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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

**6 June 2025**

**Holistic Development Pty Ltd (Administrators Appointed)  
Trading as "HEI Schools Emerald Early Learning Centre"  
ACN 621 106 287**

**Finnish Early Childhood Education (Gosford) Pty Ltd  
(Administrators Appointed)  
Trading as "HEI Schools Gosford Early Education Centre"  
ACN 643 367 720**

**Finnish Early Childhood Education (St Leonards) Pty Ltd  
(Administrators Appointed)  
Trading as "HEI Schools St Leonards Early Education Centre"  
ACN 645 781 460**

**Finnish Early Childhood Education (Longwarry) Pty Ltd  
(Administrators Appointed)  
Trading as "ILO Longwarry Early Education Centre"  
"HEI Schools Longwarry Early Learning Centre"  
ACN 637 227 546**

**Finnish Early Childhood Education (Waurin Ponds) Pty Ltd  
(Administrators Appointed)  
Trading as "HEI Schools Waurin Ponds Early Education Centre"  
ACN 638 461 579**

**(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 Report       |
| C               | Summary Receipts and Payments             |
| D               | Proxy Form                                |
| E               | Proof of Debt Form                        |
| F               | Creditor Information Sheet                |
| G               | 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 Walker   |
| ARITA             | Australian Restructuring, Insolvency & Turnaround Association   |
| ASIC              | Australian Securities & Investments Commission  |
| ATO               | Australian Taxation Office  |
| BAS               | Business Activity Statement required by the TAA and the GST Act   |
| BOM               | Bank of Melbourne   |
| c.                | Circa   |
| Code              | ARITA Code of Professional Practice   |
| COI               | Committee of Inspection   |
| Companies         | Holistic Development Pty Ltd (Administrators Appointed)<br>Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed)<br>Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed)<br>Finnish Early Childhood Education (Longwarry) Pty Ltd (Administrators Appointed)<br>Finnish Early Childhood Education (Waurm Ponds) Pty Ltd (Administrators Appointed) |
| Convening Period  | The period in which the Second Meeting must be convened   |
| 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  |
| EOI               | Expression of Interest  |
| ERV               | Estimated Realisable Value  |
| FEG               | Fair Entitlements Guarantee   |
| Finnish Australia | Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed)  |
| First Meeting     | First meeting of creditors held on 21 February 2025 (Holistic/Gosford/St. Leonards)<br>First meeting of creditors held on 11 March 2025 (Longwarry & Waurm Ponds)   |
| FY                | Financial year  |
| Gosford Group     | Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed)<br>16 entities within Finnish Early Childcare group in Administration under the control of the Administrators, as detailed in 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)  |
| 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  |
| ILO Australia       | ILO Early Learning (Australia) Pty Ltd (Administrators Appointed)   |
| 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)  |
| M                   | Million \$  |
| Management Accounts | Accounts maintained by the Companies on Quickbooks software   |
| Management          | Senior management group at ILO Australia and Finnish Australia  |
| NES                 | National Employment Standards   |
| NSW                 | New South Wales   |
| PAYG                | Pay as you go   |
| PILN                | Payment in Lieu of Notice   |
| POD                 | Proof of debt form  |
| PPSA                | <i>Personal Property Securities Act 2009</i> (Cth)  |
| PPSR                | Personal Property Securities Register maintained pursuant to the PPSA   |
| Report              | This report of 6 June 2025 pursuant to IPR 75-225   |
| ROCAP               | Report on Companies Activities and Property   |
| Sales Broker        | Doug Lilley of Lilley Childcare Sales Pty Ltd   |
| 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 <b>10:00 AM (AEST) on Tuesday, 17 June 2025</b> |
| SRO                 | State Revenue Office – Victoria   |
| St. Leonards        | Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed)  |
| TAA                 | Tax Administration Act 1953 (Cth)   |
| VIC                 | Victoria  |
| Waurrn Ponds        | Finnish Early Childhood Education (Waurrn Ponds) Pty Ltd (Administrators Appointed)   |
| YTD                 | Year to date  |

# 02

## EXECUTIVE SUMMARY

| QUESTION  | EXPLANATION   |
|---|---|
| <b>What did the Companies do?</b>                                 | <p>The Companies operated early learning centres, delivering childcare and kindergarten services from leased premises located at several sites around NSW and VIC.</p> <p>The Companies operated under the ILO education framework under licence from HEI Schools.</p>  |
| <b>What is the current status of the Companies?</b>               | <p>On 11 February 2025, Alan Walker, Nicholas 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 11 other entities in the Group.</p>   |
| <b>What is happening with the Companies' business and assets?</b> | <p>On appointment, we assessed the Companies' short-term financial viability and considered whether we could preserve the businesses to run an accelerated business sale campaign and / or to allow time for a DOCA proposal to be formulated.</p> <p>A review of the Companies' and Groups' financial position indicated that they were not generating sufficient cash flow to fund the Group's operations. To assist with working capital funding, the Administrators firstly funded the payment of wages by providing loans to the Group and secondly by securing external funding from an independent financier to fund working capital.</p> <p>Further, the Administrators secured support from the key stakeholders, including the Group's leadership team, employees, Head Office staff and families that allowed the Centres to continue operating.</p> <p>The Administrators have identified several prospective buyers for all of the Companies and are at an advanced stage of negotiations to finalise the sales.</p> |
| <b>Proposed Sale of businesses</b>                                | <p>Following our appointment, we engaged the Sales Broker, who is a specialist business broker with expertise in the childcare sector, to advertise and market the Companies' business and assets for sale.</p> <p>The Companies were advertised through a two-week campaign, with expressions of interest closing on 6 March 2025.</p> <p>At the conclusion of the campaign several offers were received for Emerald, Gosford, St Leonards, Waurin Ponds and Longwarry. The Administrators have since held discussions with the proposed buyers,</p>   |

| QUESTION  | EXPLANATION   |
|---|---|
|   | <p>conducted site visits, and engaged in extensive due diligence processes for the Centres. Negotiations are still ongoing with sales expected to be finalised in the coming weeks once the lease negotiations are complete.</p> <p>The sale of Longwarry and Waurm Ponds has provisionally been agreed between the Administrators and the proposed buyer. Due to the commercially sensitive nature of the sale, the Administrators are unable to disclose this sensitive information. Further information will be provided to creditors at a later date when we issue our supplementary report to creditors.</p>   |
| <p><b>Has a DOCA proposal been put forward for creditors to consider?</b></p>               | <p>At the commencement of the Administration, the Director expressed his intention to propose a DOCA for the Group. The Director engaged a specialist business advisory firm to assist in preparing the DOCA proposal and had several meetings with the Administrators as part of this process.</p> <p>After several other centres within the Group had sold, the Director withdrew his intention to submit a proposal involving the Companies other than Holistic where there remains a possibility of a DOCA proposal.</p>  |
| <p><b>When is the Second Meeting of creditors?</b></p>                                      | <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>Accordingly, the Second Meeting of creditors will be held on <b>Tuesday, 17 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 3.4</b> of this Report and return the completed forms contained at <b>Annexures D and E</b> as soon as possible.</p>  |
| <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 trading operations of the Companies, the status of the sale of the Companies' assets and provide an estimated outcome for creditors.</p> <p>At the Second Meeting, creditors will decide the Companies' future.</p> <p>As the Administrators have not been provided with a DOCA Proposal for the Companies, the options available to creditors include whether:</p> <ul style="list-style-type: none"> <li>- the Administration should end,</li> <li>- the Companies be wound up, or</li> <li>- The Second Meeting be adjourned for a period of up to 45 business days</li> </ul> <p>The Administrators will also be asking creditors to vote on resolutions for our remuneration for acting as Administrators. No remuneration has been approved or paid to date.</p> <p>Creditors should note that the Chairperson of the Second Meeting have the option to adjourn the meeting for a period of up to 45 business days and it is our intention to do so.</p> |

| QUESTION  | EXPLANATION   |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
|---|---|---------------|------------|-------------------|----------|--------------------|----------|---------------------------|-----|-----------------------------|----------|------------------|----------|---------------|------------|-------------------|-----|--------------------|----------|---------------------------|-----|-----------------------------|----------|------------------|----------|
| <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 the 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>- The loss of state government kindergarten funding for all VIC centres</li> <li>- Staffing issues across multiple centres leading to increased costs in casual labor</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</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 capital invested at the Group level to support working capital requirements.</p> <p>Our investigations indicate that the Group became insolvent between April – June 2024 and remained insolvent up until the DOA.</p> <p>Further details relating to our investigations are set out in <b>Section 8</b> of this Report.</p>   |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| <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>Holistic</b></p> <table border="1" data-bbox="613 1304 1377 1566"> <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>Possible</td> </tr> <tr> <td>Uncommercial transactions</td> <td>Low</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>Gosford</b></p> <table border="1" data-bbox="613 1633 1377 1896"> <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>Possible</td> </tr> <tr> <td>Uncommercial transactions</td> <td>Low</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>   | Type of claim | Likelihood | Insolvent trading | Possible | Unfair preferences | Possible | Uncommercial transactions | Low | Payments to related parties | Possible | Breach of duties | Possible | Type of claim | Likelihood | Insolvent trading | Low | Unfair preferences | Possible | Uncommercial transactions | Low | Payments to related parties | Possible | Breach of duties | Possible |
| Type of claim   | Likelihood  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Insolvent trading   | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Unfair preferences  | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Uncommercial transactions   | Low   |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Payments to related parties   | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Breach of duties  | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Type of claim   | Likelihood  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Insolvent trading   | Low   |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Unfair preferences  | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Uncommercial transactions   | Low   |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Payments to related parties   | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Breach of duties  | Possible  |               |            |                   |          |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |

| QUESTION  | EXPLANATION   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
|---|---|---------------|------------|-------------------|-----|--------------------|----------|---------------------------|-----|-----------------------------|----------|------------------|----------|---------------|------------|-------------------|-----|--------------------|----------|---------------------------|-----|-----------------------------|----------|------------------|----------|---------------|------------|-------------------|-----|--------------------|----------|---------------------------|-----|-----------------------------|----------|------------------|----------|
|   | <p data-bbox="613 310 748 338"><b>St Leonards</b></p> <table border="1" data-bbox="613 354 1375 617"> <thead> <tr> <th data-bbox="621 365 980 424">Type of claim</th> <th data-bbox="980 365 1367 424">Likelihood</th> </tr> </thead> <tbody> <tr> <td data-bbox="621 424 980 464">Insolvent trading</td> <td data-bbox="980 424 1367 464">Low</td> </tr> <tr> <td data-bbox="621 464 980 504">Unfair preferences</td> <td data-bbox="980 464 1367 504">Possible</td> </tr> <tr> <td data-bbox="621 504 980 543">Uncommercial transactions</td> <td data-bbox="980 504 1367 543">Low</td> </tr> <tr> <td data-bbox="621 543 980 583">Payments to related parties</td> <td data-bbox="980 543 1367 583">Possible</td> </tr> <tr> <td data-bbox="621 583 980 617">Breach of duties</td> <td data-bbox="980 583 1367 617">Possible</td> </tr> </tbody> </table> <p data-bbox="613 638 737 665"><b>Longwarry</b></p> <table border="1" data-bbox="613 682 1375 945"> <thead> <tr> <th data-bbox="621 693 980 751">Type of claim</th> <th data-bbox="980 693 1367 751">Likelihood</th> </tr> </thead> <tbody> <tr> <td data-bbox="621 751 980 791">Insolvent trading</td> <td data-bbox="980 751 1367 791">Low</td> </tr> <tr> <td data-bbox="621 791 980 831">Unfair preferences</td> <td data-bbox="980 791 1367 831">Possible</td> </tr> <tr> <td data-bbox="621 831 980 871">Uncommercial transactions</td> <td data-bbox="980 831 1367 871">Low</td> </tr> <tr> <td data-bbox="621 871 980 911">Payments to related parties</td> <td data-bbox="980 871 1367 911">Possible</td> </tr> <tr> <td data-bbox="621 911 980 945">Breach of duties</td> <td data-bbox="980 911 1367 945">Possible</td> </tr> </tbody> </table> <p data-bbox="613 966 764 993"><b>Waurm Ponds</b></p> <table border="1" data-bbox="613 1010 1375 1272"> <thead> <tr> <th data-bbox="621 1020 980 1079">Type of claim</th> <th data-bbox="980 1020 1367 1079">Likelihood</th> </tr> </thead> <tbody> <tr> <td data-bbox="621 1079 980 1119">Insolvent trading</td> <td data-bbox="980 1079 1367 1119">Low</td> </tr> <tr> <td data-bbox="621 1119 980 1159">Unfair preferences</td> <td data-bbox="980 1119 1367 1159">Possible</td> </tr> <tr> <td data-bbox="621 1159 980 1199">Uncommercial transactions</td> <td data-bbox="980 1159 1367 1199">Low</td> </tr> <tr> <td data-bbox="621 1199 980 1239">Payments to related parties</td> <td data-bbox="980 1199 1367 1239">Possible</td> </tr> <tr> <td data-bbox="621 1239 980 1272">Breach of duties</td> <td data-bbox="980 1239 1367 1272">Possible</td> </tr> </tbody> </table> <p data-bbox="613 1293 1375 1383">Our preliminary view is that there are potential claims available for a liquidator to pursue however further investigations are required to be undertaken to establish these claims.</p> <p data-bbox="613 1404 1040 1432">For further details, please see <b>Section 8</b>.</p> | Type of claim | Likelihood | Insolvent trading | Low | Unfair preferences | Possible | Uncommercial transactions | Low | Payments to related parties | Possible | Breach of duties | Possible | Type of claim | Likelihood | Insolvent trading | Low | Unfair preferences | Possible | Uncommercial transactions | Low | Payments to related parties | Possible | Breach of duties | Possible | Type of claim | Likelihood | Insolvent trading | Low | Unfair preferences | Possible | Uncommercial transactions | Low | Payments to related parties | Possible | Breach of duties | Possible |
| Type of claim   | Likelihood  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Insolvent trading   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Unfair preferences  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Uncommercial transactions   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Payments to related parties   | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Breach of duties  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Type of claim   | Likelihood  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Insolvent trading   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Unfair preferences  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Uncommercial transactions   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Payments to related parties   | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Breach of duties  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Type of claim   | Likelihood  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Insolvent trading   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Unfair preferences  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Uncommercial transactions   | Low   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Payments to related parties   | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| Breach of duties  | Possible  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| <p data-bbox="259 1472 516 1530"><b>What is the cost of the Administration?</b></p>                                 | <p data-bbox="613 1472 1375 1530">Refer to <b>Section 5</b> of the Report for information relating to the approval of Administrators' fees.</p>   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| <p data-bbox="259 1570 589 1629"><b>What is the estimated return to creditors?</b></p>                              | <p data-bbox="613 1570 1375 1629">Refer to <b>Section 9</b> of the Report for further details relating to the estimated return to creditors.</p>  |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |
| <p data-bbox="259 1669 548 1787"><b>What is the recommendation to creditors on the future of the Companies?</b></p> | <p data-bbox="613 1669 1375 1728">We are required pursuant to s 438A of the Act to provide an opinion on each of the following:</p> <ul data-bbox="613 1749 1187 1871" style="list-style-type: none"> <li data-bbox="613 1749 1118 1776">– Whether the Administration should end</li> <li data-bbox="613 1797 1146 1824">– Whether a DOCA proposal be accepted, or</li> <li data-bbox="613 1845 1187 1871">– Whether the Companies should be wound up.</li> </ul>   |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |               |            |                   |     |                    |          |                           |     |                             |          |                  |          |

