid to Head Office) in the two years prior to the Administrators appointment. This appears to be due to the way fund flow was managed by the Group. Further investigations into intercompany balances owed by Group Companies needs to be conducted following the Company being placed into liquidation. |
| Breach of duties   | Possible   | The Director did not act in the best in interest of the Company by transferring funds into other Group entities that were loss making placing financial constraints on the Company. This will be investigated further if the Company is placed into liquidation.  |

### Armstrong Creek

| Type of claim      | Likelihood | Reason  |
|--------------------|------------|---|
| Insolvent trading  | N/A        | The Company never began trading as cash was transferred to other Group entities.  |
| Unfair preferences | Low        | There were minimal payments to creditors after mid-August with only 3 material payments totaling c.\$23k. It is unclear at this stage if these creditors would have defences available to them. |

|  |          |   |
|--|----------|---|
| Payments to related parties / unreasonable director-related transactions | Low      | Significant payments were made to related parties (\$684k paid to Head Office) in the two years prior to the Administrators appointment. This was due to the way fund flow was managed by the Group. Further investigations into intercompany balances owed by Group Companies needs to be conducted following the Company being placed into liquidation. |
| Breach of duties   | Possible | The Director did not act in the best in interest of the Company by transferring funds into other Group entities that were loss making placing financial constraints on the Company. This will be investigated further if the Company is placed into liquidation.  |

## 7.9 SHAREHOLDER CAPITAL INVESTED

Further to conducting an analysis of the Companies' Management Accounts, it appears that the Companies were insolvent shortly after the commencement of trading, or after incorporation.

As outlined in **Section 2** of the Report, the finance function of the Group was setup in a way whereby cash was pooled at the head office level and distributed down to subsidiary entities as required for cashflow needs.

According to the Management Accounts, the combined capital invested in the Companies as at the DOA was as follows:

|                  |           |
|------------------|-----------|
| Hampton Park:    | \$375,120 |
| Charlotte:       | \$510,120 |
| Armstrong Creek: | \$679,499 |

It appears that the capital invested by shareholders of the Companies were in the first instance was utilised to pay set up costs with the balance treated the same way as other cash generated by the Group and transferred across the Group to meet the Group's liabilities.

It appears that the original capital raised at the Companies level was transferred to the Head Office and subsequently disbursed to support the working capital requirements of other entities within the Group.

These shareholder payments have been verified through Companies and other Group entity bank accounts.

The Administrators have noted that each of the Group entities had different minority shareholders and that the flow of funds was not disclosed to stakeholders. This will require further investigation should the Company be wound up.

## 7.10 BREACHES OF DIRECTORS DUTIES

A Liquidator is obliged to investigate and report offences to the regulator.

It may also be possible to recover claims against the current and former officeholders for breach of their duties. The Corporations Act requires that officeholders must:

- Exercise their powers and discharge their duties with care and diligence (Section 180 of the Act).
- Exercise their powers and discharge their duties Act in good faith in the best interests of the corporation and for a proper purpose (Section 181 of the Act).

- Not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation (Section 182 of the Act).
- Not improperly used information gained in as an officeholder of the corporation to gain an advantage for themselves or someone else, or cause detriment to the corporation (Section 183 of the Act); and
- Act in good faith in the best interests of the corporation or fur a proper purpose. An officeholder can commit an offence if they are reckless or dishonest in exercise their powers (Section 184 of the Act).

We have identified possible breaches and offences under the law, including in respect of distributing liquor in Victoria without an appropriate license. We will be notifying the regulator as appropriate.

More information on offences is contained in **Annexure F**.

A liquidator would investigate these matters further if any of the Companies are wound up to identify if these or any other offences might represent a recovery.

#### **7.11 PERSONAL CAPACITY TO MEET A LIQUIDATOR'S CLAIM**

Following our appointment, we wrote to the Director requesting inter alia, that he complete a statement setting out his personal assets and liabilities. We note that we have yet to receive this statement, however we understand that this information is currently being compiled.

Whilst we have not been provided with a statutory declaration outlining the Director's actual financial position, we confirm that publicly available searches did reveal the Director is the part owner of a single property within the VIC area.

We are also not aware at this time of a director's and officer's insurance policy that could be available to meet a claim against the director. Further investigations into the position of equity and the ability of the Director, or any other parties to any claim or recovery, would be undertaken by a liquidator if one is appointed to the Companies.

We further note that any claim commenced by a liquidator is likely to be costly and may be vigorously defended. Further investigations would need to be conducted by a liquidator before any such claim is commenced, including undertaking a thorough analysis of the potential claim to form a view on the likelihood of bringing a successful claim and the ability of the party to meet such a claim if one is brought.

# 08

## RETURN TO CREDITORS

### Hampton Park

#### 9.1 ESTIMATED OUTCOME STATEMENT

| ESTIMATED OUTCOME  | NOTES | Liquidation<br>High Case<br>\$ | Liquidation<br>Low Case<br>\$ |
|--|-------|--------------------------------|-------------------------------|
| <b>Assets</b>  |       |                                |                               |
| Cash at bank   |       | 200                            | 200                           |
| Voidable transaction recoveries                              | 1     | 70,247                         | -                             |
| Insolvent trading Claim                                      | 1     | TBD                            | TBD                           |
| Inter company loans  | 1     | -                              | -                             |
| <b>Total Assets available for creditors</b>                  |       | <b>70,447</b>                  | <b>200</b>                    |
| Less costs of the administration                             |       |                                |                               |
| Administrators' fees   | 2     | 31,137                         | 31,137                        |
| Liquidators' future fees                                     | 2     | 40,000                         | 50,000                        |
| Administrators' disbursements                                | 2     | 1,000                          | 1,000                         |
| Legal Fees   | 3     | 25,000                         | 50,000                        |
| <b>Total costs</b>   |       | <b>97,137</b>                  | <b>132,137</b>                |
| <b>Funds available for priority claims</b>                   |       | <b>Nil</b>                     | <b>Nil</b>                    |
| Priority employee entitlements                               |       |                                |                               |
| Superannuation   |       | (126,379)                      | (126,379)                     |
| Total priority employees                                     |       | (126,379)                      | (126,379)                     |
| <b>(Deficit) of assets available for unsecured creditors</b> |       | <b>(126,369)</b>               | <b>(126,369)</b>              |
| Unsecured creditors  |       | (333,234)                      | (262,987)                     |
| <b>Deficit to creditors</b>                                  |       | <b>(459,603)</b>               | <b>(389,356)</b>              |

## Charlotte

| ESTIMATED OUTCOME  | NOTES | Liquidation<br>High Case<br>\$ | Liquidation<br>Low Case<br>\$ |
|--|-------|--------------------------------|-------------------------------|
| <b>Assets</b>  |       |                                |                               |
| Cash at bank   |       | -                              | -                             |
| Insolvent trading Claim                                      | 1     | TBD                            | TBD                           |
| Inter company loans  | 1     | -                              | -                             |
| <b>Total Assets available for creditors</b>                  |       | <b>Nil</b>                     | <b>Nil</b>                    |
| Less costs of the administration:                            |       |                                |                               |
| Administrators' fees   | 2     | 27,896                         | 27,896                        |
| Liquidators' future fees                                     | 2     | 40,000                         | 50,000                        |
| Administrators' disbursements                                | 2     | 1,000                          | 1,000                         |
| Legal Fees   | 3     | 25,000                         | 50,000                        |
| <b>Total costs</b>   |       | <b>93,896</b>                  | <b>128,896</b>                |
| <b>Funds available for priority claims</b>                   |       | <b>Nil</b>                     | <b>Nil</b>                    |
| Priority employee entitlements                               |       |                                |                               |
| Superannuation   |       | (32,398)                       | (32,398)                      |
| Total priority employees                                     |       | (32,398)                       | (32,398)                      |
| <b>(Deficit) of assets available for unsecured creditors</b> |       | <b>(32,398)</b>                | <b>(32,398)</b>               |
| Unsecured creditors  |       | (49,953)                       | (49,953)                      |
| <b>Deficit to creditors</b>                                  |       | <b>(82,351)</b>                | <b>(82,351)</b>               |

## Armstrong Creek

| ESTIMATED OUTCOME  | NOTES | Liquidation<br>High Case<br>\$ | Liquidation<br>Low Case<br>\$ |
|--|-------|--------------------------------|-------------------------------|
| <b>Assets</b>  |       |                                |                               |
| Cash at bank   |       | -                              | -                             |
| Voidable transaction recoveries                              | 1     | 22,945                         | -                             |
| Insolvent trading Claim                                      | 1     | TBD                            | TBD                           |
| Inter company loans  | 1     | -                              | -                             |
| <b>Total Assets available for creditors</b>                  |       | <b>22,945</b>                  | <b>Nil</b>                    |
| Less costs of the administration:                            |       |                                |                               |
| Administrators' fees   | 2     | 25,351                         | 25,351                        |
| Liquidators' future fees                                     | 2     | 10,000                         | 15,000                        |
| Administrators' disbursements                                | 2     | 1,000                          | 1,000                         |
| Legal Fees   | 3     | 25,000                         | 50,000                        |
| <b>Total costs</b>   |       | <b>61,351</b>                  | <b>91,351</b>                 |
| <b>Funds available for priority claims</b>                   |       | <b>Nil</b>                     | <b>Nil</b>                    |
| Priority employee entitlements                               |       |                                |                               |
| Superannuation   |       | (2,235)                        | (2,235)                       |
| Total priority employees                                     |       | (2,235)                        | (2,235)                       |
| <b>(Deficit) of assets available for unsecured creditors</b> |       | <b>(2,235)</b>                 | <b>(2,235)</b>                |
| Unsecured creditors  |       | (106,658)                      | (60,768)                      |
| <b>Deficit to creditors</b>                                  |       | <b>(108,893)</b>               | <b>(63,003)</b>               |

Under all scenarios, the Administrators anticipate there will not be funds available for a dividend payment to creditors of the Companies.

Any potential dividend to unsecured creditors is dependent on recoveries that a liquidator may make from voidable transactions and/or insolvent trading claims.

All amounts illustrated above are exclusive of GST.

## Notes to the Estimated Outcome Statement

### 1) Liquidation recoveries

#### Hampton Park

As detailed in **Section 7**, we estimate voidable transaction recoveries would be available to a liquidator totaling \$70k. We have assumed that this amount is recoverable in full under a high liquidation scenario, and nil in a low liquidation scenario – noting that such claims are usually contested.

At this stage we have not quantified the possible insolvent trading claim that may be available to a liquidator to pursue. Further investigations are required to determine if there is a claim as this is linked to the wider Group's solvency position.

The Company loaned significant funds to other Group companies, the recoveries of which are not known as the outcome is dependent on the outcome of the other administrations / liquidations.

#### Armstrong Creek

As detailed in **section 7**, we estimate voidable transaction recoveries would be available to a liquidator totaling \$23k. We have assumed that this amount is recoverable in full under a high liquidation scenario, and nil in a low liquidation scenario – noting that such claims are usually contested.

At this stage we have not quantified the possible insolvent trading claim that may be available to a liquidator to pursue. Further investigations are required to determine if there is a claim as this is linked to the wider Group's solvency position.

The Company loaned significant funds to other Group companies, the recoveries of which are not known as the outcome is dependent on the outcome of the other administrations / liquidations.

### 2) Administrators' remuneration

Set out in the table below is a summary of the Administrators' remuneration, which has not been approved to date:

#### Hampton Park

| APPOINTMENT TYPE            | PERIOD                   | \$     |
|-----------------------------|--------------------------|--------|
| Administrators' fees        | 11/02/2025 – 26/05/2025  | 21,138 |
| Administration future fees  | 27/05/2025 – 05/06/2025  | 10,000 |
| Liquidation (if applicable) | Future liquidators' fees | 50,000 |

## Charlotte

| <b>APPOINTMENT TYPE</b>     | <b>PERIOD</b>            | <b>\$</b> |
|-----------------------------|--------------------------|-----------|
| Administrators' fees        | 11/02/2025 – 26/05/2025  | 17,896    |
| Administration future fees  | 27/05/2025 – 05/06/2025  | 10,000    |
| Liquidation (if applicable) | Future liquidators' fees | 50,000    |

## Armstrong Creek

| <b>APPOINTMENT TYPE</b>     | <b>PERIOD</b>            | <b>\$</b> |
|-----------------------------|--------------------------|-----------|
| Administrators' fees        | 11/02/2025 – 26/05/2025  | 15,351    |
| Administration future fees  | 27/05/2025 – 05/06/2025  | 10,000    |
| Liquidation (if applicable) | Future liquidators' fees | 50,000    |

Refer to our Remuneration Approval Report (**Annexure B**) for further details on our proposed fees in performing the administration of the Company.