| QUESTION  | EXPLANATION   |
|---|---|
|   | <p>The Administration cannot end as the Companies are insolvent.</p> <p>No DOCA proposal has been submitted for creditors to consider at this stage, but the Director has informed us that he intends to submit a DOCA proposal for Holistic.</p> <p>In the absence of an adjournment, our recommendation is that the Companies should be wound up. This is because they are insolvent and there is no DOCA proposed at present.</p> <p>Creditors should note that the Chairperson of the Second Meeting have the option to adjourn the meeting for a period of up to 45 business days and it is our intention to do so to allow more time for the sales to be completed and a DOCA proposal for Holistic to be considered.</p> |
| <p><b>Where can I get more information?</b></p> | <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 Holistic, Gosford, and St. Leonards on 11 February 2025 by the sole Director in accordance with Section 436A of the Act.

We were further appointed as Administrators to Longwarry and Waurrn Ponds on 11 March 2025 by the sole Director 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 companies' 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 Administrators are still involved in matters relating to the sale of the Companies' business and assets with the intention of providing a greater return to creditors than would have been achieved by the Companies immediate liquidation.

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 Companies insolvency procedures. These insolvency information sheets can be downloaded from <https://asic.gov.au> under the regulatory resources tab.

### 3.3 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 Holistic, Gosford, and St. Leonards was held on 21 February 2025, at which our appointment as Administrators was confirmed for the Companies. A COI was not formed at the First Meeting.

The minutes of the First Meeting were lodged to ASIC 7 March 2025.

The First Meeting for Longwarry and Waurrn Ponds was held on 21 February 2025, at which our appointment as Administrators was confirmed for the Companies. A COI was not formed at the First Meeting.

The minutes of the First Meeting were lodged to ASIC 20 March 2025.

### 3.4 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.

The Administrators also required more time to market the Group's businesses and assets for sale and negotiate multiple sales. On 10 March 2025, the Court ordered the period to convene the Second Meeting be extended by 3 months.

Pursuant to s 439A of the Act, the Second Meeting has now been convened for **10:00 AM AEST on Tuesday, 17 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, in the absence of a DOCA proposal, creditors will decide the Companies' future by voting on one of the following options:

- that the Administration end (with control of the Companies 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 10** 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 Monday, 16 June 2025**. Forms can be scanned and emailed to [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.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 4:00 PM AEST on Monday, 16 June 2025. |

| FORM                     | COMMENTS  | ACTION REQUIRED |
|--------------------------|---|-----------------|
| 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> |                 |

### 3.5 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 the entity under administration, and
- The administrators' opinion and recommendation on each of the options available to creditors for the entity.

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 into 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 and the PPSR
- The Companies' book and records
- Discussions with the Director, his advisors, and
- Other public databases and searches.

### 3.6 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 for Holistic, Gosford and St. Leonards. 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.

On 3 March 2025 we issued an updated DIRRI to all known creditors of the Companies following our appointment as Administrators over Longwarry and Waurrn Ponds which was lodged 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 Companies insolvency procedures. These information sheets can be downloaded from <https://asic.gov.au> under the regulatory resources tab.

# 05

## EXTERNAL ADMINISTRATORS' REMUNERATION

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

### Holistic

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 02/06/2025                         | 95,576                   |
| Administration future fees  | 02/06/2025 – 17/06/2025                         | 30,000                   |
| Liquidation (if applicable) | 17/06/2025 to the conclusion of the liquidation | 50,000                   |

### Gosford

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 02/06/2025                         | 109,000                  |
| Administration future fees  | 02/06/2025 – 17/06/2025                         | 30,000                   |
| Liquidation (if applicable) | 17/06/2025 to the conclusion of the liquidation | 50,000                   |

### St Leonards

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 02/06/2025                         | 98,271                   |
| Administration future fees  | 02/06/2025 – 17/06/2025                         | 30,000                   |
| Liquidation (if applicable) | 17/06/2025 to the conclusion of the liquidation | 50,000                   |

### Longwarry

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 02/06/2025                         | 104,481                  |
| Administration future fees  | 02/06/2025 – 17/06/2025                         | 30,000                   |
| Liquidation (if applicable) | 17/06/2025 to the conclusion of the liquidation | 50,000                   |

### Wairn Ponds

| APPOINTMENT TYPE            | PERIOD  | (EXCL. GST)<br>AMOUNT \$ |
|-----------------------------|---|--------------------------|
| Administrators' fees        | 11/02/2025 – 02/06/2025                         | 120,226                  |
| Administration future fees  | 02/06/2025 – 17/06/2025                         | 30,000                   |
| Liquidation (if applicable) | 17/06/2025 to the conclusion of the liquidation | 50,000                   |

Our previous estimate included in our Initial Remuneration Notice dated 13 February 2025 and 3 March 2025, did not allow for the extension of the administration period, the extra weeks of trading the business and extra time taken to negotiate a sale. Therefore, our costs are broadly in line with the Initial Notice.

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 Report 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 [finnish@wlpr.com.au](mailto:finnish@wlpr.com.au) before **4:00 PM on Monday, 16 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)).

## TRADING OF THE COMPANIES' BUSINESS

### 6.1 TRADING RATIONALE

Generally, a trading business is more valuable for prospective realisations than a business that is immediately closed and its assets sold under a forced-liquidation scenario. It is our view that this is especially relevant in the Companies' scenario as they operated early-learning education centres, providing daily care services to families in the NSW, and VIC area.

If the Companies had ceased to trade following our appointment, the value of their businesses would have been materially impaired. Had the Companies closed, it is likely that all enrollments of children would have been cancelled immediately.

It is important to note that whilst continuing to trade the Companies did not initially guarantee a better outcome for creditors, it increased the chances of the Companies continuing in existence, potentially allowing for an enhanced return to creditors. It also preserved the Companies allowing time for any restructuring proposal to be submitted.

Immediately following our appointment, we took control of the Companies' business and operations and undertook an urgent review of the Companies' financial position. We made the decision to continue to trade the Companies' business in its usual capacity and took steps to secure additional working capital to fund the business.

Initially, WLP Restructuring loaned funds of \$60,000 to the Group to support the payment of wages and salaries, which enabled the childcare centres to continue to trade.

A third-party loan totalling \$1.5m was also secured by the Administrators which was required as the Group had operated at a loss for some time leading up to the date of Administration.

We made redundancies at Head Office to reduce costs and losses to ensure that the Group's centres could continue for the period of the sale campaign.

In addition to the cost-reduction measures implemented at the Head Office level and the securing of external funding, we successfully negotiated a rent-free period with some of the landlords, which remained in effect throughout the duration of the business sale campaign. This arrangement assisted in reducing costs, which supported the operations during the sale process.

# 07

## FINANCIAL POSITION

### 7.1 FINANCIAL POSITION OF THE COMPANIES

Creditors should read the following information together with the historical financial information set out at **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 Companies' 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 Companies' liabilities.

### 7.2 FINANCIAL POSITION – Holistic

The financial position for Holistic 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>\$</b>        | <b>\$</b>                      |
| <b>Assets</b>                       |              |                  |                                |
| Cash at Bank                        | 7.2.1        | -                | 1,532                          |
| Debtors                             | 7.2.2        | 87,919           | 20,327                         |
| Intercompany Loans                  | 7.2.3        | 1,902,035        | TBC                            |
| Head Office Admin Receipts          | 7.2.4        |                  | TBD                            |
| Proposed Sale of Business           | 7.2.5        |                  | TBD                            |
| <b>Total Assets</b>                 |              | <b>1,989,954</b> | <b>TBD</b>                     |
|                                     |              |                  |                                |
| <b>Liabilities</b>                  |              |                  |                                |
| Secured Creditors                   | 7.2.6        | 168,814          | -                              |
| Priority Employee Creditors         | 7.2.7        | 207,067          | 84,630                         |
| Unsecured Creditors                 | 7.2.8        | 1,630,908        | 2,079,108                      |
| <b>Total Liabilities</b>            |              | <b>2,006,789</b> | <b>2,163,738</b>               |
| <b>Estimate Surplus / (Deficit)</b> |              | <b>(16,835)</b>  | <b>TBD</b>                     |

### 7.2.1 CASH AT BANK

We notified the major banks operating in Australia of our appointment and requested that a freeze be placed on any accounts held under the Companies' name.

We have been made aware of the following 18 bank accounts with Westpac:

| <b>BANK</b>  | <b>ACCOUNT TYPE</b> | <b>BSB / ACCOUNT NUMBER</b> | <b>BALANCE</b><br>\$ |
|--------------|---------------------|-----------------------------|----------------------|
| Westpac      | Business            | XXX-173 XXX089              | -                    |
| Westpac      | Business            | XXX-395 XXX142              | 1,496                |
| Westpac      | Business            | XXX-395 XXX545              | -                    |
| Westpac      | Business            | XXX395 XXX898               | -                    |
| Westpac      | Business            | XXX395 XXX900               | -                    |
| Westpac      | Business            | XXX395 XXX324               | 36                   |
| Westpac      | Business            | XXX395 XXX941               | -                    |
| Westpac      | Business            | XXX395 XXX968               | -                    |
| Westpac      | Business            | XXX395 XXX976               | -                    |
| Westpac      | Business            | XXX395 XXX984               | -                    |
| Westpac      | Business            | XXX395 XXX124               | -                    |
| Westpac      | Business            | XXX395 XXX640               | -                    |
| Westpac      | Business            | XXX395 XXX824               | -                    |
| Westpac      | Business            | XXX395 XXX832               | -                    |
| Westpac      | Business            | XXX395 XXX840               | -                    |
| Westpac      | Business            | XXX395 XXX157               | -                    |
| Westpac      | Business            | XXX395 XXX165               | -                    |
| Westpac      | Business            | XXX395 XXX173               | -                    |
| <b>TOTAL</b> |                     |                             | <b>1,532</b>         |

We are not aware of any other accounts held in the Companies' name.

The Company held a cash rental bond of \$33,000 as security for Holistic' s lease obligations. This bond was utilised by the landlord to cover outstanding rental arrears.

### 7.2.2 DEBTORS

The Director's ROCAP disclosed trade debtors of \$87,919 in his ROCAP. This balance is split between childcare subsidy income which is received weekly in arrears totalling \$25,340, and aged receivables from childcare gap fees.

The Administrators received childcare subsidy income totalling \$20,327. The remainder of the aged receivables balance relates to childcare fees (parent gap fees) which are paid on a weekly basis in advance so ordinarily, most childcare centres would not have material debtors outstanding at any time. Any residual unpaid fees that accrued were maintained on a separate accounting software.

The receivables ledger is made up of a significant amount of debtors owing a nominal fee in all cases. It is unlikely this balance is recoverable as it has been owing for some time.

### 7.2.3 INTERCOMPANY LOANS

The Director disclosed \$1,902,035 of related party debtors in his ROCAP relating to five Group Companies. Our review of the Management Accounts identified related party loan accounts totalling \$1,818,155.

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.

#### **7.2.4 HEAD OFFICE ADMINISTRATION RECEIPTS**

Holistic operated as the registered service provider in order to obtain CCS income for all centres operating within the Group. For that reason, the Company incurred an administrative burden which is reflected in a charge that has been paid from all other Group Companies where CCS income was received on its behalf by Holistic. This balance is yet to be finalized and will be completed upon the sale of the remainder of the centres within the Group.

#### **7.2.5 SALE OF BUSINESS**

As outlined in **Section 2**, the Administrators are currently engaged in selling Holistic's business, the Emerald Childcare Centre, to a prospective buyer. Negotiations regarding the sale are at an advanced stage. Upon completion, the expected sales proceeds are likely to enhance the Administrators' estimate of Holistic's realisable value. The Administrators intend to adjourn the Second Meeting of Creditors which will provide a more accurate picture of Holistic's financial position following the completion of the proposed business sale.

#### **7.2.6 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                 | 168,814         | -             |
| <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 they held a secured in the name of the Company for \$168,814.

With regard to the fact there was a sufficient amount of cashflow in the business, the Administrators repaid this loan amount in full.

On 31 March 2025, the Administrators received confirmation from Bizcap AU Pty Ltd the PPSR had been discharged.

#### **7.2.7 PRIORITY EMPLOYEE CREDITORS**

The Director's ROCAP indicated that unpaid superannuation made up the majority of the 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      | 84,630        |
| <b>TOTAL</b>        | <b>84,630</b> |

As we continued the employment of all permanent employees during the Administration, PILN and Redundancy Entitlements totalling \$19,698 and \$27,249, respectively did not crystallise.

Annual leave (including loading) totaling \$29,463 is a contingent claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims that have accrued prior to the appointment of the Administrators will not be transferred to the purchaser and remain as a priority claim in the Administration.

If the Company is placed into liquidation and employees are made redundant, employees who are owed employee entitlements may make a claim with the DEWR to be paid under FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation.