### 3) Legal Fees

Upon the Company being placed into liquidation, we may engage lawyers who will attend to the following:

- Legal services concerning the identification and recovery of voidable transactions, and
- Any other legal services required.

We estimate legal fees for the liquidation to be \$25,000 to \$50,000.

# 9

## STATEMENT BY THE ADMINISTRATORS

### Hampton Park

#### 9.1.1 ADMINISTRATORS OPINION

Pursuant to IPR 75-225(3)(b), we are required to provide the creditors with a statement setting out our opinion on whether it is in creditors' interests for each of the Company for:

- the Administration to end
- the Company to execute a DOCA
- the Company to be wound up

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

#### 9.1.2 ADMINISTRATION TO END

The Company is insolvent and is unable to pay all of its debts as and when they fall due.

Accordingly, it **would not be** in the creditors' interests to resolve to end the administration and return control of the Company to the Director.

#### 9.1.3 EXECUTE A DOCA

As a proposal for a DOCA has not been received, this option is not available for creditors to vote on and therefore, it **would not be** in the creditors' interests to resolve to accept a DOCA.

#### 9.1.4 WIND UP THE COMPANY

At the date of this report, we are of the opinion that **it would be** in creditors' best interests for the Company to be wound up.

We note that our opinion has been prepared at the date of this report. In the event that we uncover further information which may materially alter the opinions expressed in this report prior to the forthcoming second meeting of creditors, we will issue an addendum to this report.

### Charlotte

#### 9.2.1 ADMINISTRATORS OPINION

Pursuant to IPR 75-225(3)(b), we are required to provide the creditors with a statement setting out our opinion on whether it is in creditors' interests for each of the Company for:

- the Administration to end
- the Company to execute a DOCA
- the Company to be wound up

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

### 9.2.2 ADMINISTRATION TO END

The Company is insolvent and is unable to pay all of its debts as and when they fall due.

Accordingly, it **would not be** in the creditors' interests to resolve to end the administration and return control of the Company to the Director.

### 9.2.3 EXECUTE A DOCA

As a proposal for a DOCA has not been received, this option is not available for creditors to vote on and therefore, it **would not be** in the creditors' interests to resolve to accept a DOCA.

### 9.2.4 WIND UP THE COMPANY

At the date of this report, we are of the opinion that **it would be** in creditors' best interests for the Company to be wound up.

We note that our opinion has been prepared at the date of this report. In the event that we uncover further information which may materially alter the opinions expressed in this report prior to the forthcoming second meeting of creditors, we will issue an addendum to this report.

## Armstrong Creek

### 9.3.1 ADMINISTRATORS OPINION

Pursuant to IPR 75-225(3)(b), we are required to provide the creditors with a statement setting out our opinion on whether it is in creditors' interests for each of the Company for:

- the Administration to end
- the Company to execute a DOCA
- the Company to be wound up

In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

### 9.3.2 ADMINISTRATION TO END

The Company is insolvent and is unable to pay all of its debts as and when they fall due.

Accordingly, it **would not be** in the creditors' interests to resolve to end the administration and return control of the Company to the Director.

### 9.3.3 EXECUTE A DOCA

As a proposal for a DOCA has not been received, this option is not available for creditors to vote on and therefore, it **would not be** in the creditors' interests to resolve to accept a DOCA.

### 9.3.4 WIND UP THE COMPANY

At the date of this report, we are of the opinion that **it would be** in creditors' best interests for the Company to be wound up.

We note that our opinion has been prepared at the date of this report. In the event that we uncover further information which may materially alter the opinions expressed in this report prior to the forthcoming second meeting of creditors, we will issue an addendum to this report.

## FURTHER INFORMATION AND QUERIES

The ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at [www.asic.gov.au](http://www.asic.gov.au).

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration and we may, if appropriate, issue an addendum to this report.

Should you have any enquiries, please contact Billy Foley by email at [bfoley@wlpr.com.au](mailto:bfoley@wlpr.com.au).

Yours faithfully

A handwritten signature in black ink, appearing to be 'AA', is written over a horizontal line.

**Alan Walker**

Joint and Several Administrator

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## ANNEXURE A – NOTICE OF THE SECOND MEETING OF CREDITORS

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CORPORATIONS ACT 2001  
Section 439A

Insolvency Practice Rules (Corporations)  
75-10, 75-15 & 75-225

### NOTICE OF SECOND MEETING OF CREDITORS OF COMPANIES UNDER ADMINISTRATION

**Finnish Early Childhood Education (Hampton Park) Pty Ltd**  
**Formerly T/As "ILO Hampton Park Early Education Centre" ACN 637 712 951**

**Finnish Early Childhood Education (Charlotte) Pty Ltd**  
**Formerly T/As "HEI Schools Charlotte Early Education Centre" ACN 646 582 881**

**Finnish Early Childhood Education (Armstrong Creek) Pty Ltd ACN 660 849 374**

**(All Administrators Appointed) (Collectively the "Companies")**

1. On 11 February 2025, the Companies under Section 436A of the Corporations Act 2001 appointed Alan Walker, Nicholas Charwood, and Glenn Livingstone of WLP Restructuring, Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000 as Joint and Several Administrators of the Companies.
2. Notice is now given that a meeting of the creditors of the Companies will be held at the office of WLP Restructuring, Suite 19.02, Level 19, 1 Castlereagh Street, Sydney NSW 2000 on **Thursday, 5 June 2025 at 10:00 AM (AEST)**. Additional details and requirements on how to attend by phone and video conference are included in this notice.

### AGENDA

1. To receive the report of the Administrators about the business, property, affairs and financial circumstances of the Companies
2. To receive a statement of the Administrators' opinions and reasons for the opinion:
  - a. whether it would be in the creditors' interests for the Companies to execute a deed of company arrangement/deed of company arrangement
  - b. whether it would be in the creditors' interests for the Administrations to end
  - c. whether it would be in the creditors' interests for the Company(ies) to be wound up
3. To receive a statement of such other information known to the administrator as will enable the creditors to make an informed decision about the matters at paragraphs 2(a) – (c) above
4. To receive details of any transactions that appear to the Administrators to be a voidable transaction in respect of which money, property, or other benefits may be recoverable by a liquidator under part 5.7B of the Corporations Act 2001 (*Cth*)
5. To receive details of any proposed deed of company arrangement
6. For the creditors of the Companies to resolve that:
  - a. the Companies execute a deed of company arrangement
  - b. the Administration(s) should end
  - c. the Company(ies) be wound up
7. To determine the past and future remuneration of the administrators
8. To determine the internal disbursements of the administrators

9. To determine the remuneration of the deed administrators' / creditors' trustees' and / or liquidators' future remuneration (if appointed)
10. To determine the internal disbursements of the deed administrators/creditors' trustees and / or liquidators (if appointed), and
11. Any other business that may be lawfully brought forward.

Telephone and video conferencing facilities via Microsoft Teams will be available at the meeting. Creditors wishing to attend the meeting by electronic facilities are to contact Billy Foley of this office by email at finnisheducation@wlpr.com.au by no later than 4:00 PM AEST on 3 June 2025 to obtain access details.


Please note under Insolvency Practice Rules (Corporations) (IPR) 75-35 if you wish to participate in the meeting using such facilities you must give to the convener not later than 4:00 PM AEST on the 2 June 2025:

- (a) A written statement setting out:
  - (i) the name of the person and of the proxy or attorney (if any); and
  - (ii) an address to which notices to the person, proxy or attorney may be sent; and
  - (iii) a method by which the person, proxy or attorney may be contacted for the purposes of the meeting.

Proxies to be used at the meeting should be given to us as Joint and Several Administrators. A creditor can only be represented by proxy or by an attorney pursuant to IPR 75-150 & 75-155 and if a body corporate by a representative appointed pursuant to Section 250D.

Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the company in accordance with IPR 75-85 and that claim has been admitted for voting purposes wholly or in part by the Joint and Several Administrators.

Dated this 28<sup>th</sup> day of May 2025



**Alan Walker**  
Joint and Several Administrator

WLP Restructuring Pty Ltd  
Suite 19.02, Level 19  
1 Castlereagh Street  
Sydney NSW 2000

**\*Voting at a Meeting the effect of Insolvency Practice Rules (Corporations) 75-85:  
Entitlement to vote at meetings of creditors**

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
  - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
  - (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;

unless a just estimate of its value has been made.

(5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:

- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
- (b) estimate its value;
- (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

(6) A person is covered by this subsection if:

- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
- (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
- (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

## **ANNEXURE B – ADMINISTRATORS’ REMUNERATION REPORT**

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Schedule 2 to the Corporations Act 2001, Section 70-50  
Insolvency Practice Rules (Corporations) 2016, Section 70-45

**FINNISH EARLY CHILDHOOD EDUCATION (HAMPTON PARK) PTY LTD (ADMINISTRATORS APPOINTED)  
FORMERLY T/AS “ILO HAMPTON PARK EARLY EDUCATION CENTRE”  
ACN 637 712 951 (THE COMPANY)**

### **REMUNERATION APPROVAL REPORT**

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 27 May 2025 for details as to how you can participate in the meeting.

### **PART 1 DECLARATION**

We, Alan Walker, Nicholas Charlwood, and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

### **PART 2 APPROVAL OF REMUNERATION**

#### **REMUNERATION METHODS**

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

**1. Time based / hourly rates**

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

**2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the Company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- It ensures actual time is billed at an hourly rate applicable to staff experience.
- It ensures that remuneration claimed is only for necessary work properly performed in the administration.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

## HOURLY RATES

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

### Rates from 1 July 2024

| TITLE                 | RATE<br>\$/HR | EXPERIENCE   |
|-----------------------|---------------|--|
| Appointee/<br>Partner | \$750         | Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.   |
| Director              | \$685         | More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.  |
| Senior Manager        | \$625         | More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training. |
| Manager               | \$550         | 6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.   |
| Assistant<br>Manager  | \$480         | 4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.   |

| TITLE          | RATE<br>\$/HR | EXPERIENCE  |
|----------------|---------------|---|
| Senior Analyst | \$450         | Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.  |
| Analyst        | \$405         | Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision. |
| Junior Analyst | \$300         | Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.  |
| Administration | \$265         | Appropriate skills, including books and records management and accounts processing particular to the administration.  |

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

### PART 3 EXECUTIVE SUMMARY

#### 3.1 Summary of remuneration approval sought for the Company

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| PERIOD  | AMOUNT<br>(EX GST) |
|---|--------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                    |
| 11 February 2025 to 26 May 2025                             | \$21,137.50        |
| *27 May 2025 to the Date of the Second Meeting of Creditors | \$10,000.00        |
| <b>Total Voluntary Administration</b>                       | <b>\$31,137.50</b> |

| <b>LIQUIDATION (IF APPLICABLE)*</b>                    |                    |
|--|--------------------|
| From commencement to the conclusion of the liquidation | \$50,000.00        |
| <b>Total Liquidation</b>                               | <b>\$50,000.00</b> |

*\* Approval for the future remuneration sought is based on an estimate of the work necessary to the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.*

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolution to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to Section 3 of the accompanying report for the voting details.

### 3.2 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$31,137.50 (excl GST).

The above remuneration approval sought for the Administration period is within the range of the estimate provided in our Initial Remuneration Notice dated 13 February 2025.

### PART 4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit. In these circumstances.

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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.

### 4.1 Disbursement claim

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

| PERIOD   | AMOUNT (EXCL GST) |
|--|-------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                                |                   |
| For the period of the voluntary administration for the Company | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>                             |                   |
| For the period of the liquidation for the Company              | \$1,000.00        |

## 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to **Section 3** of the accompanying report for the voting details.

## 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

| DISBURSEMENT TYPE                                | CHARGES (EXCL GST)       |
|--|--------------------------|
| Advertising                                      | At cost                  |
| ASIC industry funding model levy – metric events | At prescribed ASIC rates |
| Couriers   | At cost                  |
| eDiscovery services                              | Variable                 |
| Photocopying / printing (outsourced)             | At cost                  |
| Postage  | At cost                  |
| Searches   | At cost                  |
| Staff travel / out of pocket costs               | At cost                  |
| Storage and storage transit                      | At cost                  |
| Telephone calls                                  | At cost                  |

## PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

### 5.2 Future estimates and expectation of further remuneration approval requests

We are seeking approval for our future remuneration as Administrators of the Company. We estimate our total remuneration for acting as administrators to be \$31,137.50 (excl GST).