For further information as to whether you are eligible to apply or to make an application, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au). The FEG scheme imposes certain limits in respect of the entitlements which a claimant can seek payment of. One of those limits imposes a capped maximum weekly wage (before tax) of \$2,673. Any entitlements accrued at a weekly wage rate exceeding that amount will be capped by FEG. The entitlements pursuant to which a claimant may make a claim are:

- unpaid wages for a maximum period of 13 weeks
- annual and long service leave
- PILN up to a maximum period of five weeks, and
- redundancy capped at a maximum of four weeks per year of service, calculated as per the employee's terms and conditions of employment or their relevant governing instrument.

#### **7.2.8 UNSECURED CREDITORS**

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Companies but remain unpaid at the DOA
- Statutory creditors included the ATO, SRO and Gallagher Bassett Services (work cover) debts that accrued prior to Administration.

Our current estimate of these amounts is illustrated below:

| <b>CREDITOR NAME</b>                      | <b>ROCAP</b>     | <b>POD</b>       | <b>ADMINISTRATORS'</b> |
|---|------------------|------------------|------------------------|
|   | <b>\$</b>        | <b>\$</b>        | <b>ESTIMATE</b>        |
|   |                  |                  | <b>\$</b>              |
| Loans from Group Companies / Shareholders | 676,551          |                  | 676,551                |
| ATO                                       | 659,661          | 659,639          | 659,639                |
| Shift Financial Pty Ltd                   |                  | 212,335          | 212,335                |
| SRO                                       | 159,693          | 425,842          | 425,842                |
| DBRE Pty Ltd                              | 32,209           |                  | -                      |
| Gallagher Bassett                         | 69,676           |                  | 69,676                 |
| Other                                     | 33,118           | 35,065           | 35,065                 |
| <b>TOTAL</b>                              | <b>1,630,908</b> | <b>1,332,881</b> | <b>2,079,108</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**.

**Loans from Group Companies / Shareholders**

The Director's ROCAP has noted loans to eleven FEC Group Companies to the amount of \$676,551, while the Management Accounts note a payable balance of \$997,596. The Directors have yet to conduct an audit of these payable balances and will be finalised later in the event there is a distribution to unsecured creditors.

**ATO**

The Director's ROCAP records the ATO as a creditor for \$659,661. The ATO has filed a claim in the Administration for \$659,639.

**Shift Financial Pty Ltd**

Shift Financial Pty Ltd have submitted a claim in the Administration of Holistic for \$212,335. This amount was not included in the Director's ROCAP. This balance relates to business overdraft account.

**SRO**

The Director's ROCAP records the SRO as a creditor for \$159,693, The SRO has filed a claim in the Administration for \$425,842. Based on our appointments to other entities within the Group, we understand that a total debt of at least \$425,842 is owed to the SRO. It is noted that the SRO may seek to recover this amount from ILO Ballan under the grouping provisions of the Payroll Tax Act 2007 (VIC).

**DBRE Pty Ltd**

The Director's ROCAP records DBRE Pty Ltd, who acted as agent for the Landlord, as a creditor for \$32,209. As detailed at note **7.2.1** above, the landlord has deducted Holistic's security bond to account for the unpaid arrears incurred prior to the DOA. Accordingly, we do not anticipate the landlord having any further claims.

**Gallagher Bassett Services**

The Director's ROCAP records Gallagher Bassett Services as a creditor to the amount of \$69,676 which matches the POD received by the Administrators.

**Other**

The ROCAP records other creditor amounts made up of 20 other creditors with claims totalling \$33,118. Five of these creditors have filed claims in the Administration totalling \$35,065.

## FINANCIAL POSITION – GOSFORD

The financial position for Gosford 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>\$</b>        | <b>\$</b>                      |
| <b>Assets</b>                       |              |                  |                                |
| Cash at Bank                        | 7.2.1        | 80,917           | 79,192                         |
| Debtors                             | 7.2.2        | 41,373           | 31,353                         |
| Intercompany Loans                  | 7.2.3        | 816,624          | TBC                            |
| Sale of Business                    | 7.2.4        |                  | TBD                            |
| <b>Total Assets</b>                 |              | <b>938,914</b>   | <b>TBD</b>                     |
| <b>Liabilities</b>                  |              |                  |                                |
| Priority Employee Creditors         | 7.2.5        | 364,154          | 189,126                        |
| Unsecured Creditors                 | 7.2.6        | 2,128,496        | 2,128,496                      |
| <b>Total Liabilities</b>            |              | <b>2,392,650</b> | <b>2,317,622</b>               |
| <b>Estimate Surplus / (Deficit)</b> |              | <b>1,553,736</b> | <b>TBD</b>                     |

### 7.2.1 CASH AT BANK

We notified the major banks operating in Australia of our appointment and requested that a freeze be placed on any accounts held under the Companies’ name.

We have been made aware of the following five bank accounts with Westpac:

| <b>BANK</b>  | <b>ACCOUNT TYPE</b> | <b>BSB / ACCOUNT NUMBER</b> | <b>BALANCE</b> |
|--------------|---------------------|-----------------------------|----------------|
|              |                     |                             | <b>\$</b>      |
| Westpac      | Business            | xxx395 xxx995               | 500            |
| Westpac      | Business            | xxx395 xxx147               | 2,598          |
| Westpac      | Business            | xxx395 xxx155               | -              |
| Westpac      | Business Deposit    | xxx395 xxx140               | 78,631         |
| <b>TOTAL</b> |                     |                             | <b>81,729</b>  |

We are not aware of any other accounts held in Gosford’s name.

The Company held a cash rental bond of \$78,631 as security for Gosford’s lease obligations. As there were no rental arrears recorded on appointment, the Administrators can expect to receive the full amount of the bond should the lease be disclaimed. After accounting for outstanding bank fees, the Administrators received \$561 from pre-appointment account balances.

### 7.2.2 DEBTORS

The Director’s ROCAP disclosed trade debtors of \$41,373 in his ROCAP. This balance is split between childcare subsidy income which is received weekly in arrears totalling \$37,968, and aged receivables from childcare gap fees.

The Administrators received childcare subsidy income totalling \$31,353. The remainder of the aged receivables balance relates to childcare fees (parent gap fees) which are paid on a weekly basis in advance so ordinarily, most childcare centres would not have material debtors outstanding at any time. Any residual unpaid fees that accrued were maintained on a separate accounting software.

The receivables ledger is made up of a significant amount of debtors owing a nominal fee in all cases. It is unlikely this balance is recoverable as it has been owing for some time.

### 7.2.3 INTERCOMPANY LOANS

The Director disclosed \$816,624 of related party debtors in his ROCAP relating to five Group Companies. Our review of the Management Accounts identified related party loan accounts for the same amount.

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. The Directors have yet to conduct an audit of these payable balances and will be finalized at a later date if required.

### 7.2.4 SALE OF BUSINESS

As outlined in **Section 2**, the Administrators are currently engaged in selling Gosford's business to a prospective buyer. Negotiations regarding the finalisation of this sale are at an advanced stage. Upon completion, the expected sales proceeds are likely to enhance the Administrators' estimate of Gosford's realisable value. The Administrators intend to adjourn the Second Meeting of Creditors and will provide a more accurate picture of Gosford's financial position following the completion of the proposed business sale.

### 7.2.5 PRIORITY EMPLOYEE CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up the majority of the 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>  |
|---------------------|----------------|
| Superannuation      | 189,126        |
| <b>TOTAL</b>        | <b>189,126</b> |

As we continued the employment of all permanent employees during the Administration, PILN and Redundancy Entitlements totalling \$51,756 and \$120,008, respectively did not crystallise.

Annual leave (including loading) totaling \$60,415 is a contingent claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims that have accrued prior to the appointment of the Administrators will not be transferred to the purchaser and remain as a priority claim in the Administration.

If the Company is placed into liquidation and employees are made redundant, employees who are owed employee entitlements may make a claim with the DEWR to be paid under FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation.

For further information as to whether you are eligible to apply or to make an application, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au). The FEG scheme imposes certain limits in respect of the entitlements which a claimant can seek payment of. One of those limits imposes a capped maximum weekly wage (before tax)

of \$2,673. Any entitlements accrued at a weekly wage rate exceeding that amount will be capped by FEG. The entitlements pursuant to which a claimant may make a claim are:

- unpaid wages for a maximum period of 13 weeks
- annual and long service leave
- PILN up to a maximum period of five weeks, and
- redundancy capped at a maximum of four weeks per year of service, calculated as per the employee's terms and conditions of employment or their relevant governing instrument.

#### 7.2.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Companies but remain unpaid at the DOA
- Statutory creditors included the ATO, SRO and Gallagher Bassett Services (work cover) debts that accrued prior to Administration.

Our current estimate of these amounts is illustrated below:

| CREDITOR NAME                             | ROCAP<br>\$      | POD<br>\$      | ADMINISTRATORS'<br>ESTIMATE<br>\$ |
|---|------------------|----------------|-----------------------------------|
| Loans from Group Companies / Shareholders | 1,491,011        |                | 1,491,011                         |
| ATO                                       | 484,835          | 484,835        | 484,385                           |
| iCare                                     | 69,963           |                | 69,963                            |
| Other                                     | 82,687           | 20,086         | 82,687                            |
| <b>TOTAL</b>                              | <b>2,128,496</b> | <b>504,471</b> | <b>2,128,496</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**.

#### Loans from Group Companies / Shareholders

The Director's ROCAP has noted loans to four FEC Group Companies to the amount of \$1,491,011, while the Management Accounts note payable balance of \$1,481,411. The Directors have yet to conduct an audit of these payable balances and will be finalised later.

#### ATO

The Director's ROCAP records the ATO as a creditor for \$484,835. The ATO submitted a claim in the Administration for the same amount. This amount may change when any outstanding returns are lodged.

#### iCare

The Director's ROCAP records iCare as a creditor for \$69,963. iCare have yet to file a claim in the Administration to date.

#### Other

The ROCAP records other creditor amounts made up of 22 other creditors with claims totalling \$82,687. Four of these creditors have filed claims in the Administration relating to the balances included in the above.

## FINANCIAL POSITION – ST LEONARDS

The financial position for St. Leonards 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>\$</b>          | <b>\$</b>                      |
| <b>Assets</b>                       |              |                    |                                |
| Cash at Bank                        | 7.2.1        | -                  | -                              |
| Debtors                             | 7.2.2        | 198                | 17,939                         |
| Intercompany Loans                  | 7.2.3        | 1,517,861          | -                              |
| Sale of Business                    | 7.2.4        |                    | <b>TBD</b>                     |
| <b>Total Assets</b>                 |              | <b>1,518,059</b>   | <b>TBD</b>                     |
| <b>Liabilities</b>                  |              |                    |                                |
| Priority Employee Creditors         | 7.2.5        | 212,997            | 101,245                        |
| Unsecured Creditors                 | 7.2.6        | 3,478,641          | 3,497,625                      |
| <b>Total Liabilities</b>            |              | <b>3,691,368</b>   | <b>3,598,870</b>               |
| <b>Estimate Surplus / (Deficit)</b> |              | <b>(2,173,309)</b> | <b>TBD</b>                     |

### 7.2.1 CASH AT BANK

We notified the major banks operating in Australia of our appointment and requested that a freeze be placed on any accounts held under St Leonards name.

We have been made aware of the following four bank accounts with Westpac and BOM:

| <b>BANK</b>  | <b>ACCOUNT TYPE</b> | <b>BSB / ACCOUNT NUMBER</b> | <b>BALANCE</b> |
|--------------|---------------------|-----------------------------|----------------|
|              |                     |                             | <b>\$</b>      |
| Westpac      | Business            | XXX395 XXX651               | -              |
| Westpac      | Business            | XXX395 XXX283               | -              |
| Westpac      | Business            | XXX395 XXX566               | 5              |
| BOM          | Business            | XXXXXX2520                  | 142,450        |
| <b>TOTAL</b> |                     |                             | <b>142,455</b> |

We are not aware of any other accounts held in St Leonards name.

The Company held a cash rental bond of \$142,450 as security for St Leonards lease obligations. This bond was utilised in full by the landlord to cover outstanding rental arrears.

### 7.2.2 DEBTORS

The Director’s ROCAP disclosed trade debtors of \$198 in his ROCAP. This balance was made up of aged receivables balance relating to childcare fees (parent gap fees) which are paid on a weekly basis in advance so ordinarily, most childcare centres would not have material debtors outstanding at any time. Any residual unpaid fees that accrued were maintained on a separate accounting software. The receivables ledger is made up of a significant amount of debtors owing a nominal fee in all cases. It is unlikely this balance is recoverable as it has been owing for some time.

The Administrators received childcare subsidy income totalling \$17,939 shortly after appointment as noted above.

### 7.2.3 INTERCOMPANY LOANS

The Director disclosed \$1,517,861 of related party debtors in his ROCAP relating to seven Group companies/shareholders. Our review of the Management Accounts identified related party loan accounts totalling \$1,237,601. The Directors have yet to conduct an audit of these payable balances and will be finalised later.

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.

### 7.2.4 SALE OF BUSINESS

As outlined in **Section 2**, the Administrators are currently engaged in selling the St. Leonards business to a prospective buyer. Negotiations regarding the finalisation of this sale are at an advanced stage. Upon completion, the expected sales proceeds are likely to enhance the Administrators' estimate of St. Leonards realisable value. The Administrators intend to adjourn the Second Meeting of Creditors and will provide a more accurate picture of St. Leonards financial position following the completion of the proposed business sale.

### 7.2.5 PRIORITY EMPLOYEE CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up the majority of the unpaid employee priority claims totalling \$167,489 with the remainder attributable to annual leave and long service leave.

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>  |
|---------------------|----------------|
| Superannuation      | 101,245        |
| <b>TOTAL</b>        | <b>101,245</b> |

As we continued the employment of all permanent employees during the Administration, PILN and Redundancy Entitlements totalling \$30,607 and \$36,212, respectively did not crystallise.

Annual leave (including loading) totaling \$28,357 is a priority claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims that have accrued prior to the appointment of the Administrators will not be transferred to the purchaser and remain as a priority claim in the Administration.

If the Company is placed into liquidation and employees are made redundant, employees who are owed employee entitlements may make a claim with the DEWR to be paid under FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation.

For further information as to whether you are eligible to apply or to make an application, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au). The FEG scheme imposes certain limits in respect of the entitlements which a claimant can seek payment of. One of those limits imposes a capped maximum weekly wage (before tax) of \$2,673. Any entitlements accrued at a weekly wage rate exceeding that amount will be capped by FEG. The entitlements pursuant to which a claimant may make a claim are:

- unpaid wages for a maximum period of 13 weeks
- annual and long service leave
- PILN up to a maximum period of five weeks, and
- redundancy capped at a maximum of four weeks per year of service, calculated as per the employee's terms and conditions of employment or their relevant governing instrument.

#### 7.2.6 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Companies but remain unpaid at the DOA
- Statutory creditors included the NSW Health, ATO and SRO, as well as other unsecured debts that accrued prior to Administration.

Our current estimate of these amounts is illustrated below:

| CREDITOR NAME                             | ROCAP<br>\$      | POD<br>\$      | ADMINISTRATORS'<br>ESTIMATE<br>\$ |
|---|------------------|----------------|-----------------------------------|
| Loans from Group Companies / Shareholders | 1,861,344        |                | 1,861,344                         |
| NSW Health Rent                           | 941,860          |                | 941,860                           |
| ATO                                       | 339,032          | 358,016        | 358,016                           |
| SOFC Pty Ltd                              | 100,115          |                | 100,115                           |
| SRO                                       | 63,800           |                | 63,800                            |
| Other                                     | 172,490          | 110,126        | 172,490                           |
| <b>TOTAL</b>                              | <b>3,478,641</b> | <b>468,142</b> | <b>3,497,625</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**.

#### Loans from Group Companies / Shareholders

The Director's ROCAP has noted loans to two FEC Group Companies to the amount of \$1,861,344, while the Management Accounts note payable balance of \$1,861,052. The Directors have yet to conduct an audit of these payable balances and will be finalised later if required.

#### NSW Health Rent

The Director's ROCAP has recorded NSW Health as a creditor, who acted as agent for the Landlord, for \$941,860. NSW Health have yet to file a claim in the Administration.

#### ATO

The Director's ROCAP records the ATO as a creditor for \$339,033. The ATO has submitted a claim for \$358,016. This amount may change when any outstanding returns are lodged.

#### SOFC Pty Ltd

The Director's ROCAP records the SOFC Pty Ltd as a creditor for \$100,115. SOFC Pty Ltd has not yet submitted a claim in the Administration.

#### SRO

The Director's ROCAP records the SRO as a creditor for \$63,800, however the SRO has yet to file a claim in the Administration. Based on our appointments to other entities within the Group, we understand that a total debt

of at least \$63,800 is owed to the SRO. It is noted that the SRO may seek to recover this amount from ILO Ballan under the grouping provisions of the Payroll Tax Act 2007 (VIC).

**Other**

The ROCAP records other creditor amounts made up of 20 other creditors with claims totalling \$172,490. Six of these creditors have filed claims in the Administration totalling \$110,126 which reconciles to the amounts stated in the ROCAP.

## FINANCIAL POSITION - LONGWARRY

The financial position for Longwarry 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>\$</b>        | <b>\$</b>                      |
| <b>Assets</b>                       |              |                  |                                |
| Cash at Bank                        | 7.2.1        | 133,400          | 36,024                         |
| Debtors                             | 7.2.2        | 38,048           | 30,850                         |
| Plant and Equipment                 | 7.2.3        | 10,000           | -                              |
| Intercompany Loans                  | 7.2.4        | 1,493,931        |                                |
| Sale of Business                    | 7.2.5        |                  | <b>TBD</b>                     |
| <b>Total Assets</b>                 |              | <b>1,675,379</b> | <b>TBD</b>                     |
| <b>Liabilities</b>                  |              |                  |                                |
| Priority Employee Creditors         | 7.2.6        | 345,920          | 199,375                        |
| Unsecured Creditors                 | 7.2.7        | 867,341          | 876,079                        |
| <b>Total Liabilities</b>            |              | <b>1,559,181</b> | <b>1,075,454</b>               |
| <b>Estimate Surplus / (Deficit)</b> |              | <b>116,198</b>   | <b>TBD</b>                     |

### 7.2.1 CASH AT BANK

We notified the major banks operating in Australia of our appointment and requested that a freeze be placed on any accounts held under Longwarry's name.

We have been made aware of the following five bank accounts with Westpac:

| <b>BANK</b>  | <b>ACCOUNT TYPE</b> | <b>BSB / ACCOUNT NUMBER</b> | <b>BALANCE</b> |
|--------------|---------------------|-----------------------------|----------------|
|              |                     |                             | <b>\$</b>      |
| Westpac      | Business            | xxx395 xxx422               | 5,151          |
| Westpac      | Business            | xxx395 xxx430               | 1,027          |
| Westpac      | Business            | xxx395 xxx449               | 241            |
| Westpac      | Business            | xxx395 xxx649               | 26,797         |
| Westpac      | Business            | xxx395 xxx049               | 26,797         |
| Westpac      | Business            | xxx395 xxx501               | 26,929         |
| Westpac      | Business            | xxx395 xxx422               | 5,151          |
| <b>TOTAL</b> |                     |                             | <b>92,093</b>  |

We are not aware of any other accounts held in Longwarry's name.

The Company held a cash rental bond of \$85,915 as security for the Companies' lease obligations. This bond will be utilised by the landlord to cover outstanding rental arrears. An estimated amount of \$29,821 of the net bond should be received from the bond.

After accounting for bank fees, the Administrators received \$6,203 relating to cash held in the Longwarry accounts.

### 7.2.2 DEBTORS

The Director's ROCAP disclosed trade debtors of \$38,048. This balance is split between childcare subsidy income which is received weekly in arrears and aged receivables from childcare gap fees.

The Administrators received childcare subsidy income totalling \$30,850 shortly after the appointment date. The remainder of the aged receivables balance relates to childcare fees (parent gap fees) which are paid on a weekly basis in advance so ordinarily, most childcare centres would not have material debtors outstanding at any time. Any residual unpaid fees that accrued were maintained on a separate accounting software.

The receivables ledger is made up of a significant amount of debtors owing a nominal fee in all cases. It is unlikely this balance is recoverable as it has been owing for some time.

### 7.2.3 PLANT AND EQUIPMENT

The Director's ROCAP disclosed plant and equipment with an estimated value of \$10,000.

Independent valuations have not been obtained as any assets held in the name of Longwarry have been marketed for sale as part of the business and have a low secondhand value due to the nature of the assets. Upon the business being sold, Longwarry will no longer have a claim to these assets.

### 7.2.4 INTERCOMPANY LOANS

The Director disclosed \$1,493,931 of related party debtors in his ROCAP relating to five Group companies/shareholders. Our review of the Management Accounts identified related party loan accounts totalling \$1,627,704. The Directors have yet to conduct an audit of these payable balances and will be finalised at a later date if required.

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.

### 7.2.5 SALE OF BUSINESS

As outlined in **Section 2**, the Administrators are currently engaged in selling the Companies' business to a prospective buyer. Negotiations regarding the finalisation of this sale are at an advanced stage. Upon completion, the expected sales proceeds are likely to enhance the Administrators' estimate of Longwarry's realisable value. The Administrators intend to adjourn the Second Meeting of Creditors and will provide a more accurate picture of Longwarry's financial position following the completion of the proposed business sale.

### 7.2.6 PRIORITY EMPLOYEE CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up the majority of the unpaid employee priority claims with the remainder attributable to annual leave and long service leave.

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      | 199,375        |
| <b>TOTAL</b>        | <b>199,375</b> |

As we continued the employment of all permanent employees during the Administration, PILN and Redundancy Entitlements totalling \$51,106 and \$108,782, respectively did not crystallise.

Annual leave (including loading) totaling \$62,472 is a priority claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims that have accrued prior to the appointment of the Administrators will not be transferred to the purchaser and remain as a priority claim in the Administration.

If the Company is placed into liquidation and employees are made redundant, employees who are owed employee entitlements may make a claim with the DEWR to be paid under FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation.

For further information as to whether you are eligible to apply or to make an application, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au). The FEG scheme imposes certain limits in respect of the entitlements which a claimant can seek payment of. One of those limits imposes a capped maximum weekly wage (before tax) of \$2,673. Any entitlements accrued at a weekly wage rate exceeding that amount will be capped by FEG. The entitlements pursuant to which a claimant may make a claim are:

- unpaid wages for a maximum period of 13 weeks
- annual and long service leave
- PILN up to a maximum period of five weeks, and
- redundancy capped at a maximum of four weeks per year of service, calculated as per the employee's terms and conditions of employment or their relevant governing instrument.

#### 7.2.7 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Companies but remain unpaid at the DOA
- Statutory creditors included the ATO, SRO and Gallagher Bassett Services (work cover) debts that accrued prior to Administration.

Our current estimate of these amounts is illustrated below:

| CREDITOR NAME                             | ROCAP<br>\$    | POD<br>\$      | ADMINISTRATORS'<br>ESTIMATE<br>\$ |
|---|----------------|----------------|-----------------------------------|
| Loans from Group Companies / Shareholders | 3,345          |                | 3,345                             |
| ATO                                       | 587,569        | 596,307        | 596,307                           |
| SRO                                       | 101,418        |                | 101,418                           |
| Gallagher Bassett                         | 121,664        |                | 121,664                           |
| Baoying Australia Pty Ltd                 |                | 66,231         |                                   |
| Other                                     | 53,345         | 32,321         | 53,345                            |
| <b>TOTAL</b>                              | <b>867,341</b> | <b>694,859</b> | <b>876,079</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**.

**Loans from Group Companies / Shareholders**

The Director's ROCAP has noted loans to two FEC Group and related parties to the amount of \$3,345, while the Management Accounts do not include a payable balance. The Directors have yet to conduct an audit of these payable balances and will be finalised later in the event a dividend to unsecured creditors is declared.

**ATO**

The Director's ROCAP records the ATO as a creditor for \$587,569. The ATO has filed a claim in the Administration for \$596,307. This amount may change when any outstanding returns are lodged.

**SRO**

The Director's ROCAP records the SRO as a creditor for \$101,418, however the SRO have yet to file a claim in the Administration. Based on our appointments to other entities within the Group, we understand that a total debt of at least \$101,418 is owed to the SRO. It is noted that the SRO may seek to recover this amount from Longwarry under the grouping provisions of the Payroll Tax Act 2007 (VIC).

**Gallagher Bassett**

The Director's ROCAP records Gallagher Bassett as a creditor totalling \$121,664. Gallagher Bassett have yet to file a claim in the Administration.

**Baoying Australia Pty Ltd**

The Director's ROCAP has not recorded Baoying Australia Pty Ltd, who acted as agent for the Landlord, as a creditor. Baoying have a claim in the Administration for \$66,231. This is expected to be settled from the bond.

**Other**

The ROCAP records other creditor amounts made up of 18 other creditors with claims totalling \$53,345. Four of these creditors have filed claims in the Administration totalling \$32,321 relating to the balances above.

## FINANCIAL POSITION – FEC WAURN PONDS

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

| ASSETS AND LIABILITIES              | NOTES | ROCAP<br>\$      | ADMINISTRATORS<br>ESTIMATE<br>\$ |
|-------------------------------------|-------|------------------|----------------------------------|
| <b>Assets</b>                       |       |                  |                                  |
| Cash at Bank                        | 7.2.1 | 143,551          | 91,607                           |
| Debtors                             | 7.2.2 | 51,986           | 33,335                           |
| Intercompany Loans                  | 7.2.3 | 1,475,011        | TBC                              |
| Sale of Business                    |       |                  | TBD                              |
| <b>Total Assets</b>                 |       | <b>1,670,548</b> | <b>TBD</b>                       |
| <b>Liabilities</b>                  |       |                  |                                  |
| Priority Employee Creditors         | 7.2.4 | 373,314          | 132,198                          |
| Unsecured Creditors                 | 7.2.5 | 527,231          | 543,128                          |
| <b>Total Liabilities</b>            |       | <b>900,945</b>   | <b>675,326</b>                   |
| <b>Estimate Surplus / (Deficit)</b> |       | <b>770,003</b>   | <b>TBD</b>                       |

### 7.2.1 CASH AT BANK

We notified the major banks operating in Australia of our appointment and requested that a freeze be placed on any accounts held under the Companies’ name.

We have been made aware of the following five bank accounts with Westpac:

| BANK         | ACCOUNT TYPE     | BSB / ACCOUNT NUMBER | BALANCE<br>\$  |
|--------------|------------------|----------------------|----------------|
| Westpac      | Business         | XXX395 XXX007        | 10,022         |
| Westpac      | Business         | XXX395 XXX173        | 1,868          |
| Westpac      | Business         | XXX395 XXX229        | 2,158          |
| BOM          | Business Deposit | XXXXXX0751           | 143,550        |
| BOM          | Business Deposit | XXXXXX9760           | (2,016)        |
| <b>TOTAL</b> |                  |                      | <b>159,614</b> |

We are not aware of any other accounts held in Waurm Pond’s name.

Waurm Ponds held a cash rental bond of \$143,550 as security for Waurm Pond’s lease obligations. Part of this bond will be utilised by the landlord to cover outstanding rental arrears. It is expected that the Administrators will receive \$77,319 relating to the net bond remaining.

The Administrators subsequently received 14,288 from the remainder of the balance after accounting for bank charges.

### 7.2.2 DEBTORS

The Director’s ROCAP disclosed trade debtors of \$51,986 in his ROCAP. This balance is split between childcare subsidy income which is received weekly in arrears totalling \$33,335, and aged receivables from childcare gap fees.

The Administrators received childcare subsidy income totalling \$33,335. The remainder of the aged receivables balance relates to childcare fees (parent gap fees) which are paid on a weekly basis in advance so ordinarily, most childcare centres would not have material debtors outstanding at any time. Any residual unpaid fees that accrued were maintained on a separate accounting software. The receivables ledger is made up of a significant amount of debtors owing a nominal fee in all cases. It is unlikely this balance is recoverable as it has been owing for some time.

### 7.2.3 INTERCOMPANY LOANS

The Director disclosed \$1,475,011 of related party debtors in his ROCAP relating to five Group Companies. Our review of the Management Accounts identified related party loan accounts totalling \$1,307,779.

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.