At this stage, based on the information available, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

### 5.3 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

#### **5.4 Remuneration recoverable from external sources**

There is no other remuneration that has been received or is recoverable from external sources for the administration.

### **PART 6 REPORT ON PROGRESS OF ADMINISTRATION AND SUMMARY OF RECEIPTS AND PAYMENTS**

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 28 May 2025.

A summary of receipts and payments for the duration of our appointment is at **Annexure C** of the Report.

### **PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 28<sup>th</sup> day of May 2025



**Alan Walker**  
Administrator

### **ATTACHMENTS**

| <b>SCHEDULE</b> | <b>DESCRIPTION</b>                                       |
|-----------------|--|
| A               | Details of work done and work to be completed            |
| B               | Time spent by staff on each major task already completed |
| C               | Resolutions  |

## SCHEDULE A – DETAILS OF WORK

### Resolution 1: Administrators remuneration (11 February 2025 to 26 May 2025)

### Resolution 2: Administrators future remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)

The table below contains detailed descriptions of the tasks performed / to be performed within each task area by the Administrators and their staff. The amounts below are exclusive of GST.

| <b>TASKS</b>                 |   |   |
|------------------------------|---|---|
| <b>PERIOD</b>                | Current remuneration from 11 February 2025 to 26 May 2025   | Future remuneration from 27 May 2025 to the Date of the Second Meeting of Creditors   |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$21,137.50</b><br><b>46.30 hours</b>  | <b>\$10,000.00</b><br><b>20.00 hours</b>  |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>  |   |
| <b>ASSETS</b>                | <b>\$571.00</b><br><b>1.5 hours</b>   | <b>\$0.00</b><br><b>0.0 hours</b>   |
| Cash at bank                 | Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements<br>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account |   |
| Other Assets                 | Tasks associated with realising other assets.   |   |
| <b>CREDITORS</b>             | <b>\$10,543.50</b><br><b>23.20 hours</b>  | <b>\$7,000.00</b><br><b>14.00 hours</b>   |
| Creditor enquiries           | Maintaining creditor enquiry register<br>Receive and follow up creditor enquiries via telephone and email<br>Review and prepare correspondence to creditors and their representatives via email and post  | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post. |
| Secured creditor reporting   | Initial notifications including to PPSR registrants about their security interest and property  | N/A   |
| Reports to creditors         | Preparing and distributing an initial circular to creditors<br>Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report   | Finalising this report to creditors including remuneration approval reports and annexures.  |
| Meeting of creditors         | Preparation of initial meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents,   | Preparation of meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting       |

**TASKS**

|   |  |  |
|---|--|--|
|   | <p>registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation</p> <p>Considering claims for voting purposes.</p> <p>Prepare for and attend/hold the meeting of creditors.</p> <p>Preparation and lodgement of minutes of meetings with ASIC.</p> <p>Responding to stakeholder queries and questions immediately following meeting.</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting.</p> | <p>advertisements, recording details of proxies received and draft minutes/agenda preparation.</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the meeting of creditors.</p> <p>Preparation and lodgement of minutes of meetings with ASIC.</p> <p>Responding to stakeholder queries and questions immediately following meeting.</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting.</p> |
| Dealing with proofs of debts and claims | <p>Receipting and filing PODs when not related to a dividend</p>   | <p>Correspondence to/from creditors regarding details of debts and claims in the administration</p> <p>Receiving and recording formal/informal proofs of debt lodged</p>   |
| <b>EMPLOYEE</b>                         | <p><b>\$1,333.50</b></p> <p><b>3.50 hours</b></p>  | <p><b>\$1,000.00</b></p> <p><b>2.00 hours</b></p>  |
| Enquiries and correspondence            | <p>Maintain employee enquiry register</p> <p>Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls</p>   | <p>Maintain employee enquiry register</p> <p>Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls</p>   |
| Entitlements                            | <p>Calculating employee entitlements</p> <p>Reviewing employee files, payroll details, records and calculations of employee entitlements</p> <p>Reviewing and considering contracts, awards and other relevant agreements</p>  | <p>Further reviewing employee files, payroll details, records and calculations of employee entitlements</p>  |
| <b>TRADE ON</b>                         | <p><b>\$811.00</b></p> <p><b>1.60 hours</b></p>  | <p><b>\$0.00</b></p> <p><b>0.0 hours</b></p>   |
| General accounting                      | <p>All applicable accounting tasks and processes</p>   |  |
| <b>INVESTIGATION</b>                    | <p><b>\$4,283.00</b></p> <p><b>9.20 hours</b></p>  | <p><b>\$1,000.00</b></p> <p><b>2.00 hours</b></p>  |
| Conducting investigation                | <p>Initial letters and circulars to parties and stakeholders</p> <p>Collection of books and records from the Company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p>   | <p>Performing land title searches and other statutory searches as needed</p> <p>Reviewing books and records, Company background and history</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p>  |

**TASKS**

|  |   |   |
|--|---|---|
|  | <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> | <p>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> |
| ASIC reporting                                 | <p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act</p>   | <p>Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)</p>  |
| <b>ADMINISTRATION</b>                          | <p><b>\$3,595.00</b></p> <p><b>7.30 hours</b></p>   | <p><b>\$1,000.00</b></p> <p><b>2.00 hours</b></p>   |
| General correspondence                         | <p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>  | <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>   |
| Document Maintenance / File Review / Checklist | <p>Filing of documents</p> <p>File reviews</p> <p>Updating checklists</p>   | <p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>   |
| Insurance                                      | <p>Initial notifications and liaising with insurance brokers</p> <p>Reviewing policies and discussions with management</p> <p>Determining insurance needs</p> <p>Providing information to/discussions with our brokers.</p> <p>Ongoing monitoring and review of insurance needs.</p>  | <p>Ongoing monitoring and review of insurance needs.</p> <p>Liaising with insurance brokers</p>   |
| Bank Account Administration                    | <p>Preparing correspondence opening term deposit and at call accounts.</p> <p>Accounts &amp; bank account reconciliations</p> <p>Correspondence with bank regarding specific transfers</p> <p>Bank account reconciliations</p>  | <p>Bank account reconciliations</p> <p>All other general bookkeeping and accounting matters for the administration</p>  |
| ASIC Forms and Lodgements                      | <p>Preparing and lodging ASIC forms including 505, 531, etc.</p> <p>Correspondence with ASIC regarding statutory forms</p>  | <p>Preparing and lodging all required ASIC forms</p> <p>Other company / industry specific reports and statutory requirements</p>  |
| ATO and Other Statutory Reporting              | <p>Preparing BAS</p> <p>Review and lodgement of BAS</p>   | <p>Preparing and lodging BAS</p>  |

| <b>TASKS</b>                |   |  |
|-----------------------------|---|--|
|                             | Correspondence with ATO regarding Notice of Administration and establishment of the Administrators' account | Preparing and lodging all required taxation returns as required by or requested from the ATO |
| Planning / Review           | Discussions regarding status of administration.   | Discussions regarding status of administration   |
| Books and records / storage | All aspects of recording and listing Company books and records  | All aspects of recording and listing Company books and records                               |

#### **Resolution 6: Liquidators' Remuneration - From commencement to the end of the liquidation**

The table below contains more detailed descriptions of the tasks performed within each task area by the Liquidators and their staff for the Company. The amounts below are exclusive of GST.

| <b>TASKS</b>                              |  |
|---|--|
| <b>LIQUIDATION</b>                        | <b>Commencement of the liquidation to completion</b>   |
| <b>TOTAL AMOUNT (EX GST)</b>              | <b>\$50,000.00</b><br><b>50.0 hours</b>  |
| <b>TASK AREA</b>                          | <b>GENERAL DESCRIPTION</b>   |
| <b>ASSETS</b>                             | <b>\$4,000.00</b><br><b>8.0 hours</b>  |
| Related party loans                       | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities   |
| Debtors                                   | Reviewing debtor ledgers<br>Engaging solicitors / debt recovery agents to assist with recovering debtors   |
| <b>CREDITORS</b>                          | <b>\$14,000.00</b><br><b>32.0 hrs</b>  |
| Creditor Enquiries, Requests & Directions | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post |
| Creditor reports                          | Preparing and distributing further updates and circulars/reports to creditors.<br>Preparing remuneration reports   |
| Dealing with proofs of debts and claims   | Correspondence to/from creditors regarding details of debts and claims in the administration<br>Receiving and recording formal/informal proofs of debt lodged  |
| <b>EMPLOYEES</b>                          | <b>\$8,000.00</b><br><b>40.0 hrs</b>   |
| Enquiries and correspondence              | Correspondence with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls   |

| <b>TASKS</b>                                     |  |
|--|--|
| Entitlements                                     | <p>Finalisation of employee entitlements</p> <p>Reviewing employee files and Company's books and records</p> <p>Reconciling superannuation accounts</p> <p>Reviewing awards</p> <p>Further reviewing employee files, payroll details, records and calculations of employee entitlements</p>  |
| <b>INVESTIGATION</b>                             | <p><b>\$18,000.00</b></p> <p><b>36.0 hrs</b></p>   |
| Conducting investigation                         | <p>Collection of Company books and records</p> <p>Reviewing Company's books and records</p> <p>Review and preparation of Company nature and history</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Preparation of investigation file</p> <p>Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading</p> |
| Litigation / recoveries (preliminary stage only) | <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> <p>Internal meetings to discuss status of litigation</p> <p>Preparing brief to solicitors</p> <p>Liaising with solicitors regarding voidable transaction claims or insolvent trading claims</p> <p>Decisions and strategy on litigation and recovery matters (where applicable)</p>  |
| ASIC reporting                                   | <p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC including supplementary report pursuant to Section 533(2) of the Act</p>   |
| <b>ADMINISTRATION</b>                            | <p><b>\$6,000.00</b></p> <p><b>12.0 hrs</b></p>  |
| General correspondence                           | <p>Other on-appointment notices and administrative set up tasks for the liquidation</p> <p>Other general correspondence with respect to the conduct and furtherance of the liquidation</p>   |
| Document maintenance/file review/checklists      | <p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>  |
| Bank accounts and accounting                     | <p>Bank account reconciliations</p> <p>All other general bookkeeping and accounting matters for the administration</p>   |
| Statutory matters and lodgements                 | <p>Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments</p> <p>Other company / industry specific reports and statutory requirements</p>   |
| Specific / other ATO reporting                   | <p>Preparing and lodging BAS</p>   |

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**TASKS**

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Preparing and lodging all required taxation returns as required by or requested from the ATO

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Planning / Review

Discussions regarding status of administration

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Finalisation matters

Finalisation processes and final file reviews  
Final notifications and lodgements (ASIC and ATO)  
Cancelling tax and other registrations as applicable  
File administration and closure processes

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Books and records /  
storage

All aspects of recording and listing company books and records  
File administration and closure processes

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## SCHEDULE B – TIME SPENT BY STAFF ON EACH MAJOR TASK ALREADY COMPLETED