### 7.2.4 PRIORITY EMPLOYEE CREDITORS

The Director's ROCAP indicated that unpaid superannuation made up the majority of the unpaid employee priority claims totalling \$310,309, with the remainder attributable to annual leave and long service leave.

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      | 132,198        |
| <b>TOTAL</b>        | <b>132,198</b> |

As we continued the employment of all permanent employees during the Administration, PILN and Redundancy Entitlements totalling \$42,786 and \$71,644, respectively did not crystallise.

Annual leave (including loading) and personal leave totaling \$45,188 is a priority claim. It is expected that these entitlements will be assumed by the proposed purchaser of the business. Unpaid superannuation claims have not been transferred to the purchaser and remain as a priority claim in the administration. If the Company is placed into liquidation and employees are made redundant, employees who are owed employee entitlements may make a claim with the DEWR to be paid under FEG scheme (subject to certain eligibility criteria). FEG does not pay unpaid superannuation.

For further information as to whether you are eligible to apply or to make an application, please visit [fegonlineservices.dewr.gov.au](http://fegonlineservices.dewr.gov.au). The FEG scheme imposes certain limits in respect of the entitlements which a claimant can seek payment of. One of those limits imposes a capped maximum weekly wage (before tax) of \$2,673. Any entitlements accrued at a weekly wage rate exceeding that amount will be capped by FEG. The entitlements pursuant to which a claimant may make a claim are:

- unpaid wages for a maximum period of 13 weeks
- annual and long service leave
- PILN up to a maximum period of five weeks, and

- redundancy capped at a maximum of four weeks per year of service, calculated as per the employee's terms and conditions of employment or their relevant governing instrument.

## 7.2.5 UNSECURED CREDITORS

The unsecured creditors include claims for:

- Ordinary unsecured creditors for services that have been provided to the Companies but remain unpaid at the DOA
- Statutory creditors included the ATO, SRO and Gallagher Bassett Services (work cover) debts that accrued prior to Administration.

Our current estimate of these amounts is illustrated below:

| CREDITOR NAME                             | ROCAP<br>\$    | POD<br>\$      | ADMINISTRATORS'<br>ESTIMATE<br>\$ |
|---|----------------|----------------|-----------------------------------|
| Loans from Group Companies / Shareholders | 90,700         |                | 90,700                            |
| ATO                                       | 139,034        | 139,740        | 139,740                           |
| Gallagher Basset                          | 153,028        |                | 153,028                           |
| Baoying Australia Pty Ltd                 | 51,040         | 66,231         | 66,231                            |
| Other                                     | 93,429         | 32,321         | 93,429                            |
| <b>TOTAL</b>                              | <b>527,231</b> | <b>238,292</b> | <b>543,128</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**.

### Loans from Group Companies / Shareholders

The Director's ROCAP has noted loans to two FEC Group Companies to the amount of \$90,700, while the Management Accounts note payable balance of \$16,646. The Directors have yet to conduct an audit of these payable balances and will be finalized at a later date if required.

### ATO

The Director's ROCAP records the ATO as a creditor for \$139,034. The ATO has not yet submitted a claim against and the amount may change when any outstanding returns are lodged.

### Gallagher Bassett

The Director's ROCAP records Gallagher Bassett as a creditor totalling \$153,028. It has yet to file a claim in the Administration.

### Baoying Australia Pty Ltd

The Director's ROCAP records Baoying Australia Pty Ltd as a creditor to the amount of \$51,040. The POD received by the Administrators totals \$66,231.

### Other

The Director's ROCAP records other creditor amounts made up of 22 other creditors with claims totalling \$93,429. Four of these creditors have filed claims in the Administration totalling \$32,321.

# 08

## INVESTIGATION INTO THE COMPANIES AFFAIRS

### 8.1 ADMINISTRATORS' INVESTIGATIONS

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

Our investigations have focused on the reasons for 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.

### 8.2 HISTORY OF COMPANIES AND REASONS FOR FAILURE

The Companies operated early learning centres that provided childcare and kindergarten education services from leasehold premises across the NSW, and VIC area.

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 are 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 its financial difficulties. Our preliminary investigations have identified the following key events for the Companies' operations:

- On 15 August 2017, the Director incorporated Holistic.
- On 10 August 2020, the Director incorporated Gosford.
- On 4 November 2019, the Director incorporated Longwarry.
- On 10 November 2020, the Director incorporated St. Leonards.
- On 10 November 2020, the Director incorporated Waurin Ponds.
- The Companies were incorporated with the primary goal of expanding the Group's network of early childhood learning centres in NSW and VIC.

- 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.
- Five Group centres were established in 2020 with a further three centres in 2021 which placed considerable financial pressure on the Group, resulting in an accumulation of liabilities over time.
- After a period of sustained losses at the Group level, the Companies' Director concluded that the Group no longer had the financial resources to continue operating the centres.
- In November 2024 winding up proceedings commenced against other Companies within the Group.
- On 11 February 2025, the Director appointed Voluntary Administrators for both the Companies and to the majority of companies in the Group.

We consider that the key reasons for the Companies' failure were:

- The Group had too many employees at the Head Office level, which put a strain on cash flow.
- The Group expanded too quickly, which required capital to pay for new leasehold fit outs.
- Cash was diverted from profitable companies to fund the new centre's start-up costs.
- The Group was under capitalised and was not able to absorb the losses it incurred and fund the expansion.
- Inefficiencies in setting up new centres and obtaining service approvals resulted in bigger losses.
- Shareholder equity that was invested in the Companies was utilised across the Group and was not ring fenced in the Companies' accounts.
- Certain statutory creditors commenced winding up proceedings against certain Group companies.

### **8.3 HISTORICAL FINANCIAL INFORMATION**

#### **TRADING PERFORMANCE**

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 Management Accounts which was 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.

### PROFIT AND LOSS – Holistic

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

|                          | FY22             | FY23             | FY24             | YTD25            |
|--------------------------|------------------|------------------|------------------|------------------|
|                          | \$               | \$               | \$               | \$               |
| Income                   | 1,841,678        | 1,649,085        | 1,103,176        | 901,698          |
| Cost of Sales            | (314,835)        | (54,079)         | (47,049)         | (29,692)         |
| <b>Gross Profit</b>      | <b>1,526,843</b> | <b>1,595,006</b> | <b>1,056,127</b> | <b>872,006</b>   |
| Operating Expense        | (1,371,446)      | (1,495,430)      | (1,409,350)      | (1,367,434)      |
| <b>Operating Profit</b>  | <b>155,396</b>   | <b>99,576</b>    | <b>(353,223)</b> | <b>(495,427)</b> |
| Other Income             |                  | 72,675           | 72,477           | 37,782           |
| Income Tax Expense       |                  | (43,063)         |                  |                  |
| <b>Net profit/(loss)</b> | <b>155,396</b>   | <b>129,188</b>   | <b>(280,746)</b> | <b>(457,645)</b> |
| <b>Net Profit Margin</b> | <b>0.08</b>      | <b>0.08</b>      | <b>(0.25)</b>    | <b>(0.51)</b>    |

We make the following comments concerning Holistic's trading performance:

- Holistic incurred significant losses in FY24 and YTD 2025, and
- The most significant amount of operating expenses relate to wages and salaries.

### BALANCE SHEET – Holistic

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

|                                  | FY22             | FY23             | FY24             | YTD25            |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | \$               | \$               | \$               | \$               |
| Current Asset                    | 64,366           | 100,231          | 111,095          | (451,409)        |
| Non-Current Asset                | 2,596,264        | 2,686,308        | 3,145,878        | 2,494,120        |
| <b>Total Asset</b>               | <b>2,660,630</b> | <b>2,786,539</b> | <b>3,256,973</b> | <b>2,042,711</b> |
| Current Liabilities              | 366,593          | 567,696          | 1,200,968        | 1,853,516        |
| Non-Current Liabilities          | 1,155,621        | 951,237          | 1,106,785        | (90,706)         |
| <b>Total Liabilities</b>         | <b>1,522,213</b> | <b>1,518,933</b> | <b>2,307,753</b> | <b>1,762,809</b> |
| <b>Net Asset / (Liabilities)</b> | <b>1,138,417</b> | <b>1,267,606</b> | <b>949,220</b>   | <b>279,902</b>   |

We make the following comments concerning Holistic's financial position:

- Holistic has recorded a positive net asset position in each of the financial periods.

- A significant portion of the non-current assets were intercompany loans, as well as leasehold improvements spent ensuring their premises was fit for purpose prior to the commencement of trading.
- The liabilities are comprised of intercompany loans payable.

### PROFIT AND LOSS – FEC Gosford

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

|                          | FY22             | FY23             | FY24             | YTD25            |
|--------------------------|------------------|------------------|------------------|------------------|
|                          | \$               | \$               | \$               | \$               |
| Income                   | 338,128          | 1,511,908        | 2,246,112        | 1,600,356        |
| Cost of Sales            | (29,983)         | (100,627)        | (126,949)        | (87,435)         |
| <b>Gross Profit</b>      | <b>308,145</b>   | <b>1,411,281</b> | <b>2,119,163</b> | <b>1,512,921</b> |
| Operating Expense        | (840,040)        | (1,728,194)      | (2,094,739)      | (1,470,449)      |
| <b>Operating Profit</b>  | <b>(531,895)</b> | <b>(316,913)</b> | <b>24,424</b>    | <b>42,471</b>    |
| Other Income             |                  | 29,982           | 11,015           | 35,674           |
| Income Tax Expense       |                  |                  |                  |                  |
| <b>Net profit/(loss)</b> | <b>(531,895)</b> | <b>(286,931)</b> | <b>35,439</b>    | <b>78,145</b>    |
| <b>Net Profit Margin</b> | <b>(1.57)</b>    | <b>(0.19)</b>    | <b>0.02</b>      | <b>0.05</b>      |

We make the following comments concerning the Companies' trading performance:

- After incurring losses in FY2022 and FY2023, Gosford began trading at a profit.
- Most significant operating expenses relate to wages and salaries.

### BALANCE SHEET – FEC Gosford

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

|                                  | FY22             | FY23             | FY24             | YTD25            |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | \$               | \$               | \$               | \$               |
| Current Asset                    | 203,607          | 48,562           | 33,375           | 63,297           |
| Non-Current Asset                | 3,165,288        | 3,650,930        | 3,294,323        | 3,036,182        |
| <b>Total Asset</b>               | <b>3,368,895</b> | <b>3,699,492</b> | <b>3,327,698</b> | <b>3,099,480</b> |
| Current Liabilities              | 237,779          | 522,111          | 789,328          | 1,069,281        |
| Non-Current Liabilities          | 3,007,010        | 3,340,184        | 2,738,463        | 2,152,145        |
| <b>Total Liabilities</b>         | <b>3,244,788</b> | <b>3,862,295</b> | <b>3,527,791</b> | <b>3,221,426</b> |
| <b>Net Asset / (Liabilities)</b> | <b>124,107</b>   | <b>(162,803)</b> | <b>(200,093)</b> | <b>(121,947)</b> |

We make the following comments concerning ILO Australia's financial position:

- Gosford has recorded a negative net asset position for the last two financial years due to amounts
- Majority of non-current assets and current liabilities were loans to and from other Group Companies, as well as a capitalised lease liability.

## PROFIT AND LOSS – FEC St Leonards

Illustrated below is a summary of St. Leonards profit and loss statements for the period from FY22 to YTD25:

|                          | FY22             | FY23             | FY24             | YTD25            |
|--------------------------|------------------|------------------|------------------|------------------|
|                          | \$               | \$               | \$               | \$               |
| Income                   | 527              | 489,391          | 1,920,038        | 1,446,132        |
| Cost of Sales            | (71)             | (28,188)         | (51,852)         | (34,535)         |
| <b>Gross Profit</b>      | <b>456</b>       | <b>461,203</b>   | <b>1,868,186</b> | <b>1,411,597</b> |
| Operating Expense        | (162,905)        | (1,196,753)      | (2,298,048)      | (1,396,865)      |
| <b>Operating Profit</b>  | <b>(162,450)</b> | <b>(735,550)</b> | <b>(429,862)</b> | <b>14,733</b>    |
| Other Income             |                  | (9,538)          | 26,624           | 55,838           |
| Income Tax Expense       |                  |                  |                  |                  |
| <b>Net profit/(loss)</b> | <b>(162,450)</b> | <b>(745,088)</b> | <b>(403,238)</b> | <b>70,570</b>    |
| <b>Net Profit Margin</b> | <b>(308.22)</b>  | <b>(1.52)</b>    | <b>(0.21)</b>    | <b>0.05</b>      |

We make the following comments concerning the Companies' trading performance:

- The Company recorded a significant loss in each of the last three financial years.
- Majority of operating expenses relate to wages and salaries.

## BALANCE SHEET – St Leonards

Illustrated below is the summary of St. Leonards balance sheets as at 30 June 2022, 30 June 2023, 30 June 2024 and as at the DOA:

|                                  | FY22             | FY23              | FY24              | YTD25             |
|----------------------------------|------------------|-------------------|-------------------|-------------------|
|                                  | \$               | \$                | \$                | \$                |
| Current Asset                    | 58,248           | 7,034             | (18,175)          | (80,607)          |
| Non-Current Asset                | 1,506,376        | 10,931,254        | 10,379,536        | 10,362,750        |
| <b>Total Asset</b>               | <b>1,564,624</b> | <b>10,938,288</b> | <b>10,361,361</b> | <b>10,282,143</b> |
| Current Liabilities              | 164,491          | 549,555           | 1,356,606         | 1,497,587         |
| Non-Current Liabilities          | 500              | 9,699,452         | 8,718,842         | 8,428,556         |
| <b>Total Liabilities</b>         | <b>164,991</b>   | <b>10,249,007</b> | <b>10,075,448</b> | <b>9,926,144</b>  |
| <b>Net Asset / (Liabilities)</b> | <b>1,399,633</b> | <b>689,281</b>    | <b>285,913</b>    | <b>355,999</b>    |

We make the following comments concerning ILO Australia's financial position:

- St. Leonards has recorded a positive net asset position each of the last three years of trading.
- Significant amount of non-current assets relates to the right of use of the underlying assets being the leasehold of the business.
- Majority of non-current liabilities relate to capitalized lease liability.