The tables below outline the time charged for each major task area performed by the Administrators and their staff during the period 11 February 2025 to 26 May 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

| EMPLOYEE NAME            | POSITION         | RATE   |              | TOTAL            |             | ASSETS        |              | CREDITORS        |             | EMPLOYEES       |             | TRADE ON      |             | INVESTIGATIONS  |             | ADMINISTRATION  |  |
|--------------------------|------------------|--------|--------------|------------------|-------------|---------------|--------------|------------------|-------------|-----------------|-------------|---------------|-------------|-----------------|-------------|-----------------|--|
|                          |                  | \$/hr  | Hrs          | \$               | Hrs         | \$            | Hrs          | \$               | Hrs         | \$              | Hrs         | \$            | Hrs         | \$              | Hrs         | \$              |  |
| Alan Walker              | Appointment Lead | 750.00 | 2.40         | 1,800.00         | -           | -             | 0.50         | 375.00           | -           | -               | -           | -             | -           | -               | 1.90        | 1,425.00        |  |
| Glenn Livingstone        | Appointment Lead | 750.00 | 0.10         | 75.00            | -           | -             | -            | -                | -           | -               | -           | -             | -           | -               | 0.10        | 75.00           |  |
| John Thompson            | Director         | 685.00 | 0.20         | 137.00           | -           | -             | 0.20         | 137.00           | -           | -               | -           | -             | -           | -               | -           | -               |  |
| Stephanie Wise           | Senior Manager   | 625.00 | 0.20         | 125.00           | -           | -             | -            | -                | -           | -               | -           | -             | 0.20        | 125.00          | -           | -               |  |
| Angus Fraser             | Manager          | 550.00 | 3.60         | 1,980.00         | 0.40        | 220.00        | 0.60         | 330.00           | 0.30        | 165.00          | -           | -             | 1.10        | 605.00          | 1.20        | 660.00          |  |
| Billy Foley              | Manager          | 550.00 | 14.40        | 7,920.00         | -           | -             | 9.70         | 5,335.00         | -           | -               | 1.00        | 550.00        | 3.70        | 2,035.00        | -           | -               |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 1.40         | 630.00           | -           | -             | 1.00         | 450.00           | -           | -               | -           | -             | 0.40        | 180.00          | -           | -               |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 0.70         | 315.00           | -           | -             | -            | -                | 0.10        | 45.00           | 0.40        | 180.00        | 0.10        | 45.00           | 0.10        | 45.00           |  |
| Thomas Rodwell           | Senior Analyst   | 450.00 | 0.10         | 45.00            | -           | -             | -            | -                | -           | -               | -           | -             | 0.10        | 45.00           | -           | -               |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 3.40         | 1,530.00         | -           | -             | 2.10         | 945.00           | 0.80        | 360.00          | -           | -             | -           | -               | 0.50        | 225.00          |  |
| Eric Sun                 | Analyst          | 405.00 | 5.40         | 2,187.00         | 0.20        | 81.00         | 2.30         | 931.50           | 0.70        | 283.50          | -           | -             | 1.10        | 445.50          | 1.10        | 445.50          |  |
| Oscar Bush               | Analyst          | 405.00 | 0.70         | 283.50           | -           | -             | -            | -                | -           | -               | 0.20        | 81.00         | 0.50        | 202.50          | -           | -               |  |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.30         | 90.00            | -           | -             | -            | -                | -           | -               | -           | -             | 0.30        | 90.00           | -           | -               |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 1.10         | 330.00           | -           | -             | -            | -                | 0.90        | 270.00          | -           | -             | -           | -               | 0.20        | 60.00           |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 0.40         | 120.00           | -           | -             | 0.30         | 90.00            | -           | -               | -           | -             | -           | -               | 0.10        | 30.00           |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 0.10         | 30.00            | -           | -             | -            | -                | -           | -               | -           | -             | -           | -               | 0.10        | 30.00           |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 11.80        | 3,540.00         | 0.90        | 270.00        | 6.50         | 1,950.00         | 0.70        | 210.00          | -           | -             | 1.70        | 510.00          | 2.00        | 600.00          |  |
| <b>Total (excl. GST)</b> |                  |        | <b>46.30</b> | <b>21,137.50</b> | <b>1.50</b> | <b>571.00</b> | <b>23.20</b> | <b>10,543.50</b> | <b>3.50</b> | <b>1,333.50</b> | <b>1.60</b> | <b>811.00</b> | <b>9.20</b> | <b>4,283.00</b> | <b>7.30</b> | <b>3,595.50</b> |  |
| GST                      |                  |        |              | 2,113.75         |             | 57.10         |              | 1,054.35         |             | 133.35          |             | 81.10         |             | 428.30          |             | 359.55          |  |
| <b>Total (incl. GST)</b> |                  |        |              | <b>23,251.25</b> |             | <b>628.10</b> |              | <b>11,597.85</b> |             | <b>1,466.85</b> |             | <b>892.10</b> |             | <b>4,711.30</b> |             | <b>3,955.05</b> |  |
| Average Rate (\$/hr)     |                  |        |              | 456.53           |             | 380.67        |              | 454.46           |             | 381.00          |             | 506.88        |             | 465.54          |             | 492.53          |  |

## **SCHEDULE C - RESOLUTIONS**

### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 26 May 2025)**

*"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$21,137.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 2: Administrators' Future Remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)**

*"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 6: Proposed Liquidators' Future Remuneration (as required)**

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

## **DISBURSEMENT RESOLUTIONS**

### **Resolution 3: Administrators' Disbursements**

*"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required"*

### **Resolution 7: Liquidators' Disbursements**

*"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"*

## ANNEXURE B – ADMINISTRATORS’ REMUNERATION REPORT

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Schedule 2 to the Corporations Act 2001, Section 70-50  
Insolvency Practice Rules (Corporations) 2016, Section 70-45

**FINNISH EARLY CHILDHOOD EDUCATION (CHARLOTTE) PTY LTD (ADMINISTRATORS APPOINTED)  
FORMERLY T/AS “HEI SCHOOLS CHARLOTTE EARLY EDUCATION CENTRE”  
ACN 646 582 881 (THE COMPANY)**

### REMUNERATION APPROVAL REPORT

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 28 May 2025 for details as to how you can participate in the meeting.

### PART 1 DECLARATION

We, Alan Walker, Nicholas Charlwood, and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

### PART 2 APPROVAL OF REMUNERATION

#### REMUNERATION METHODS

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

**1. Time based / hourly rates**

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

**2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the Company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- It ensures actual time is billed at an hourly rate applicable to staff experience.
- It ensures that remuneration claimed is only for necessary work properly performed in the administration.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

## HOURLY RATES

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

### Rates from 1 July 2024

| TITLE                 | RATE<br>\$/HR | EXPERIENCE   |
|-----------------------|---------------|--|
| Appointee/<br>Partner | \$750         | Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.   |
| Director              | \$685         | More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.  |
| Senior Manager        | \$625         | More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training. |
| Manager               | \$550         | 6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.   |
| Assistant<br>Manager  | \$480         | 4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.   |

| TITLE          | RATE<br>\$/HR | EXPERIENCE  |
|----------------|---------------|---|
| Senior Analyst | \$450         | Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.  |
| Analyst        | \$405         | Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision. |
| Junior Analyst | \$300         | Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.  |
| Administration | \$265         | Appropriate skills, including books and records management and accounts processing particular to the administration.  |

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

### PART 3 EXECUTIVE SUMMARY

#### 3.1 Summary of remuneration approval sought for the Company

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| PERIOD  | AMOUNT<br>(EX GST) |
|---|--------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                    |
| 11 February 2025 to 26 May 2025                             | \$17,896.00        |
| *27 May 2025 to the Date of the Second Meeting of Creditors | \$10,000.00        |
| <b>Total Voluntary Administration</b>                       | <b>\$27,896.00</b> |

| <b>LIQUIDATION (IF APPLICABLE)*</b>                    |                    |
|--|--------------------|
| From commencement to the conclusion of the liquidation | \$50,000.00        |
| <b>Total Liquidation</b>                               | <b>\$50,000.00</b> |

*\* Approval for the future remuneration sought is based on an estimate of the work necessary to the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.*

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolution to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to **Section 3** of the accompanying report for the voting details.

### 3.2 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$27,896.00 (excl GST).

The above remuneration approval sought for the Administration period is within the range of the estimate provided in our Initial Remuneration Notice dated 13 February 2025.

### PART 4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit. In these circumstances.

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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.

### 4.1 Disbursement claim

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

| PERIOD   | AMOUNT (EXCL GST) |
|--|-------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                                |                   |
| For the period of the voluntary administration for the Company | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>                             |                   |
| For the period of the liquidation for the Company              | \$1,000.00        |

## 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to **Section 3** of the accompanying report for the voting details.

## 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

| DISBURSEMENT TYPE                                | CHARGES (EXCL GST)       |
|--|--------------------------|
| Advertising                                      | At cost                  |
| ASIC industry funding model levy – metric events | At prescribed ASIC rates |
| Couriers   | At cost                  |
| eDiscovery services                              | Variable                 |
| Photocopying / printing (outsourced)             | At cost                  |
| Postage  | At cost                  |
| Searches   | At cost                  |
| Staff travel / out of pocket costs               | At cost                  |
| Storage and storage transit                      | At cost                  |
| Telephone calls                                  | At cost                  |

## PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

### 5.2 Future estimates and expectation of further remuneration approval requests

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as administrators to be \$27,896.00 (excl GST).

At this stage, based on the information available, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

### 5.3 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

#### **5.4 Remuneration recoverable from external sources**

There is no other remuneration that has been received or is recoverable from external sources for the administration.

### **PART 6 REPORT ON PROGRESS OF ADMINISTRATION AND SUMMARY OF RECEIPTS AND PAYMENTS**

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 28 May 2025.

There have been no receipts or payments in the Administration to date.

### **PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 28<sup>th</sup> day of May 2025



**Alan Walker**  
Administrator

### **ATTACHMENTS**

| <b>SCHEDULE</b> | <b>DESCRIPTION</b>                                       |
|-----------------|--|
| A               | Details of work done and work to be completed            |
| B               | Time spent by staff on each major task already completed |
| C               | Resolutions  |

## SCHEDULE A – DETAILS OF WORK

### Resolution 1: Administrators remuneration (11 February 2025 to 26 May 2025)

### Resolution 2: Administrators future remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)

The table below contains detailed descriptions of the tasks performed / to be performed within each task area by the Administrators and their staff. The amounts below are exclusive of GST.

| <b>TASKS</b>                 |   |   |
|------------------------------|---|---|
| <b>PERIOD</b>                | Current remuneration from 11 February 2025 to 26 May 2025   | Future remuneration from 27 May 2025 to the Date of the Second Meeting of Creditors   |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$17,896.00</b><br><b>441.90 hours</b>   | <b>\$10,000.00</b><br><b>20.00 hours</b>  |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>  |   |
| <b>ASSETS</b>                | <b>\$551.50</b><br><b>1.4 hours</b>   | <b>\$0.00</b><br><b>0.00 hours</b>  |
| Cash at bank                 | Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements<br>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account |   |
| Other Assets                 | Tasks associated with realising other assets.   |   |
| <b>CREDITORS</b>             | <b>\$9,538.00</b><br><b>23.20 hours</b>   | <b>\$7,000.00</b><br><b>14.00 hours</b>   |
| Creditor enquiries           | Maintaining creditor enquiry register<br>Receive and follow up creditor enquiries via telephone and email<br>Review and prepare correspondence to creditors and their representatives via email and post  | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post. |
| Secured creditor reporting   | Initial notifications including to PPSR registrants about their security interest and property  | N/A   |
| Reports to creditors         | Preparing and distributing an initial circular to creditors<br>Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report   | Finalising this report to creditors including remuneration approval reports and annexures.  |
| Meeting of creditors         | Preparation of initial meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents,   | Preparation of meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting       |

**TASKS**

|   |  |  |
|---|--|--|
|   | <p>registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation<br/>         Considering claims for voting purposes.<br/>         Prepare for and attend/hold the meeting of creditors.<br/>         Preparation and lodgement of minutes of meetings with ASIC.<br/>         Responding to stakeholder queries and questions immediately following meeting.<br/>         All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting.</p> | <p>advertisements, recording details of proxies received and draft minutes/agenda preparation.<br/>         Considering claims for voting purposes<br/>         Prepare for and attend/hold the meeting of creditors.<br/>         Preparation and lodgement of minutes of meetings with ASIC.<br/>         Responding to stakeholder queries and questions immediately following meeting.<br/>         All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting.</p> |
| Dealing with proofs of debts and claims | <p>Receipting and filing PODs when not related to a dividend</p>   | <p>Correspondence to/from creditors regarding details of debts and claims in the administration<br/>         Receiving and recording formal/informal proofs of debt lodged</p>   |
| <b>EMPLOYEE</b>                         | <p><b>\$858.00</b><br/> <b>2.20 hours</b></p>  | <p><b>\$1,000.00</b><br/> <b>2.00 hours</b></p>  |
| Enquiries and correspondence            | <p>Maintain employee enquiry register<br/>         Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls</p>   | <p>Maintain employee enquiry register<br/>         Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls</p>   |
| Entitlements                            | <p>Calculating employee entitlements<br/>         Reviewing employee files, payroll details, records and calculations of employee entitlements<br/>         Reviewing and considering contracts, awards and other relevant agreements</p>  | <p>Further reviewing employee files, payroll details, records and calculations of employee entitlements</p>  |
| <b>TRADE ON</b>                         | <p><b>\$441.50</b><br/> <b>0.90 hours</b></p>  | <p><b>\$0.00</b><br/> <b>Nil hours</b></p>   |
| General accounting                      | <p>All applicable accounting tasks and processes</p>   |  |
| <b>INVESTIGATION</b>                    | <p><b>\$3,539.00</b><br/> <b>7.90 hours</b></p>  | <p><b>\$1,000.00</b><br/> <b>2.00 hours</b></p>  |
| Conducting investigation                | <p>Initial letters and circulars to parties and stakeholders<br/>         Collection of books and records from the company, directors and other parties<br/>         Performing all applicable land title searches and other statutory searches as needed<br/>         Reviewing books and records, company background and history</p>   | <p>Performing land title searches and other statutory searches as needed<br/>         Reviewing books and records, company background and history<br/>         Reviewing management accounts, financial statements and associated information<br/>         Reviewing and determining the date of insolvency</p>  |