## PROFIT AND LOSS – Longwarry

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

|                          | FY22           | FY23               | FY24             | YTD25            |
|--------------------------|----------------|--------------------|------------------|------------------|
|                          | \$             | \$                 | \$               | \$               |
| Income                   | -              | 1,268,305          | 2,120,570        | 1,306,388        |
| Cost of Sales            | -              | (60,058)           | (104,135)        | (51,481)         |
| <b>Gross Profit</b>      | -              | <b>\$1,208,247</b> | <b>2,016,435</b> | <b>1,254,907</b> |
| Operating Expense        | (8,279)        | (1,089,111)        | (1,922,431)      | (1,459,206)      |
| <b>Operating Profit</b>  | <b>(8,279)</b> | <b>119,136</b>     | <b>94,404</b>    | <b>(204,298)</b> |
| Other Income             | -              | 59,630             | 147,500          | 95,339           |
| Income Tax Expense       | -              | (44,692)           | (78,228)         | -                |
| <b>Net profit/(loss)</b> | <b>(8,279)</b> | <b>134,074</b>     | <b>163,276</b>   | <b>(108,959)</b> |
| <b>Net Profit Margin</b> | <b>N/A</b>     | <b>0.11</b>        | <b>0.08</b>      | <b>(0.08)</b>    |

We make the following comments concerning the Companies' trading performance:

- Longwarry has been trading at around breakeven for each of the last three financial years, however has incurred significant losses in YTD2025 due to increased wages and salaries.
- Other income relates to government subsidy grants received.

## BALANCE SHEET – Longwarry

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

|                                  | FY22           | FY23             | FY24             | YTD25            |
|----------------------------------|----------------|------------------|------------------|------------------|
|                                  | \$             | \$               | \$               | \$               |
| Current Asset                    | 414            | 836,815          | 1,464,333        | 17,795           |
| Non-Current Asset                | 556,940        | 1,658,700        | 1,513,105        | 1,927,197        |
| <b>Total Asset</b>               | <b>557,354</b> | <b>2,495,515</b> | <b>2,977,438</b> | <b>1,944,993</b> |
| Current Liabilities              | 2,188          | 423,100          | 858,587          | 1,201,772        |
| Non-Current Liabilities          | 143,680        | 1,309,321        | 1,229,458        | (37,213)         |
| <b>Total Liabilities</b>         | <b>145,868</b> | <b>1,732,421</b> | <b>2,088,045</b> | <b>1,164,559</b> |
| <b>Net Asset / (Liabilities)</b> | <b>411,486</b> | <b>763,094</b>   | <b>889,393</b>   | <b>780,433</b>   |

We make the following comments concerning Longwarry's financial position:

- Longwarry has recorded a positive net asset position in each of the last three years of trading.
- Significant amount of non-current assets relates to the right of use of the underlying assets being the leasehold of the business.
- Majority of non-current liabilities relate to capitalized lease liability.

## PROFIT AND LOSS – FEC Waurm Ponds

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

|                          | FY22           | FY23             | FY24             | YTD25            |
|--------------------------|----------------|------------------|------------------|------------------|
|                          | \$             | \$               | \$               | \$               |
| Income                   | 570,501        | 2,473,942        | 3,031,642        | 2,160,735        |
| Cost of Sales            | (30,750)       | -                | -                | (79,535)         |
| <b>Gross Profit</b>      | <b>539,752</b> | <b>2,473,942</b> | <b>3,031,642</b> | <b>2,081,199</b> |
| Operating Expense        | (512,494)      | (2,222,544)      | (2,909,303)      | (2,131,459)      |
| <b>Operating Profit</b>  | <b>27,257</b>  | <b>251,398</b>   | <b>122,339</b>   | <b>(50,259)</b>  |
| Other Income             |                | 359              | 1,579            | 99,174           |
| Income Tax Expense       |                | (62,939.00)      | (111,623.00)     |                  |
| <b>Net profit/(loss)</b> | <b>27,257</b>  | <b>188,818</b>   | <b>12,295</b>    | <b>48,915</b>    |
| <b>Net Profit Margin</b> | <b>0.05</b>    | <b>0.08</b>      | <b>0.00</b>      | <b>0.02</b>      |

We make the following comments concerning the Companies' trading performance:

- Waurm Ponds recorded a profit in each of the last three financial years of trading.
- Significant majority of operating expenses relate to wages and salaries.

## BALANCE SHEET – FEC Waurm Ponds

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

|                                  | FY22             | FY23             | FY24             | YTD25            |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | \$               | \$               | \$               | \$               |
| Current Asset                    | 33,928           | 58,273           | 67,422           | 107,875          |
| Non-Current Asset                | 1,589,451        | 7,129,752        | 7,063,406        | 5,703,706        |
| <b>Total Asset</b>               | <b>1,623,379</b> | <b>7,188,025</b> | <b>7,130,828</b> | <b>5,811,582</b> |
| Current Liabilities              | 115,276          | 790,429          | 1,146,788        | 1,065,215        |
| Non-Current Liabilities          | 468,711          | 4,743,206        | 4,525,387        | 3,246,223        |
| <b>Total Liabilities</b>         | <b>583,986</b>   | <b>5,533,635</b> | <b>5,672,175</b> | <b>4,311,438</b> |
| <b>Net Asset / (Liabilities)</b> | <b>1,039,392</b> | <b>1,654,390</b> | <b>1,458,653</b> | <b>1,500,144</b> |

We make the following comments concerning ILO Australia's financial position:

- Waurm Ponds has recorded a positive net asset position in each of the last three years of trading.
- Significant amount of non-current assets relates to the right of use of the underlying assets being the leasehold of the business.
- Majority of non-current liabilities relate to capitalized lease liability.

## 8.4 COMPANIES' STATUTORY INFORMATION

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

### 8.5.1 STATUTORY INFORMATION – Holistic

|                                    |  |
|------------------------------------|--|
| <b>Company name</b>                | Holistic Development Pty Ltd (Administrators Appointed)  |
| <b>ACN</b>                         | 621 106 287  |
| <b>Incorporation date</b>          | 15/08/2017   |
| <b>Registered office address</b>   | 267 Belgrave-Gembrook Road, Emerald VIC 3782   |
| <b>Principal place of business</b> | 267 Belgrave-Gembrook Road, Emerald VIC 3782   |
| <b>Director</b>                    | Kam Ming Yu  |
| <b>Shareholder</b>                 | Presence of Aliveness Pty Ltd, 10 shares, beneficially held<br>Finnish Early Childhood Education (Australia) Pty Ltd, 90 shares, beneficially held<br>Zheyu Xi, 60 shares, beneficially held |

Source: ASIC

### 8.5.2 STATUTORY INFORMATION – FEC Gosford

|                                    |  |
|------------------------------------|--|
| <b>Company name</b>                | Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed)   |
| <b>ACN</b>                         | 643 367 720  |
| <b>Incorporation date</b>          | 10/08/2020   |
| <b>Registered office address</b>   | Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128  |
| <b>Principal place of business</b> | 36 Showground Road, Gosford NSW 2250   |
| <b>Director</b>                    | Kam Ming Yu  |
| <b>Shareholder</b>                 | Finnish Early Childhood Education (Australia) Pty Ltd, 120 shares, beneficially held<br>Wing Hang Tung, 60 shares, beneficially held<br>Ching Wan Chan, 90 shares, beneficially held |

Source: ASIC

### 8.5.3 STATUTORY INFORMATION – FEC St Leonards

|                                    |  |
|------------------------------------|--|
| <b>Company name</b>                | Finnish Early Childhood Education (St Leonards) Pty Ltd  |
| <b>ACN</b>                         | 645 781 460  |
| <b>Incorporation date</b>          | 10 <sup>th</sup> November 2020   |
| <b>Registered office address</b>   | Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128  |
| <b>Principal place of business</b> | 1 Reserve Road, St Leonards NSW 2065   |
| <b>Director</b>                    | Kam Ming Yu  |
| <b>Shareholder</b>                 | Pui Ka Eleanor Ho, 10 shares, beneficially held<br>Ying Kit Yip, 10 shares, beneficially held<br>Earnest Yeung Li, 6 shares, beneficially held<br>Chak Lam Wu, 6 shares, beneficially held<br>Ho Yi Lee, 6 shares, beneficially held<br>Sally Wong, 8 shares, beneficially held<br>Yiu Sang Samuel Chan, 6 shares, beneficially held<br>Man Ki Cheung, 6 shares, beneficially held |

Jing Family Holding Pty Ltd, 20 shares, beneficially held  
 Finnish Early Childhood Education (Australia) Pty Ltd, 118 shares, beneficially held  
 Kin Lok Chan Tsang, 4 shares, beneficially held

Source: ASIC

#### 8.5.4 STATUTORY INFORMATION – FEC Longwarry

|                                    |  |
|------------------------------------|--|
| <b>Company name</b>                | Finnish Early Childhood Education (Longwarry) Pty Ltd  |
| <b>ACN</b>                         | 637 227 546  |
| <b>Incorporation date</b>          | 4 November 2019  |
| <b>Registered office address</b>   | Suite 2115 Level 2, 1 Main Street Box Hill, VIC 3128   |
| <b>Principal place of business</b> | 26 Bennett Street Longwarry, VIC 3816  |
| <b>Director</b>                    | Kam Ming Yu  |
| <b>Shareholder</b>                 | Finnish Early Childhood Education (Australia) Pty Ltd, 110 shares, beneficially held<br>Wing Mou Ng, 60 shares, beneficially held<br>Wah Tat Lee, 20 shares, beneficially held<br>Yiu Sang Samuel Chan, 10 shares, beneficially held |

Source: ASIC

#### 8.5.5 STATUTORY INFORMATION – FEC Waurn Ponds

|                                    |  |
|------------------------------------|--|
| <b>Company name</b>                | Finnish Early Childhood Education (Waurn Ponds) Pty Ltd (Administrators Appointed)   |
| <b>ACN</b>                         | 638 461 579  |
| <b>Incorporation date</b>          | 10/11/2020   |
| <b>Registered office address</b>   | Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128  |
| <b>Principal place of business</b> | 1-3 Ghazeepore Road Warun Ponds VIC 3216   |
| <b>Director</b>                    | Kam Ming Yu  |
| <b>Shareholder</b>                 | Kai Hin Yuen, 5 shares, beneficially held<br>Tsz Yik Ho, 1 shares, beneficially held<br>Lai Hung Chiu, 2 shares, beneficially held<br>Chak Lam Wu, 6 shares, beneficially held<br>Yiu Sang Samuel Chan, 16 shares, beneficially held<br>Lai Choi Chan, 6 shares, beneficially held<br>Wai Chung Chak, 3 shares, beneficially held<br>Kam Sang Charles Chan, 2 shares, beneficially held<br>Mei Ling Leung, 2 shares, beneficially held<br>Suk Kee Queenie Yung, 2 shares, beneficially held<br>Sai Wai Wilson Lo, 4 shares, beneficially held<br>Yuk Chun Li, 2 shares, beneficially held<br>Ching Flora Chen, 1 shares, beneficially held<br>Ka Yee Mak, 4 shares, beneficially held<br>Vincent Chung Hay Lau, 2 shares, beneficially held<br>Chi Wai Shing, 4 shares, beneficially held<br>Wan Yin Chu, 10 shares, beneficially held<br>Kin Lok Tsang, 6 shares, beneficially held<br>Finnish Early Childhood Australia (Pty) Ltd, 102 shares, beneficially held<br>Wai Wing Ki, 2 shares, beneficially held<br>Ying Ying Lai, 2 shares, beneficially held<br>Mun Hoi Lik, 2 shares, beneficially held |

Dcttrue International Ventures Co, 4 shares, beneficially held  
Ching and Pik Pty Ltd, 2 shares, beneficially held  
Hoct Pty Ltd, 2 shares, beneficially held  
Invictico, 4 shares, beneficially held  
Wan Yin Chu, 2 shares, beneficially held  
Hku Pty Ltd, 6 shares, beneficially held

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Source: ASIC

## 8.6 BOOKS AND RECORDS

Section 286 of the Act requires a Companies to keep written financial records that correctly record and explain the Companies' 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 Companies. Based on the information received to date, we consider that books and records were maintained in accordance with section 286 of the Act.

## 8.7 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 sheet 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 Companies' Management Accounts also illustrate that balances payable to the ATO were beginning to accrue 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.

A Liquidator has powers to investigate and commence certain recovery actions that may be voidable if it is established that the Companies was insolvent at the relevant time. A Companies 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**.