**TASKS**

|  |   |   |
|--|---|---|
|  | <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> | <p>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> |
| ASIC reporting                                 | <p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act</p>   | <p>Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)</p>  |
| <b>ADMINISTRATION</b>                          | <p><b>\$2,968.00</b></p> <p><b>6.30 hours</b></p>   | <p><b>\$1,000.00</b></p> <p><b>2.00 hours</b></p>   |
| General correspondence                         | <p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>  | <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>   |
| Document Maintenance / File Review / Checklist | <p>Filing of documents</p> <p>File reviews</p> <p>Updating checklists</p>   | <p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>   |
| Insurance                                      | <p>Initial notifications and liaising with insurance brokers</p> <p>Reviewing policies and discussions with management</p> <p>Determining insurance needs</p> <p>Providing information to/discussions with our brokers.</p> <p>Ongoing monitoring and review of insurance needs.</p>  | <p>Ongoing monitoring and review of insurance needs.</p> <p>Liaising with insurance brokers</p>   |
| Bank Account Administration                    | <p>Preparing correspondence opening term deposit and at call accounts.</p> <p>Accounts &amp; bank account reconciliations</p> <p>Correspondence with bank regarding specific transfers</p> <p>Bank account reconciliations</p>  | <p>Bank account reconciliations</p> <p>All other general bookkeeping and accounting matters for the administration</p>  |
| ASIC Forms and Lodgements                      | <p>Preparing and lodging ASIC forms including 505, 531, etc.</p> <p>Correspondence with ASIC regarding statutory forms</p>  | <p>Preparing and lodging all required ASIC forms</p> <p>Other company / industry specific reports and statutory requirements</p>  |
| ATO and Other Statutory Reporting              | <p>Preparing BAS</p> <p>Review and lodgement of BAS</p>   | <p>Preparing and lodging BAS</p>  |

| <b>TASKS</b>                |   |  |
|-----------------------------|---|--|
|                             | Correspondence with ATO regarding Notice of Administration and establishment of the Administrators' account | Preparing and lodging all required taxation returns as required by or requested from the ATO |
| Planning / Review           | Discussions regarding status of administration.   | Discussions regarding status of administration   |
| Books and records / storage | All aspects of recording and listing company books and records  | All aspects of recording and listing company books and records                               |

#### **Resolution 6: Liquidators' Remuneration - From commencement to the end of the liquidation**

The table below contains more detailed descriptions of the tasks performed within each task area by the Liquidators and their staff for the Company. The amounts below are exclusive of GST.

| <b>TASKS</b>                              |  |
|---|--|
| <b>LIQUIDATION</b>                        | <b>Commencement of the liquidation to completion</b>   |
| <b>TOTAL AMOUNT (EX GST)</b>              | <b>\$50,000.00<br/>100.0 hours</b>   |
| <b>TASK AREA</b>                          | <b>GENERAL DESCRIPTION</b>   |
| <b>ASSETS</b>                             | <b>\$4,000.00<br/>8.0 hours</b>  |
| Related party loans                       | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities   |
| Debtors                                   | Reviewing debtor ledgers<br>Engaging solicitors / debt recovery agents to assist with recovering debtors   |
| Other assets                              | Tasks associated with realising other assets   |
| <b>CREDITORS</b>                          | <b>\$14,000.00<br/>32.0 hrs</b>  |
| Creditor Enquiries, Requests & Directions | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post |
| Creditor reports                          | Preparing and distributing further updates and circulars/reports to creditors.<br>Preparing remuneration reports   |
| Dealing with proofs of debts and claims   | Correspondence to/from creditors regarding details of debts and claims in the administration<br>Receiving and recording formal/informal proofs of debt lodged  |
| <b>EMPLOYEES</b>                          | <b>\$8,000.00<br/>40.0 hrs</b>   |
| Enquiries and correspondence              | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls                                  |

| <b>TASKS</b>                                     |  |
|--|--|
| Entitlements                                     | <p>Finalisation of employee entitlements</p> <p>Reviewing employee files and Company's books and records</p> <p>Reconciling superannuation accounts</p> <p>Reviewing awards</p> <p>Further reviewing employee files, payroll details, records and calculations of employee entitlements</p>  |
| <b>INVESTIGATION</b>                             | <p><b>\$18,000.00</b></p> <p><b>36.0 hrs</b></p>   |
| Conducting investigation                         | <p>Collection of Company books and records</p> <p>Reviewing Company's books and records</p> <p>Review and preparation of Company nature and history</p> <p>Preparation of comparative financial statements</p> <p>Preparation of deficiency statement</p> <p>Review of specific transactions and liaising with directors regarding certain transactions</p> <p>Preparation of investigation file</p> <p>Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading</p> |
| Litigation / recoveries (preliminary stage only) | <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> <p>Internal meetings to discuss status of litigation</p> <p>Preparing brief to solicitors</p> <p>Liaising with solicitors regarding voidable transaction claims or insolvent trading claims</p> <p>Decisions and strategy on litigation and recovery matters (where applicable)</p>  |
| ASIC reporting                                   | <p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC including supplementary report pursuant to Section 533(2) of the Act</p>   |
| <b>ADMINISTRATION</b>                            | <p><b>\$6,000.00</b></p> <p><b>12.0 hrs</b></p>  |
| General correspondence                           | <p>Other on-appointment notices and administrative set up tasks for the liquidation</p> <p>Other general correspondence with respect to the conduct and furtherance of the liquidation</p>   |
| Document maintenance/file review/checklists      | <p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>  |
| Bank accounts and accounting                     | <p>Bank account reconciliations</p> <p>All other general bookkeeping and accounting matters for the administration</p>   |
| Statutory matters and lodgements                 | <p>Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments</p> <p>Other company / industry specific reports and statutory requirements</p>   |
| Specific / other ATO reporting                   | <p>Preparing and lodging BAS</p>   |

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**TASKS**

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|                             |   |
|-----------------------------|---|
|                             | Preparing and lodging all required taxation returns as required by or requested from the ATO  |
| Planning / Review           | Discussions regarding status of administration  |
| Finalisation matters        | Finalisation processes and final file reviews<br>Final notifications and lodgements (ASIC and ATO)<br>Cancelling tax and other registrations as applicable<br>File administration and closure processes |
| Books and records / storage | All aspects of recording and listing company books and records<br>File administration and closure processes   |

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## SCHEDULE B – TIME SPENT BY STAFF ON EACH MAJOR TASK ALREADY COMPLETED

The tables below outline the time charged for each major task area performed by the Administrators and their staff during the period 11 February 2025 to 26 May 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

| EMPLOYEE NAME            | POSITION         | RATE   |              | TOTAL            |             | ASSETS        |              | CREDITORS        |             | EMPLOYEES     |             | TRADE ON      |             | INVESTIGATIONS  |             | ADMINISTRATION  |        |
|--------------------------|------------------|--------|--------------|------------------|-------------|---------------|--------------|------------------|-------------|---------------|-------------|---------------|-------------|-----------------|-------------|-----------------|--------|
|                          |                  | \$/hr  | Hrs          | \$               | Hrs         | \$            | Hrs          | \$               | Hrs         | \$            | Hrs         | \$            | Hrs         | \$              | Hrs         | \$              |        |
| Alan Walker              | Appointment Lead | 750.00 | 1.60         | 1,200.00         | -           | -             | 0.50         | 375.00           | -           | -             | -           | -             | -           | -               | -           | 1.10            | 825.00 |
| John Thompson            | Director         | 685.00 | 0.20         | 137.00           | -           | -             | 0.20         | 137.00           | -           | -             | -           | -             | -           | -               | -           | -               | -      |
| Stephanie Wise           | Senior Manager   | 625.00 | 0.20         | 125.00           | -           | -             | -            | -                | -           | -             | -           | -             | 0.20        | 125.00          | -           | -               | -      |
| Angus Fraser             | Manager          | 550.00 | 2.70         | 1,485.00         | 0.40        | 220.00        | 0.50         | 275.00           | -           | -             | -           | -             | 0.50        | 275.00          | 1.30        | 715.00          | -      |
| Billy Foley              | Manager          | 550.00 | 10.20        | 5,610.00         | -           | -             | 7.20         | 3,960.00         | -           | -             | 0.50        | 275.00        | 2.50        | 1,375.00        | -           | -               | -      |
| Deanne Lee               | Senior Analyst   | 450.00 | 1.20         | 540.00           | -           | -             | 1.00         | 450.00           | -           | -             | -           | -             | 0.20        | 90.00           | -           | -               | -      |
| Jody Kwee                | Senior Analyst   | 450.00 | 0.60         | 270.00           | -           | -             | -            | -                | 0.20        | 90.00         | 0.10        | 45.00         | 0.20        | 90.00           | 0.10        | 45.00           | -      |
| Viendya Karman           | Senior Analyst   | 450.00 | 1.70         | 765.00           | -           | -             | 0.50         | 225.00           | 0.70        | 315.00        | -           | -             | -           | -               | 0.50        | 225.00          | -      |
| Eric Sun                 | Analyst          | 405.00 | 6.10         | 2,470.50         | 0.30        | 121.50        | 1.20         | 486.00           | 0.60        | 243.00        | 0.10        | 40.50         | 2.30        | 931.50          | 1.60        | 648.00          | -      |
| Oscar Bush               | Analyst          | 405.00 | 0.70         | 283.50           | -           | -             | -            | -                | -           | -             | 0.20        | 81.00         | 0.50        | 202.50          | -           | -               | -      |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.50         | 150.00           | -           | -             | -            | -                | -           | -             | -           | -             | 0.30        | 90.00           | 0.20        | 60.00           | -      |
| Ege Dogan                | Junior Analyst   | 300.00 | 0.90         | 270.00           | -           | -             | -            | -                | 0.70        | 210.00        | -           | -             | -           | -               | 0.20        | 60.00           | -      |
| Gina Jia                 | Junior Analyst   | 300.00 | 0.30         | 90.00            | -           | -             | 0.20         | 60.00            | -           | -             | -           | -             | -           | -               | 0.10        | 30.00           | -      |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 15.00        | 4,500.00         | 0.70        | 210.00        | 11.90        | 3,570.00         | -           | -             | -           | -             | 1.20        | 360.00          | 1.20        | 360.00          | -      |
| <b>Total (excl. GST)</b> |                  |        | <b>41.90</b> | <b>17,896.00</b> | <b>1.40</b> | <b>551.50</b> | <b>23.20</b> | <b>9,538.00</b>  | <b>2.20</b> | <b>858.00</b> | <b>0.90</b> | <b>441.50</b> | <b>7.90</b> | <b>3,539.00</b> | <b>6.30</b> | <b>2,968.00</b> |        |
| GST                      |                  |        |              | 1,789.60         |             | 55.15         |              | 953.80           |             | 85.80         |             | 44.15         |             | 353.90          |             | 296.80          |        |
| <b>Total (incl. GST)</b> |                  |        |              | <b>19,685.60</b> |             | <b>606.65</b> |              | <b>10,491.80</b> |             | <b>943.80</b> |             | <b>485.65</b> |             | <b>3,892.90</b> |             | <b>3,264.80</b> |        |
| Average Rate (\$/hr)     |                  |        |              | 427.11           |             | 393.93        |              | 411.12           |             | 390.00        |             | 490.56        |             | 447.97          |             | 471.11          |        |

## **SCHEDULE C - RESOLUTIONS**

### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 26 May 2025)**

*"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$17,896.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 2: Administrators' Future Remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)**

*"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 6: Proposed Liquidators' Future Remuneration (as required)**

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 27 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

## **DISBURSEMENT RESOLUTIONS**

### **Resolution 3: Administrators' Disbursements**

*"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required"*.

### **Resolution 7: Liquidators' Disbursements**

*"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"*.