Our preliminary view in relation to potential claims for all the Companies is summarised below:

## Holistic

| Type of claim  | Likelihood | Reason  |
|--|------------|---|
| Insolvent trading  | Possible   | Holistic was solvent from a balance sheet perspective however this position was dissipating significantly in the months prior to appointment due to the losses being recorded in FY2024 and YTD 25.<br><br>Due to the way the Group managed its finances, from a cash flow perspective the Group was displaying signs of insolvency from April 2024. The business continued to trade during this period indicating an insolvent trading claim may be available. |
| Unfair preferences   | Possible   | Our preliminary investigations indicate that, during the six months preceding the Administration, there were payments made to creditors that may be considered unfair preference transactions. To date, we have identified a number of payments totaling \$372,549 that may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defense to any potential claim.  |
| Uncommercial transactions  | Low        | Preliminary investigations appear to show that no uncommercial transactions were made.  |
| Payments to related parties / unreasonable director-related transactions | Possible   | Significant payments were made to related parties (\$33.96m paid to Group and other related entities) in the 2 years prior to the Administrators appointment. This was due to the way cash was managed by the Group. Further investigations into intercompany balances owed by Group Companies are required to verify balances.<br><br>Payments totalling \$8.6k were also made to the Director which requires further investigation.                           |
| Breach of duties   | Possible   | The Director may have breached his fiduciary duties to Holistic by transferring funds into other Group entities that were loss making placing financial constraints on Holistic. This will be investigated further if Holistic is placed into liquidation.  |

## Gosford

| Type of claim      | Likelihood | Reason  |
|--------------------|------------|---|
| Insolvent trading  | Low        | Gosford was insolvent from a balance sheet perspective from FY2023 and was reliant on funds provided by the Group to enable Gosford to continue to trade. It should be noted that Gosford recorded a profit in FY2024 and YTD2025. Due to the way that the Group managed its finances, from a cash flow perspective the Group was displaying signs of insolvency from April 2024. The Business continued to trade during the period indicating an insolvent trading claim may be available. |
| Unfair preferences | Possible   | Our preliminary investigations indicate that, during the six months preceding the Administration, there were payments made to creditors that may be considered unfair preference transactions. To date, we have identified a number of payments totaling \$331,138  |

|  |          |   |
|--|----------|---|
|  |          | that may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defense to any potential claim.   |
| Uncommercial transactions  | Low      | Preliminary investigations appear to show that no uncommercial transactions were made.  |
| Payments to related parties / unreasonable director-related transactions | Possible | Significant payments were made to related parties (\$2.9m across all Group Companies) in the 2 years prior to the Administrators appointment. This was due to the way cash was managed by the Group. Further investigations into intercompany balances owed by Group Companies are required to verify balances. |
| Breach of duties   | Possible | The Director may have breached his fiduciary duties to the Companies by transferring funds into other Group entities that were loss making placing financial constraints on the Companies. This will be investigated further if the Companies is placed into liquidation.                                       |

### St Leonards

| Type of claim  | Likelihood | Reason  |
|--|------------|---|
| Insolvent trading  | Low        | St Leonards was solvent from a balance sheet perspective however did record a loss in each of the last 3 years of trading. Due to the way that the Group managed its finances, from a cash flow perspective the Group was displaying signs of insolvency from April 2024. The Business continued to trade during the period.  |
| Unfair preferences   | Possible   | 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 a number of payments totaling \$59,998 that may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defense to any potential claim. |
| Uncommercial transactions  | Low        | Preliminary investigations appear to show that no uncommercial transactions were made.  |
| Payments to related parties / unreasonable director-related transactions | Possible   | Significant payments were made to related parties (\$2.7m across all Group Companies) in the 2 years prior to the Administrators' appointment. This was due to the way cash was managed by the Group. Further investigations into intercompany balances owed by Group Companies are required to verify balances.  |
| Breach of duties   | Possible   | The Director may have breached his fiduciary duties to the Companies by transferring funds into other Group entities that were loss making placing financial constraints on the Companies. This will be investigated further if the Companies is placed into liquidation.   |

### Longwarry

| Type of claim  | Likelihood | Reason   |
|--|------------|--|
| Insolvent trading  | Low        | Longwarry was solvent from a balance sheet perspective, although were running at a significant loss during YTD2025. Due to the way that the Group managed its finances, from a cash flow perspective the Group was displaying signs of insolvency from April 2024. The Business continued to trade during the period.  |
| Unfair preferences   | Possible   | 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 a number of payments totaling \$170,634 that may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defense to any potential claim.   |
| Uncommercial transactions  | Low        | Preliminary investigations appear to show that no uncommercial transactions were made.   |
| Payments to related parties / unreasonable director-related transactions | Possible   | <p>Significant payments were made to related parties (\$2.7m across all Group Companies) in the 2 years prior to the Administrators appointment. This was due to the way cash was managed by the Group. Further investigations into intercompany balances owed by Group Companies are required to verify balances.</p> <p>Preliminary investigations also appear to identify payments to the Director totalling \$1m in the two years prior to ILO Australia being placed into Administration. Enquiries have been made with the Director in this regard and investigations are currently ongoing.</p> |
| Breach of duties   | Possible   | The Director may have breached his fiduciary duties to the Companies by transferring funds into other Group entities that were loss making placing financial constraints on the Companies. This will be investigated further if the Companies is placed into liquidation.  |

### Waurn Ponds

| Type of claim      | Likelihood | Reason   |
|--------------------|------------|--|
| Insolvent trading  | Low        | Waurn Ponds from a balance sheet perspective was solvent throughout the company's lifecycle. Due to the way that the Group managed its finances, from a cash flow perspective the Group was displaying signs of insolvency from April 2024. The Business continued to trade during the period.   |
| Unfair preferences | Possible   | Our preliminary investigations indicate that, during the six months preceding the Administration, there were payments made to creditors that may be considered unfair preference transactions. To date, we have identified a number of payments totaling \$329,201 that may fall within this category. It remains uncertain at this stage whether the recipient creditor has a defense to any potential claim. |

|  |          |   |
|--|----------|---|
| Uncommercial transactions  | Low      | Preliminary investigations appear to show that no uncommercial transactions were made.  |
| Payments to related parties / unreasonable director-related transactions | Possible | Significant payments were made to related parties (\$3.6m across all Group Companies) in the 2 years prior to the Administrators appointment. This was due to the way cash was managed by the Group. Further investigations into intercompany balances owed by Group Companies are required to verify balances. |
| Breach of duties   | Possible | The Director may have breached his fiduciary duties to the Companies by transferring funds into other Group entities that were loss making placing financial constraints on the Companies. This will be investigated further if the Companies is placed into liquidation.                                       |

## 8.8 SHAREHOLDER CAPITAL INVESTED

Further to conducting an analysis of the Management Accounts, it appears that the Companies were insolvent shortly 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 Companies' financial records, the combined capital invested in the Companies as at the DOA was the following:

|                 |             |
|-----------------|-------------|
| Holistic        | \$300,000   |
| FEC Gosford     | \$800,120   |
| FEC St Leonards | \$1,880,120 |
| FEC Longwarry   | \$650,120   |
| FEC Waurm Ponds | \$2,523,620 |

It appears that the capital invested by shareholders of the Companies was in the first instance 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. Our review indicates that the capital initially raised would likely have been sufficient to fund the Companies's own trading losses until it reached profitability, had it remained within the entity.

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 may not have been disclosed to stakeholders. This will require further investigation should the Companies be wound up.

## 8.9 BREACHES OF DIRECTORS DUTIES

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

It may be possible to recover claims against 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 of Section 180, 181 and 182 of the Act due to the transfer of Companies funds to other related entities and a potential breach of duties by trading insolvently.

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

A liquidator would investigate these matters further if the Companies is wound up to identify if these or any other offences are worth pursuing.

## 8.10 PERSONAL CAPACITY TO MEET A LIQUIDATOR'S CLAIM

We have requested a statement setting out the Director's personal assets and liabilities. We have yet to receive this statement, however, we understand that this information is currently being prepared.

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 in VIC. The property is secured by a mortgage with the current equity position currently unknown.

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 asset position and the ability of the Director to meet a claim should one be brought, will 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 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.

## RETURN TO CREDITORS

### 9.1 ESTIMATED OUTCOME STATEMENT

Whilst it is standard practice to provide creditors with a statement outlining the estimated return to creditors from either a liquidation or DOCA, it is our opinion that providing any figures attributable to the Company's assets may prejudice any strategy to complete a sale of business or restructure the Company via DOCA with any third party or its directors. Accordingly, we have omitted an estimated outcome statement in this Report as the information regarding the sale is commercially sensitive and disclosing any values at this stage could jeopardise the sales.

As we intend to adjourn the Second Meeting for a period of up to 45 business days, the creditors will not need to decide on the future of the Companies at this stage.

When we reconvene the Second Meeting we will issue a supplementary report which will provide an estimated outcome statement.

# 10

## STATEMENT BY THE ADMINISTRATORS

### 10.1 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 Companies for:

- the Administration to end
- the Companies to execute a DOCA
- the Companies 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.

Whilst we have provided our opinion on each of the options for the future of the Companies' as required by the law **it is our intention to adjourn the Second Meeting of creditors for a period of no more than 45 business days**, in accordance with IPR 75-140(3). In our opinion, an adjournment will enable us to continue progressing the sale process that may have a material effect on the outcome for creditors.

Whilst we are not going to be asking creditors to decide on the future of the Company at the upcoming meeting, we must still provide a recommendation to creditors on each of the possible outcomes. These are outlined in detail below. In summary however, the opinion for each company is that:

|                     |   |
|---------------------|---|
| <b>Holitic</b>      | In the absence of an adjournment, the company should be wound up. |
| <b>Gosford</b>      | In the absence of an adjournment, the company should be wound up. |
| <b>St. Leonards</b> | In the absence of an adjournment, the company should be wound up. |
| <b>Longwarry</b>    | In the absence of an adjournment, the company should be wound up. |
| <b>Waurnd Ponds</b> | In the absence of an adjournment, the company should be wound up. |

### 10.2 HOLISTIC

#### 10.2.1 ADMINISTRATION TO END

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

Accordingly, it **would not be** in the creditors' best interests to resolve to end the Administration and return control of Holistic to the Directors.

## **10.2.2 EXECUTE A DOCA**

We have not received a DOCA proposal from the Director or a third party and therefore there is no DOCA available to be executed at this time. Accordingly, it **would not be** in the creditors' best interests to resolve to execute a DOCA.

## **10.2.3 WINDING UP OF THE COMPANY**

In the absence of an adjournment, we are of the opinion that it **would be** in creditors interests for Holistic to be wound up.

This is because Holistic is insolvent and there is no DOCA proposal available at this time.

We reiterate however that we intend to adjourn the Second Meeting to allow further time for the sales process to continue and options for the future of the Company and its business and assets to be explored.

This may result in our recommendation as to the future of the Companies changing. We will provide a further report to creditors before reconvening any adjourned meeting with our recommendations on the future of Holistic at that time.

## **10.3 GOSFORD**

### **10.3.1 ADMINISTRATION TO END**

Gosford 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' best interests to resolve to end the administration and return control of Gosford to the Director.

### **10.3.2 EXECUTE A DOCA**

We have not received a DOCA proposal from the Director or a third party and therefore there is no DOCA available to be executed at this time.

Accordingly, it **would not be** in the creditors' best interests to resolve to execute a DOCA.

### **10.3.3 WINDING UP OF THE COMPANY**

In the absence of an adjournment, we are of the opinion that it **would be** in creditors interests for Baron to be wound up.

This is because Gosford is insolvent and there is no DOCA proposal available at this time.

We reiterate however that we intend to adjourn the second meeting to allow further time for the sales process to continue and options for the future of the Baron and its assets to be explored.

This may result in our recommendation as to the future of the Gosford changing. We will provide a further report to creditors before reconvening any adjourned meeting with our recommendations on the future of the Gosford at that time.

## **10.4 ST. LEONARDS**

### **10.4.1 ADMINISTRATION TO END**

St Leonards are insolvent and unable to pay all of their debts as and when they fall due.

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

#### **10.4.2 EXECUTE A DOCA**

We have not received a DOCA proposal from the Director or a third party and therefore there is no DOCA available to be executed at this time. Accordingly, it **would not be** in the creditors' best interests to resolve to execute a DOCA.

#### **10.4.3 WINDING UP OF THE COMPANY**

In the absence of an adjournment, we are of the opinion that it **would be** in creditors interests for Baron to be wound up.

This is because St. Leonards is insolvent and there is no DOCA proposal available at this time.

We reiterate however that we intend to adjourn the second meeting to allow further time for the sales process to continue and options for the future of the Baron and its assets to be explored.

This may result in our recommendation as to the future of the Baron changing. We will provide a further report to creditors before reconvening any adjourned meeting with our recommendations on the future of the St. Leonards at that time.

### **10.5 LONGWARRY**

#### **10.5.1 ADMINISTRATION TO END**

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

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

#### **10.5.2 EXECUTE A DOCA**

We have not received a DOCA proposal from the Director or a third party and therefore there is no DOCA available to be executed at this time. Accordingly, it **would not be** in the creditors' best interests to resolve to execute a DOCA.

#### **10.5.3 WINDING UP OF THE COMPANY**

In the absence of an adjournment, we are of the opinion that it **would be** in creditors interests for Baron to be wound up.

This is because Longwarry is insolvent and there is no DOCA proposal available at this time.

We reiterate however that we intend to adjourn the second meeting to allow further time for the sales process to continue and options for the future of the Baron and its assets to be explored.

This may result in our recommendation as to the future of the Longwarry changing. We will provide a further report to creditors before reconvening any adjourned meeting with our recommendations on the future of the Longwarry at that time.

### **10.6 WAURN PONDS**

#### **10.6.1 ADMINISTRATION TO END**

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

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

#### **10.6.2 EXECUTE A DOCA**

We have not received a DOCA proposal from the Director or a third party and therefore there is no DOCA available to be executed at this time. Accordingly, it **would not be** in the creditors' best interests to resolve to execute a DOCA.

#### **10.6.3 WINDING UP OF THE COMPANY**

In the absence of an adjournment, we are of the opinion that it **would be** in creditors interests for Waurm Ponds to be wound up.

This is because Waurm Ponds is insolvent and there is no DOCA proposal available at this time.

We reiterate however that we intend to adjourn the second meeting to allow further time for the sales process to continue and options for the future of the Waurm Ponds and its assets to be explored.

This may result in our recommendation as to the future of the Baron changing. We will provide a further report to creditors before reconvening any adjourned meeting with our recommendations on the future of the Waurm Ponds at that time.

## 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 [finnisheducation@wpr.com.au](mailto:finnisheducation@wpr.com.au).

Yours faithfully



**Alan Walker**  
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

**HOLISTIC DEVELOPMENT PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS EMERALD EARLY LEARNING CENTRE"  
ACN 621 106 287**

**FINNISH EARLY CHILDHOOD EDUCATION (GOSFORD) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS GOSFORD EARLY EDUCATION CENTRE"  
ACN 643 367 720**

**FINNISH EARLY CHILDHOOD EDUCATION (ST LEONARDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS ST LEONARDS EARLY EDUCATION CENTRE"  
ACN 645 781 460**

**FINNISH EARLY CHILDHOOD EDUCATION (LONGWARRY) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "ILO LONGWARRY EARLY EDUCATION CENTRE"  
"HEI SCHOOLS LONGWARRY EARLY LEARNING CENTRE"  
ACN 637 227 546**

**FINNISH EARLY CHILDHOOD EDUCATION (WAURN PONDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS WAURN PONDS EARLY EDUCATION CENTRE"  
ACN 638 461 579**

**(ALL ADMINISTRATORS APPOINTED) (COLLECTIVELY THE "COMPANIES")**

1. On 11 February 2025 and 27 February 2025, the Companies under Section 436A of the Corporations Act 2001 appointed Alan Walker, Nicholas Charlwood, 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 **Tuesday, 17 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.