## ANNEXURE B – ADMINISTRATORS’ REMUNERATION REPORT

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Schedule 2 to the Corporations Act 2001, Section 70-50  
Insolvency Practice Rules (Corporations) 2016, Section 70-45

**FINNISH EARLY CHILDHOOD EDUCATION (ARMSTRONG CREEK) PTY LTD  
(ADMINISTRATORS APPOINTED)  
ACN 660 849 374 (THE COMPANY)**

### REMUNERATION APPROVAL REPORT

This report contains the following information:

- Part 1: Declaration
- Part 2: Approval of remuneration
- Part 3: Executive summary
- Part 4: Remuneration
- Part 5: Disbursements
- Part 6: Report on progress of Administration and summary of receipts and payments
- Part 7: Queries

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at a meeting of creditors;
- Refer to the accompanying Report to Creditors dated 28 May 2025 for details as to how you can participate in the meeting.

### PART 1 DECLARATION

We, Alan Walker, Nicholas Charlwood, and Glenn Livingstone of WLP Restructuring Pty Ltd, have undertaken an assessment of this remuneration and disbursements claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work properly performed, or to be properly performed, in the conduct of the Administration.

### PART 2 APPROVAL OF REMUNERATION

#### REMUNERATION METHODS

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follows:

**1. Time based / hourly rates**

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

**2. Fixed Fee**

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

### 3. Percentage

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

### 4. Contingency

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

## METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on time based/hourly rates due to the following:

- Given the size of the Company, it is appropriate to charge on an hourly basis and only when tasks are required to be completed by a team member.
- It ensures actual time is billed at an hourly rate applicable to staff experience.
- It ensures that remuneration claimed is only for necessary work properly performed in the administration.
- We will only be paid for work if sufficient realisations are made from the Company's assets.
- We have a time recording system that can produce a detailed analysis of time spent on each task by each team member enabling creditors to better understand what time has been spent completing each task providing full accountability.

## HOURLY RATES

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

### Rates from 1 July 2024

| TITLE                 | RATE<br>\$/HR | EXPERIENCE   |
|-----------------------|---------------|--|
| Appointee/<br>Partner | \$750         | Registered Liquidator. Appointee bringing his or her specialist skills to the administration or insolvency task.   |
| Director              | \$685         | More than 9 years insolvency experience. Answerable to the appointee but otherwise responsible for all aspects of administration. Very competent. Control staff and their training.  |
| Senior Manager        | \$625         | More than 7 years insolvency experience, more than 3 years as a manager, qualified accountant. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent. Control staff and their training. |
| Manager               | \$550         | 6-7 years, qualified accountant, with well-developed technical and commercial skills. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on work streams in larger matters.   |
| Assistant<br>Manager  | \$480         | 4-6 years. Chartered Accountant (CA) program or equivalent complete. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.   |

| TITLE          | RATE<br>\$/HR | EXPERIENCE  |
|----------------|---------------|---|
| Senior Analyst | \$450         | Post graduate qualification (or equivalent) would normally be completed within this period. Assists planning and control of small to medium sized jobs as well as performing some of the more difficult work on larger jobs.  |
| Analyst        | \$405         | Undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within work streams and appointments under supervision. |
| Junior Analyst | \$300         | Undertaking university degree, but not yet qualified. Assist with tasks within work stream and appointments under supervision.  |
| Administration | \$265         | Appropriate skills, including books and records management and accounts processing particular to the administration.  |

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the liquidation. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.

### PART 3 EXECUTIVE SUMMARY

#### 3.1 Summary of remuneration approval sought for the Company

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| PERIOD  | AMOUNT<br>(EX GST) |
|---|--------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                    |
| 11 February 2025 to 26 May 2025                             | \$15,351.00        |
| *27 May 2025 to the Date of the Second Meeting of Creditors | \$10,000.00        |
| <b>Total Voluntary Administration</b>                       | <b>\$25,351.00</b> |
| <b>LIQUIDATION (IF APPLICABLE)*</b>                         |                    |
| From commencement to the conclusion of the liquidation      | \$50,000.00        |
| <b>Total Liquidation</b>                                    | <b>\$50,000.00</b> |

*\* Approval for the future remuneration sought is based on an estimate of the work necessary to the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.*

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolution to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to **Section 3** of the accompanying report for the voting details.

### 3.2 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

We estimate that our remuneration for the voluntary administration will be \$25,351.00 (excl GST).

The above remuneration approval sought for the Administration period is within the range of the estimate provided in our Initial Remuneration Notice dated 13 February 2025.

### PART 4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for expenses paid to third parties or for disbursements where we are recovering a cost incurred on behalf of the administration, but we must account to creditors. We must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit. In these circumstances.

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** - these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees such as company searches, land title searches and PPSR searches.
- **Firm non-professional costs** - such as photocopying, printing and postage. These costs, 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.

### 4.1 Disbursement claim

To date, no internal disbursements have been approved in the Administration of the Company. We are asking creditors to approve our internal disbursements as follows:

| PERIOD   | AMOUNT (EXCL GST) |
|--|-------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                                |                   |
| For the period of the voluntary administration for the Company | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>                             |                   |
| For the period of the liquidation for the Company              | \$1,000.00        |

## 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective company are to vote on the resolutions at the upcoming meeting of creditors. Please refer to Section 3 of the accompanying report for the voting details.

## 4.3 Future basis of disbursements

The relevant rates for internal disbursements are set out below:

| DISBURSEMENT TYPE                                | CHARGES (EXCL GST)       |
|--|--------------------------|
| Advertising                                      | At cost                  |
| ASIC industry funding model levy – metric events | At prescribed ASIC rates |
| Couriers   | At cost                  |
| eDiscovery services                              | Variable                 |
| Photocopying / printing (outsourced)             | At cost                  |
| Postage  | At cost                  |
| Searches   | At cost                  |
| Staff travel / out of pocket costs               | At cost                  |
| Storage and storage transit                      | At cost                  |
| Telephone calls                                  | At cost                  |

## PART 5 PREVIOUS AND FUTURE APPROVALS AND ESTIMATES

### 5.1 Previous approval requests

There have been no prior approvals for remuneration.

### 5.2 Future estimates and expectation of further remuneration approval requests

We are seeking approval for our future remuneration as Administrators of the company. We estimate our total remuneration for acting as administrators to be \$25,351.00 (excl GST).

At this stage, based on the information available, it may be necessary to seek approval of further remuneration. If so, details would be provided to creditors in a subsequent report to help explain why the estimated remuneration amount has changed and what the new estimate will be.

### 5.3 Likely impact on dividends

An external administrator (including a voluntary administrator, deed administrator or liquidator) is entitled to receive remuneration for necessary work properly performed in relation to the external administration. The Corporations Act 2001 (Cth) generally provides for the remuneration of an external administrator to be paid in priority to other creditor claims. This ensures that where there are sufficient funds available, an external administrator can be paid for the work they perform.

External administrators must distribute any property realised in accordance with the prescribed order and priorities set by the law. The value of creditors' claims that are admitted to participate in any distribution is also relevant.

Because the remuneration of external administrators is afforded payment ahead of distributions to creditors, any such payment of remuneration approved by creditors will reduce the funds available for distribution to creditors by the amount of that remuneration approved.

Creditors should refer to the voluntary administrators' report to creditors for details of anticipated dividends to creditors.

#### **5.4 Remuneration recoverable from external sources**

There is no other remuneration that has been received or is recoverable from external sources for the administration.

### **PART 6 REPORT ON PROGRESS OF ADMINISTRATION AND SUMMARY OF RECEIPTS AND PAYMENTS**

This Remuneration Approval Request must be read in conjunction with the Report to Creditors dated 28 May 2025.

There have been no receipts or payments in the Administration to date.

### **PART 7 QUERIES**

For any queries in respect of this remuneration approval request, please contact Mr Billy Foley by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 28<sup>th</sup> day of May 2025



**Alan Walker**  
Administrator

### **ATTACHMENTS**

| <b>SCHEDULE</b> | <b>DESCRIPTION</b>                                       |
|-----------------|--|
| A               | Details of work done and work to be completed            |
| B               | Time spent by staff on each major task already completed |
| C               | Resolutions  |

## SCHEDULE A – DETAILS OF WORK

### Resolution 1: Administrators remuneration (11 February 2025 to 26 May 2025)

### Resolution 2: Administrators future remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)

The table below contains detailed descriptions of the tasks performed / to be performed within each task area by the Administrators and their staff. The amounts below are exclusive of GST.

| <b>TASKS</b>                 |   |   |
|------------------------------|---|---|
| <b>PERIOD</b>                | Current remuneration from 11 February 2025 to 26 May 2025   | Future remuneration from 27 May 2025 to the Date of the Second Meeting of Creditors   |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$15,351.00</b><br><b>34.30 hours</b>  | <b>\$10,000.00</b><br><b>20.00 hours</b>  |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>  |   |
| <b>ASSETS</b>                | <b>\$411.00</b><br><b>1.3 hours</b>   | <b>\$0.00.00</b><br><b>0.00 hours</b>   |
| Cash at bank                 | Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements<br>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account |   |
| Other Assets                 | Tasks associated with realising other assets.   |   |
| <b>CREDITORS</b>             | <b>\$7,082.00</b><br><b>16.20 hours</b>   | <b>\$7,000.00</b><br><b>14.00 hours</b>   |
| Creditor enquiries           | Maintaining creditor enquiry register<br>Receive and follow up creditor enquiries via telephone and email<br>Review and prepare correspondence to creditors and their representatives via email and post  | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post. |
| Secured creditor reporting   | Initial notifications including to PPSR registrants about their security interest and property  | N/A   |
| Reports to creditors         | Preparing and distributing an initial circular to creditors<br>Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report   | Finalising this report to creditors including remuneration approval reports and annexures.  |
| Meeting of creditors         | Preparation of initial meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents,   | Preparation of meeting documents and notices and forwarding these to all known creditors.<br>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting       |

**TASKS**

|   |   |   |
|---|---|---|
|   | registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation<br>Considering claims for voting purposes.<br>Prepare for and attend/hold the meeting of creditors.<br>Preparation and lodgement of minutes of meetings with ASIC.<br>Responding to stakeholder queries and questions immediately following meeting.<br>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting. | advertisements, recording details of proxies received and draft minutes/agenda preparation.<br>Considering claims for voting purposes<br>Prepare for and attend/hold the meeting of creditors.<br>Preparation and lodgement of minutes of meetings with ASIC.<br>Responding to stakeholder queries and questions immediately following meeting.<br>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting. |
| Dealing with proofs of debts and claims | Receipting and filing PODs when not related to a dividend   | Correspondence to/from creditors regarding details of debts and claims in the administration<br>Receiving and recording formal/informal proofs of debt lodged   |
| <b>EMPLOYEE</b>                         | <b>\$270.00</b><br><b>0.80 hours</b>  | <b>\$1,000.00</b><br><b>2.00 hours</b>  |
| Enquiries and correspondence            | Maintain employee enquiry register<br>Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls   | Maintain employee enquiry register<br>Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls   |
| Entitlements                            | Calculating employee entitlements<br>Reviewing employee files, payroll details, records and calculations of employee entitlements<br>Reviewing and considering contracts, awards and other relevant agreements  | Further reviewing employee files, payroll details, records and calculations of employee entitlements  |
| <b>TRADE ON</b>                         | <b>\$341.50</b><br><b>0.70 hours</b>  | <b>\$0.00</b><br><b>0.00 hours</b>  |
| General accounting                      | All applicable accounting tasks and processes   |   |
| Budgeting and financial reporting       | Reviewing company's budgets and financial statements<br>Trading/operating budgets and forecasts<br>Meetings and reviews around financial results and estimated outcomes   |   |
| <b>INVESTIGATION</b>                    | <b>\$4,232.00</b><br><b>9.10 hours</b>  | <b>\$1,000.00</b><br><b>2.00 hours</b>  |
| Conducting investigation                | Initial letters and circulars to parties and stakeholders   | Performing land title searches and other statutory searches as needed   |

**TASKS**

|  |   |  |
|--|---|--|
|  | <p>Collection of books and records from the company, directors and other parties</p> <p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> | <p>Reviewing books and records, company background and history</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p> |
| ASIC reporting                                 | <p>Liaising with ASIC</p> <p>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act</p>   | <p>Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)</p>   |
| <b>ADMINISTRATION</b>                          | <p><b>\$3,014.50</b></p> <p><b>6.20 hours</b></p>   | <p><b>\$1,000.00</b></p> <p><b>2.00 hours</b></p>  |
| General correspondence                         | <p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>  | <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>  |
| Document Maintenance / File Review / Checklist | <p>Filing of documents</p> <p>File reviews</p> <p>Updating checklists</p>   | <p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>  |
| Insurance                                      | <p>Initial notifications and liaising with insurance brokers</p> <p>Reviewing policies and discussions with management</p> <p>Determining insurance needs</p> <p>Providing information to/discussions with our brokers.</p> <p>Ongoing monitoring and review of insurance needs.</p>  | <p>Ongoing monitoring and review of insurance needs.</p> <p>Liaising with insurance brokers</p>  |
| Bank Account Administration                    | <p>Preparing correspondence opening term deposit and at call accounts.</p> <p>Accounts &amp; bank account reconciliations</p> <p>Correspondence with bank regarding specific transfers</p>  | <p>Bank account reconciliations</p> <p>All other general bookkeeping and accounting matters for the administration</p>   |

| <b>TASKS</b>                      |   |   |
|-----------------------------------|---|---|
|                                   | Bank account reconciliations  |   |
| ASIC Forms and Lodgements         | Preparing and lodging ASIC forms including 505, 531, etc.<br>Correspondence with ASIC regarding statutory forms   | Preparing and lodging all required ASIC forms<br>Other company / industry specific reports and statutory requirements     |
| ATO and Other Statutory Reporting | Preparing BAS<br>Review and lodgement of BAS<br>Correspondence with ATO regarding Notice of Administration and establishment of the Administrators' account | Preparing and lodging BAS<br>Preparing and lodging all required taxation returns as required by or requested from the ATO |
| Planning / Review                 | Discussions regarding status of administration.   | Discussions regarding status of administration  |
| Books and records / storage       | All aspects of recording and listing company books and records  | All aspects of recording and listing company books and records  |

#### **Resolution 6: Liquidators' Remuneration - From commencement to the end of the liquidation**

The table below contains more detailed descriptions of the tasks performed within each task area by the Liquidators and their staff for the Company. The amounts below are exclusive of GST.

| <b>TASKS</b>                              |  |
|---|--|
| <b>LIQUIDATION</b>                        | <b>Commencement of the liquidation to completion</b>   |
| <b>TOTAL AMOUNT (EX GST)</b>              | <b>\$50,000.00</b><br><b>100.0 hours</b>   |
| <b>TASK AREA</b>                          | <b>GENERAL DESCRIPTION</b>   |
| <b>ASSETS</b>                             | <b>\$4,000.00</b><br><b>8.0 hours</b>  |
| Related party loans                       | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities   |
| Debtors                                   | Reviewing debtor ledgers<br>Engaging solicitors / debt recovery agents to assist with recovering debtors   |
| Other assets                              | Tasks associated with realising other assets   |
| <b>CREDITORS</b>                          | <b>\$14,000.00</b><br><b>32.0 hrs</b>  |
| Creditor Enquiries, Requests & Directions | Receive and follow up creditor enquiries via telephone and email<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives via email and post |
| Creditor reports                          | Preparing and distributing further updates and circulars/reports to creditors.<br>Preparing remuneration reports   |
| Dealing with proofs of debts and claims   | Correspondence to/from creditors regarding details of debts and claims in the administration<br>Receiving and recording formal/informal proofs of debt lodged  |
| <b>EMPLOYEES</b>                          | <b>\$8,000.00</b><br><b>40.0 hrs</b>   |

| <b>TASKS</b>                                     |   |
|--|---|
| Enquiries and correspondence                     | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls   |
| Entitlements                                     | Finalisation of employee entitlements<br>Reviewing employee files and Company's books and records<br>Reconciling superannuation accounts<br>Reviewing awards<br>Further reviewing employee files, payroll details, records and calculations of employee entitlements  |
| <b>INVESTIGATION</b>                             | <b>\$18,000.00</b><br><b>36.0 hrs</b>   |
| Conducting investigation                         | Collection of Company books and records<br>Reviewing Company's books and records<br>Review and preparation of Company nature and history<br>Preparation of comparative financial statements<br>Preparation of deficiency statement<br>Review of specific transactions and liaising with directors regarding certain transactions<br>Preparation of investigation file<br>Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading |
| Litigation / recoveries (preliminary stage only) | Summarising and documenting work performed and matters requiring additional review and investigation<br>Internal meetings to discuss status of litigation<br>Preparing brief to solicitors<br>Liaising with solicitors regarding voidable transaction claims or insolvent trading claims<br>Decisions and strategy on litigation and recovery matters (where applicable)  |
| ASIC reporting                                   | Liaising with ASIC<br>Drafting and preparing investigative reports to ASIC including supplementary report pursuant to Section 533(2) of the Act   |
| <b>ADMINISTRATION</b>                            | <b>\$6,000.00</b><br><b>12.0 hrs</b>  |
| General correspondence                           | Other on-appointment notices and administrative set up tasks for the liquidation<br>Other general correspondence with respect to the conduct and furtherance of the liquidation   |
| Document maintenance/file review/checklists      | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists  |
| Bank accounts and accounting                     | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration   |

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**TASKS**

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|                                  |   |
|----------------------------------|---|
| Statutory matters and lodgements | Preparing and lodging all required ASIC forms, notification of appointment of liquidators, liquidation specific lodgements and periodic receipts and payments<br>Other company / industry specific reports and statutory requirements |
| Specific / other ATO reporting   | Preparing and lodging BAS<br>Preparing and lodging all required taxation returns as required by or requested from the ATO   |
| Planning / Review                | Discussions regarding status of administration  |
| Finalisation matters             | Finalisation processes and final file reviews<br>Final notifications and lodgements (ASIC and ATO)<br>Cancelling tax and other registrations as applicable<br>File administration and closure processes                               |
| Books and records / storage      | All aspects of recording and listing company books and records<br>File administration and closure processes   |

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## SCHEDULE B – TIME SPENT BY STAFF ON EACH MAJOR TASK ALREADY COMPLETED

The tables below outline the time charged for each major task area performed by the Administrators and their staff during the period 11 February 2025 to 26 May 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

| EMPLOYEE NAME            | POSITION         | RATE   |              | TOTAL            |             | ASSETS        |              | CREDITORS       |             | EMPLOYEES     |             | TRADE ON      |             | INVESTIGATIONS  |             | ADMINISTRATION  |   |
|--------------------------|------------------|--------|--------------|------------------|-------------|---------------|--------------|-----------------|-------------|---------------|-------------|---------------|-------------|-----------------|-------------|-----------------|---|
|                          |                  | \$/hr  | Hrs          | \$               | Hrs         | \$            | Hrs          | \$              | Hrs         | \$            | Hrs         | \$            | Hrs         | \$              | Hrs         | \$              |   |
| Alan Walker              | Appointment Lead | 750.00 | 1.60         | 1,200.00         | -           | -             | -            | -               | -           | -             | -           | -             | -           | -               | 1.60        | 1,200.00        |   |
| John Thompson            | Director         | 685.00 | 0.20         | 137.00           | -           | -             | 0.20         | 137.00          | -           | -             | -           | -             | -           | -               | -           | -               | - |
| Stephanie Wise           | Senior Manager   | 625.00 | 0.20         | 125.00           | -           | -             | -            | -               | -           | -             | -           | -             | 0.20        | 125.00          | -           | -               | - |
| Angus Fraser             | Manager          | 550.00 | 2.40         | 1,320.00         | -           | -             | 0.20         | 110.00          | -           | -             | 0.10        | 55.00         | 1.10        | 605.00          | 1.00        | 550.00          |   |
| Billy Foley              | Manager          | 550.00 | 11.00        | 6,050.00         | -           | -             | 7.30         | 4,015.00        | -           | -             | 0.30        | 165.00        | 3.40        | 1,870.00        | -           | -               |   |
| Deanne Lee               | Senior Analyst   | 450.00 | 1.00         | 450.00           | -           | -             | 0.80         | 360.00          | -           | -             | -           | -             | 0.20        | 90.00           | -           | -               |   |
| Jody Kwee                | Senior Analyst   | 450.00 | 0.40         | 180.00           | -           | -             | -            | -               | 0.10        | 45.00         | -           | -             | 0.20        | 90.00           | 0.10        | 45.00           |   |
| Viendya Karman           | Senior Analyst   | 450.00 | 0.90         | 405.00           | -           | -             | 0.30         | 135.00          | 0.10        | 45.00         | -           | -             | -           | -               | 0.50        | 225.00          |   |
| Eric Sun                 | Analyst          | 405.00 | 2.60         | 1,053.00         | 0.20        | 81.00         | 1.00         | 405.00          | -           | -             | 0.10        | 40.50         | 0.60        | 243.00          | 0.70        | 283.50          |   |
| Oscar Bush               | Analyst          | 405.00 | 2.20         | 891.00           | -           | -             | -            | -               | -           | -             | 0.20        | 81.00         | 1.80        | 729.00          | 0.20        | 81.00           |   |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.50         | 150.00           | -           | -             | -            | -               | -           | -             | -           | -             | 0.20        | 60.00           | 0.30        | 90.00           |   |
| Ege Dogan                | Junior Analyst   | 300.00 | 0.60         | 180.00           | -           | -             | -            | -               | 0.40        | 120.00        | -           | -             | -           | -               | 0.20        | 60.00           |   |
| Gina Jia                 | Junior Analyst   | 300.00 | 0.10         | 30.00            | -           | -             | 0.10         | 30.00           | -           | -             | -           | -             | -           | -               | -           | -               |   |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 10.60        | 3,180.00         | 1.10        | 330.00        | 6.30         | 1,890.00        | 0.20        | 60.00         | -           | -             | 1.40        | 420.00          | 1.60        | 480.00          |   |
| <b>Total (excl. GST)</b> |                  |        | <b>34.30</b> | <b>15,351.00</b> | <b>1.30</b> | <b>411.00</b> | <b>16.20</b> | <b>7,082.00</b> | <b>0.80</b> | <b>270.00</b> | <b>0.70</b> | <b>341.50</b> | <b>9.10</b> | <b>4,232.00</b> | <b>6.20</b> | <b>3,014.50</b> |   |
| GST                      |                  |        |              | 1,535.10         |             | 41.10         |              | 708.20          |             | 27.00         |             | 34.15         |             | 423.20          |             | 301.45          |   |
| <b>Total (incl. GST)</b> |                  |        |              | <b>16,886.10</b> |             | <b>452.10</b> |              | <b>7,790.20</b> |             | <b>297.00</b> |             | <b>375.65</b> |             | <b>4,655.20</b> |             | <b>3,315.95</b> |   |
| Average Rate (\$/hr)     |                  |        |              | 447.55           |             | 316.15        |              | 437.16          |             | 337.50        |             | 487.86        |             | 465.05          |             | 486.21          |   |

## **SCHEDULE C - RESOLUTIONS**

### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 26 May 2025)**

*"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$15,351.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 2: Administrators' Future Remuneration (27 May 2025 to the Date of the Second Meeting of Creditors)**

*"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

### **Resolution 6: Proposed Liquidators' Future Remuneration (as required)**

*"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."*

## **DISBURSEMENT RESOLUTIONS**

### **Resolution 3: Administrators' Disbursements**

*"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required"*.

### **Resolution 7: Liquidators' Disbursements**

*"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"*.

## ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS

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FINNISH EARLY CHILDHOOD EDUCATION (HAMPTON PARK) PTY LTD (ADMINISTRATORS APPOINTED)  
FORMERLY T/AS "ILO HAMPTON PARK EARLY EDUCATION CENTRE"  
ACN 637 712 951 (THE COMPANY)

### RECEIPTS AND PAYMENTS FOR THE PERIOD 11 FEBRUARY 2025 TO 26 MAY 2025

|                                  |               |
|----------------------------------|---------------|
| <b>RECEIPTS</b>                  | <b>\$</b>     |
| Pre-appointment Cash at Bank     | 199.98        |
| <b>TOTAL RECEIPTS</b>            | <b>199.98</b> |
| <hr/>                            |               |
| <b>PAYMENTS</b>                  | <b>\$</b>     |
| <b>TOTAL TRADING PAYMENTS</b>    | <b>-</b>      |
| <hr/>                            |               |
| <b>NET RECEIPTS / (PAYMENTS)</b> | <b>199.98</b> |

## ANNEXURE D – PROXY FORM

CORPORATIONS ACT 2001  
Insolvency Practice Rules (Corporations)  
75-25 & 75-150

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (HAMPTON PARK) PTY LTD (ADMINISTRATORS APPOINTED)  
FORMERLY T/AS "ILO HAMPTON PARK EARLY EDUCATION CENTRE"  
ACN 637 712 951 (THE COMPANY)**

|   |  |
|---|--|
| *I/*We <sup>(1)</sup>   |  |
| Of  |  |
| being a creditor of the Company, appoint <sup>(2)</sup><br>or in his or her absence   |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on 5 June 2025 at 10:00AM, or at any adjournment of that meeting. |  |

Please mark any boxes with an

Proxy Type:  General  Special

|   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| <b>Resolution 1: Administrators' Current Remuneration</b><br><br>"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$21,137.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2: Administrators' Future Remuneration</b><br><br>"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required." | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3: Administrators' Internal Disbursements</b><br><br>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| <p><b>Resolution 4: Future of the Company</b></p> <p>For creditors of the Company to resolve that:</p>  |                          |                          |                          |
| <p>(a) "The Company be wound up"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(b) "The Administration should end"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(c) "That the second meeting of creditors be adjourned for a period of up to 45 business days."</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 5: Appointment of alternate liquidator (if applicable)</b></p> <p>"To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."</p> <p>(Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 6: Liquidators' Future Remuneration (if applicable)</b></p> <p>"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 27 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 7: Liquidators' Internal Disbursements</b></p> <p>"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 8: Early destruction of books and records (if applicable)</b></p> <p>"That the Liquidators be empowered to destroy all books and records of the Company following the completion of the liquidation".</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 9: Committee of inspection (if applicable)</b></p> <p>"That a Committee of inspection be appointed."</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

DATED this

day of

2025

\_\_\_\_\_  
Signature

**CERTIFICATE OF WITNESS**

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

I, ..... of

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

Dated:

Signature of Witness:

Description:

Place of Residence:

\_\_\_\_\_  
\* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

## ANNEXURE D – PROXY FORM

CORPORATIONS ACT 2001  
Insolvency Practice Rules (Corporations)  
75-25 & 75-150

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (CHARLOTTE) PTY LTD (ADMINISTRATORS APPOINTED)  
FORMERLY T/AS "HEI SCHOOLS CHARLOTTE EARLY EDUCATION CENTRE"  
ACN 646 582 881 (THE COMPANY)**

|   |  |
|---|--|
| *I/*We <sup>(1)</sup>   |  |
| Of  |  |
| being a creditor of the Company, appoint <sup>(2)</sup><br>or in his or her absence   |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on 5 June 2025 at 10:00AM, or at any adjournment of that meeting. |  |

Please mark any boxes with an

Proxy Type:  General  Special

|   | For                      | Against                  | Abstain                  |
|---|--------------------------|--------------------------|--------------------------|
| <b>Resolution 1: Administrators' Current Remuneration</b><br><br>"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$17,896.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2: Administrators' Future Remuneration</b><br><br>"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required." | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3: Administrators' Internal Disbursements</b><br><br>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| <p><b>Resolution 4: Future of the Company</b></p> <p>For creditors of the Company to resolve that:</p>  |                          |                          |                          |
| <p>(a) "The Company be wound up"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(b) "The Administration should end"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(c) "That the second meeting of creditors be adjourned for a period of up to 45 business days."</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 5: Appointment of alternate liquidator (if applicable)</b></p> <p>"To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."</p> <p>(Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 6: Liquidators' Future Remuneration (if applicable)</b></p> <p>"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 27 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 7: Liquidators' Internal Disbursements</b></p> <p>"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 8: Early destruction of books and records (if applicable)</b></p> <p>"That the Liquidators be empowered to destroy all books and records of the Company following the completion of the liquidation".</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 9: Committee of inspection (if applicable)</b></p> <p>"That a Committee of inspection be appointed."</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

DATED this

day of

2025

\_\_\_\_\_  
Signature

---

**CERTIFICATE OF WITNESS**

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

I, ..... of

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

Dated:

Signature of Witness:

Description:

Place of Residence:

---

\* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

## ANNEXURE D – PROXY FORM

CORPORATIONS ACT 2001  
 Insolvency Practice Rules (Corporations)  
 75-25 & 75-150

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (ARMSTRONG CREEK) PTY LTD (ADMINISTRATORS APPOINTED)  
 ACN 660 849 374 (THE COMPANY)**

|   |  |
|---|--|
| *I/*We <sup>(1)</sup>   |  |
| Of  |  |
| being a creditor of the Company, appoint <sup>(2)</sup><br>or in his or her absence   |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on 5 June 2025 at 10:00AM, or at any adjournment of that meeting. |  |

Please mark any boxes with an

Proxy Type:  General  Special

|  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| <p><b>Resolution 1: Administrators' Current Remuneration</b></p> <p>"That the remuneration of the Administrators from 11 February 2025 to 26 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$15,351.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 2: Administrators' Future Remuneration</b></p> <p>"That the future remuneration of the Administrators from 27 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$10,000.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 3: Administrators' Internal Disbursements</b></p> <p>"That the internal disbursements of the Administrators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Administrators may pay the internal disbursements on a monthly basis or as required".</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| <p><b>Resolution 4: Future of the Company</b></p> <p>For creditors of the Company to resolve that:</p>  |                          |                          |                          |
| <p>(a) "The Company be wound up"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(b) "The Administration should end"</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(c) "That the second meeting of creditors be adjourned for a period of up to 45 business days."</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 5: Appointment of alternate liquidator (if applicable)</b></p> <p>"To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."</p> <p>(Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 6: Liquidators' Future Remuneration (if applicable)</b></p> <p>"That the remuneration of the Liquidators from the commencement to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 28 May 2025 and such sum to be capped at the amount of \$50,000.00 exclusive of GST, and that the Liquidators may draw the remuneration on a monthly basis or as required."</p> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 7: Liquidators' Internal Disbursements</b></p> <p>"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 8: Early destruction of books and records (if applicable)</b></p> <p>"That the Liquidators be empowered to destroy all books and records of the Company following the completion of the liquidation".</p>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p><b>Resolution 9: Committee of inspection (if applicable)</b></p> <p>"That a Committee of inspection be appointed."</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

DATED this

day of

2025

\_\_\_\_\_  
Signature

---

**CERTIFICATE OF WITNESS**

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

I, ..... of

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

Dated:

Signature of Witness:

Description:

Place of Residence:

---

\* Strike out if inapplicable

(1) If a firm, strike out "I" and set out the full name of the firm.

(2) Insert the name, address and description of the person appointed.

# ANNEXURE E – PROOF OF DEBT FORM

FORM 535  
CORPORATIONS ACT 2001

Section 600G  
Sub-regulation 5.6.49(2)

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

Please tick one of the below indebted Companies:

- Finnish Early Childhood Education (Hampton Park) Pty Ltd (Administrators Appointed) ACN 637 712 951
- Finnish Early Childhood Education (Charlotte) Pty Ltd (Administrators Appointed) ACN 646 582 881
- Finnish Early Childhood Education (Armstrong Creek) Pty Ltd (Administrators Appointed) ACN 660 849 374

To the Administrators:

1. This is to state that the company was, on 11 February 2025 <sup>(1)</sup> and still is, justly and truly indebted to <sup>(2)</sup> (full name):

('Creditor').....

of (full address).....

for \$ .....dollars and ..... cents.

Particulars of the debt are:

| Date | Consideration <sup>(3)</sup><br>state how the debt arose | Amount \$ | GST<br>included \$ | Remarks <sup>(4)</sup> include details of voucher substantiating payment |
|------|--|-----------|--------------------|--|
|      |  |           |                    |  |

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

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities.

If any bills or other negotiable securities are held, specify them in a schedule in the following form:

| Date | Drawer | Acceptor | Amount \$ c | Due Date |
|------|--------|----------|-------------|----------|
|      |        |          |             |          |

I am **not** a related creditor of the Company <sup>(5)</sup>

I am a related creditor of the Company <sup>(5)</sup>  
relationship: \_\_\_\_\_

**If the form is being used for the purpose of voting at a meeting:**

Is the debt you are claiming assigned to you?

No  Yes

**If yes**, attach written evidence of the debt, the assignment and consideration given.

Attached

**If yes**, what value of consideration did you give for the assignment (eg, what amount did you pay for the debt?) \$ \_\_\_\_\_

3A.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.<sup>(6)\*</sup> I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

Email

|   |     |   |    |
|---|-----|---|----|
| <b>OFFICE USE ONLY</b> POD No:          |     | ADMIT ( <b>Voting / Dividend</b> ) - Ordinary     | \$ |
| Date Received:                          | / / | ADMIT ( <b>Voting / Dividend</b> ) – Preferential | \$ |
| Entered into CORE IPS:                  |     | Reject ( <b>Voting / Dividend</b> )               | \$ |
| Amount per ROCAP                        | \$  | Object or H/Over for Consideration                | \$ |
| <b>Reason for Admitting / Rejection</b> |     |   |    |
| PREP BY/AUTHORISED                      |     | <b>TOTAL PROOF</b>                                | \$ |
| DATE AUTHORISED / /                     |     |   |    |

### Proof of Debt Form Directions

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
  - (b) and be endorsed with the words:
    - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.

A reference to an annexure includes a document that is with a form



## Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



### Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator’s appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company’s future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is ‘reasonable’, the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

### Requests must be reasonable.

#### They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Specific questions about the voluntary administration should be directed to the voluntary administrator’s office.

### Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

### Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

### Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

**For more information, go to [www.arita.com.au/creditors](http://www.arita.com.au/creditors)**

**Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

Version: June 2018

12142 (VA) - INFO - CREDITOR RIGHTS INFORMATION SHEET V2\_0

# Voluntary Administration Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading



### Offences

**A summary of offences under the Corporations Act that may be identified by the administrator:**

|         |  |
|---------|--|
| 180     | Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.   |
| 181     | Failure to act in good faith.  |
| 182     | Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.  |
| 183     | Making improper use of information acquired by virtue of the officer's position.   |
| 184     | Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.  |
| 198G    | Performing or exercising a function or power as an officer while a company is under administration.  |
| 206A    | Contravening a court order against taking part in the management of a corporation.   |
| 206A, B | Taking part in the management of corporation while being an insolvent, for example, while bankrupt.  |
| 206A, B | Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.  |
| 209(3)  | Dishonest failure to observe requirements on making loans to directors or related companies.   |
| 254T    | Paying dividends except out of profits.  |
| 286     | Failure to keep proper accounting records.   |
| 312     | Obstruction of an auditor.   |
| 314-7   | Failure to comply with requirements for the preparation of financial statements.   |
| 437D(5) | Unauthorised dealing with company's property during administration.  |
| 438B(4) | Failure by directors to assist administrator, deliver records and provide information.   |
| 438C(5) | Failure to deliver up books and records to the administrator.  |
| 588G    | Incurring liabilities while insolvent  |
| 588GAB  | Officer's duty to prevent creditor-defeating disposition   |
| 588GAC  | A person must not procure a company to make a creditor-defeating disposition   |
| 590     | Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors. |
| 596AB   | Entering into an agreement or transaction to avoid employee entitlements.  |

### Recoverable Transactions

#### Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

#### Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

### **Uncommercial Transaction**

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### **Unfair Loan**

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### **Arrangements to avoid employee entitlements**

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

### **Unreasonable payments to directors**

Liquidators have the power to reclaim 'unreasonable payments' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### **Voidable charges**

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

### **Insolvent trading**

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

**Queries about the voluntary administration should be directed to the administrator's office.**

## **ANNEXURE G – SUMMARY OF GROUP ENTITIES IN ADMINISTRATION**

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Finnish Early Childhood Education (Australia) Pty Ltd ACN 630 629 435

ILO Early Learning (Australia) Pty Ltd ACN 649 081 069

ILO Early Learning (Kurunjang) Pty Ltd ACN 649 365 006

Finnish Early Childhood Education (St. Leonards) Pty Ltd ACN 645 781 460

Finnish Early Childhood Education (Dandenong) Pty Ltd ACN 630 411 675

Finnish Early Childhood Education (Hampton Park) Pty Ltd ACN 637 712 951

ILO Early Learning (Ballan) Pty Ltd ACN 652 090 465

Holistic Development Pty Ltd ACN 621 106 287

Finnish Early Childhood Education (Norlane) Pty Ltd ACN 630 411 791

Finnish Early Childhood Education (Gosford) Pty Ltd ACN 643 367 720

Finnish Early Childhood Education (Charlotte) Pty Ltd ACN 646 582 881

Finnish Early Childhood Education (Waurm Ponds) Pty Ltd ACN 645 781 460

Finnish Early Childhood Education (Brunswick East) Pty Ltd ACN 641 722 607

Finnish Early Childhood Education (Ballarat Central) Pty Ltd ACN 649 365 006

Finnish Early Childhood Education (Armstrong Creek) Pty Ltd ACN 660 849 374

Finnish Early Childhood Education (Longwarry) Pty Ltd ACN 637 227 546