### A G E N D A

1. To receive the Reports 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 Administrations to end
  - b. whether it would be in the creditors' interests for the Companies to be wound up
3. To receive a statement of such other information known to the administrators as will enable the creditors to make an informed decision about the matters at paragraphs 2(a) – (b) 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. For the creditors of the Companies to resolve that:
  - a. the Administrations should end
  - b. the Companies be wound up
6. To determine the past and future remuneration of the Administrators.
7. To determine the internal disbursements of the Administrators.
8. To determine the remuneration of the deed administrators' / creditors' trustees' and / or liquidators' future remuneration (if appointed).
9. To determine the internal disbursements of the deed administrators/creditors' trustees and / or liquidators (if appointed), and
10. 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@wipr.com.au](mailto:finnisheducation@wipr.com.au) by no later than **4:00pm AEST on Monday, 16 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 on Monday, 16 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 one of the Companies 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 6<sup>th</sup> day of June 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
  - (b) as a security in his or her hands;
  - (c) 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

**HOLISTIC DEVELOPMENT PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “HEI SCHOOLS EMERALD EARLY LEARNING CENTRE”  
ACN 621 106 287 (“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: Disbursements
- Part 5: Remuneration
- 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 6 June 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 liquidation 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)<br>\$ |
|---|--------------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                          |
| 11 February 2025 to 2 June 2025                             | 95,576.00                |
| *3 June 2025 to the Date of the Second Meeting of Creditors | 30,000.00                |
| <b>Total Voluntary Administration</b>                       | <b>125,576.00</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 completion of the liquidation. 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 resolutions to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective companies 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**

Our current estimate of the remuneration for the voluntary administration is \$125,576.00 (ex GST).

The estimate has increased from our previous estimate provided in our Initial Remuneration Notice dated 13 February 2025. This is because of greater than estimated time spent in the following task areas:

- Seeking an extension of the convening period for the Second Meeting through an application made in the Supreme Court of New South Wales
- Advertising the Company's business and assets for sale
- Preparation of extensive due diligence documents for the sale of business process
- Managing trade-on operations across multiple centres, noting that the Company's revenue was intertwined with other entities within the Group
- Detailed investigations into historical trading
- Receiving and responding to shareholder queries
- Dealing with enquiries from management and employees, and
- Reconciling outstanding superannuation liabilities.

We estimate that our remuneration for the period of the liquidation should creditors decide to wind up the Company will total \$50,000 (ex GST).

## **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.

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 | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>             |                   |
| For the period of the liquidation              | \$1,000.00        |

#### 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective companies 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 \$125,576.00 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex 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 Report must be read in conjunction with the Report to Creditors dated 6 June 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 on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

## ATTACHMENTS

| SCHEDULE | DESCRIPTION  |
|----------|--|
| 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 2 June 2025)

### Resolution 2: Administrators future remuneration (3 June 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 2 June 2025  | Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors  |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$95,576.00</b><br><b>178.50 hours</b>  | <b>\$30,000.00</b><br><b>60.00 hours</b>   |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>   |  |
| <b>ASSETS</b>                | <b>\$19,965.50</b><br><b>31.90 hours</b>   | <b>\$2,000.00</b><br><b>4.00 hours</b>   |
| Cash at bank                 | <p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p> | <p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p> |
| Sale of business             | <p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>  | <p>Liaise with Sales Broker and interested parties.</p>  |
| Leasing                      | <p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>   | <p>Liaising with owners/lessors</p>  |
| Other assets                 | <p>Tasks associated with realising other assets</p>  | <p>Tasks associated with realising other assets</p>  |

| <b>TASKS</b>                            |   |   |
|---|---|---|
| <b>CREDITORS</b>                        | <b>\$7,567.00<br/>14.30 hours</b>   | <b>\$6,000.00<br/>12.00 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<br>General PPSA creditor correspondence and property matters<br>Responding to secured creditor queries   | Responding to secured creditor queries  |
| 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, 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. | 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 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 filling POD's 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>TASKS</b>                      |  |   |
|-----------------------------------|--|---|
| <b>EMPLOYEE</b>                   | <b>\$7,032.50<br/>14.40 hours</b>  | <b>\$4,000.00<br/>8.00 hours</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  | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls |
| Entitlements                      | 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  |
| Fair Entitlements Guarantee (FEG) | N/A  | Liaising with FEG   |
| <b>TRADE ON</b>                   | <b>\$48,585.50<br/>88.40 hours</b>   | <b>\$4,000.00<br/>8.00 hours</b>  |
| Trade On Management               | Decisions and strategy meeting<br>Customer and supplier correspondence and liaison<br>Management and staff liaison<br>Day-to-day operations management and oversight<br>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration<br>Preparing and distributing correspondence to families and other key stakeholders<br>Process matters including authorisations of payments and receipts<br>Organising labour hire staff to fill crucial labour shortages, including approval of overtime<br>Seeking legal advice regarding payroll matters<br>Liaising with the directors and management concerning operations<br>Employee manpower plans and requirements<br>Employee trade on matters including wages and payroll | Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc   |
| General accounting                | All applicable accounting tasks and processes supporting continued operations  | All applicable accounting tasks and processes supporting continued operations   |
| Budgeting and financial reporting | Preparing budgets<br>Preparing weekly financial reports<br>Reviewing company's budgets and financial statements<br>Trading/operating budgets and forecasts   | Finalising weekly P&L and cashflow for administration period.<br>Closing off costs relating to Administration and subsequent  |

| <b>TASKS</b>             |   |  |
|--------------------------|---|--|
|                          | Cash flow preparation and monitoring<br>Financial reporting including financial position and performance<br>Meetings and reviews around financial results and estimated outcomes  | correspondence with purchasers relating to future outstanding costs.   |
| <b>INVESTIGATION</b>     | <b>\$5,546.00</b><br><b>13.10 hours</b>   | <b>\$10,000.00</b><br><b>20.00 hours</b>   |
| Conducting investigation | 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<br>Preparation of comparative financial statements<br>Meetings and/or discussions with officers, employees and/or other parties on general company matters<br>Reviewing management accounts, financial statements and associated information<br>Reviewing and determining the date of insolvency<br>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading<br>Summarising and documenting work performed and matters requiring additional review and investigation | 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.<br>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading.<br>Summarising and documenting work performed and matters requiring additional review and investigation. |
| ASIC reporting           | Liaising with ASIC<br>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act  | Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)  |
| <b>ADMINISTRATION</b>    | <b>\$6,879.50</b><br><b>16.40 hours</b>   | <b>\$4,000.00</b><br><b>8.00 hours</b>   |
| General correspondence   | Other on-appointment notices and administrative set up tasks for the administration<br>Other general correspondence with respect to the conduct and furtherance of the administration   | Other general correspondence with respect to the conduct and furtherance of the administration   |

**TASKS**

|  |  |   |
|--|--|---|
| Document Maintenance / File Review / Checklist | Filing of documents<br>File reviews<br>Updating checklists   | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists      |
| Insurance                                      | Initial notifications and liaising with insurance brokers.<br>Reviewing policies and discussions with management.<br>Determining insurance needs.<br>Providing information to/discussions with our brokers.<br>Ongoing monitoring and review of insurance needs. | Ongoing monitoring and review of insurance needs.<br>Liaising with insurance brokers.                                     |
| Bank Account Administration                    | Preparing correspondence opening term deposit and at call accounts.<br>Accounts & bank account reconciliations<br>Correspondence with bank regarding specific transfers<br>Bank account reconciliations  | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration               |
| ASIC Forms and Lodgements                      | Preparing and lodging ASIC forms including 505, 531 and 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<br/>100.0 hrs</b>  |
| <b>TASK AREA</b>                          | <b>GENERAL DESCRIPTION</b>  |
| <b>ASSETS</b>                             | <b>\$5,000.00<br/>10.0 hrs</b>  |
| Cash at bank                              | Recovery of security deposit monies (if applicable)   |
| Related party loans                       | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.   |
| Debtors                                   | Reviewing debtor ledgers.<br>Issuing letters of demand to pre-appointment debtors.<br>Compiling information required to formally recover outstanding debts.<br>Engaging solicitors / debt recovery agents to assist with recovering debtors.<br>Liaising with buyer concerning debtor collections, as required pursuant to ASA. |
| Sale of business                          | Finalisation of the ASA process including, queries from the Buyer, accounting for debtor collections and payment of sale of business amounts to other Group entities.   |
| Other assets                              | Tasks associated with realising other assets.   |
| <b>CREDITORS</b>                          | <b>\$10,000.00<br/>20.0 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>\$10,000.00<br/>20.0 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.  |
| 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  |

| <b>TASKS</b>                                     |   |
|--|---|
|  | employee entitlements.  |
| FEG  | Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)<br>Preparing FEG verification sheet  |
| <b>TRADE ON</b>                                  | <b>\$5,000.00</b><br><b>10.0 hrs</b>  |
| Trade on management                              | All tasks required to finalise trade-on matters.<br>Payment of final accounts & trading invoices.<br>Management and staff liaison, including attendance on site and site visits as required.<br>Dealing with staff terminations and resignations.<br>Completing accounting tasks and finalising employee / payroll matters  |
| <b>INVESTIGATION</b>                             | <b>\$10,000.00</b><br><b>20.0 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>DIVIDEND</b>                                  | <b>\$7,000.00</b><br><b>14.0 hrs</b>  |
| Proofs of debts and claims                       | Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes<br>Receiving and recording proofs of debt<br>Review and adjudication of debts and claims and requesting further particulars from creditors   |

| <b>TASKS</b>                                |  |
|---|--|
|   | Updating registers<br>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes  |
| Dividend procedures                         | Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims<br>Obtaining ATO clearance<br>Issuing all notices, advertisements, acceptance/rejection of claims to creditors<br>Performing final dividend calculations<br>Calculating ATO dividend adjustments<br>Dividend payments and notices to creditors |
| <b>ADMINISTRATION</b>                       | <b>\$3,000.00</b><br><b>6.0 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  |
| 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<br>Annual PAYG reporting obligations   |
| 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  |

**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 2 June 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 | 23.30         | 17,475.00         | 12.50        | 9,375.00         | 1.30         | 975.00          | -            | -               | 6.40         | 4,800.00         | -            | -               | 3.10         | 2,325.00        |  |
| John Thompson            | Director         | 685.00 | 27.90         | 19,111.50         | 8.30         | 5,685.50         | 1.00         | 685.00          | 1.00         | 685.00          | 17.50        | 11,987.50        | -            | -               | 0.10         | 68.50           |  |
| Stephanie Wise           | Senior Manager   | 625.00 | 0.90          | 562.50            | -            | -                | -            | -               | 0.60         | 375.00          | -            | -                | 0.30         | 187.50          | -            | -               |  |
| Angus Fraser             | Manager          | 550.00 | 11.20         | 6,160.00          | 5.40         | 2,970.00         | 1.80         | 990.00          | 0.80         | 440.00          | 1.40         | 770.00           | 0.80         | 440.00          | 1.00         | 550.00          |  |
| Billy Batbileg           | Manager          | 550.00 | 32.70         | 17,985.00         | -            | -                | -            | -               | -            | -               | 32.70        | 17,985.00        | -            | -               | -            | -               |  |
| Billy Foley              | Manager          | 550.00 | 19.90         | 10,945.00         | 0.90         | 495.00           | 5.10         | 2,805.00        | 4.70         | 2,585.00        | 5.60         | 3,080.00         | 3.60         | 1,980.00        | -            | -               |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 1.90          | 855.00            | -            | -                | 1.30         | 585.00          | -            | -               | -            | -                | 0.40         | 180.00          | 0.20         | 90.00           |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 11.20         | 5,040.00          | -            | -                | -            | -               | 1.30         | 585.00          | 8.90         | 4,005.00         | 0.20         | 90.00           | 0.80         | 360.00          |  |
| Thomas Rodwell           | Senior Analyst   | 450.00 | 0.60          | 270.00            | -            | -                | -            | -               | -            | -               | 0.50         | 225.00           | 0.10         | 45.00           | -            | -               |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 1.00          | 450.00            | -            | -                | 0.20         | 90.00           | 0.60         | 270.00          | -            | -                | 0.20         | 90.00           | -            | -               |  |
| Eric Sun                 | Analyst          | 405.00 | 11.40         | 4,617.00          | -            | -                | 3.40         | 1,377.00        | 4.50         | 1,822.50        | 1.80         | 729.00           | 0.80         | 324.00          | 0.90         | 364.50          |  |
| Oscar Bush               | Analyst          | 405.00 | 11.00         | 4,455.00          | -            | -                | -            | -               | -            | -               | 8.80         | 3,564.00         | 1.90         | 769.50          | 0.30         | 121.50          |  |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.50          | 150.00            | -            | -                | -            | -               | -            | -               | -            | -                | 0.30         | 90.00           | 0.20         | 60.00           |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 1.20          | 360.00            | -            | -                | -            | -               | -            | -               | -            | -                | -            | -               | 1.20         | 360.00          |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 1.30          | 390.00            | -            | -                | 0.20         | 60.00           | -            | -               | 0.40         | 120.00           | -            | -               | 0.70         | 210.00          |  |
| Harry Brown              | Junior Analyst   | 300.00 | 3.30          | 990.00            | -            | -                | -            | -               | -            | -               | 3.30         | 990.00           | -            | -               | -            | -               |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 19.20         | 5,760.00          | 4.80         | 1,440.00         | -            | -               | 0.90         | 270.00          | 1.10         | 330.00           | 4.50         | 1,350.00        | 7.90         | 2,370.00        |  |
| <b>Total (excl. GST)</b> |                  |        | <b>178.50</b> | <b>95,576.00</b>  | <b>31.90</b> | <b>19,965.50</b> | <b>14.30</b> | <b>7,567.00</b> | <b>14.40</b> | <b>7,032.50</b> | <b>88.40</b> | <b>48,585.50</b> | <b>13.10</b> | <b>5,546.00</b> | <b>16.40</b> | <b>6,879.50</b> |  |
| GST                      |                  |        |               | 9,557.60          |              | 1,996.55         |              | 756.70          |              | 703.25          |              | 4,858.55         |              | 554.60          |              | 687.95          |  |
| <b>Total (incl. GST)</b> |                  |        |               | <b>105,133.60</b> |              | <b>21,962.05</b> |              | <b>8,323.70</b> |              | <b>7,735.75</b> |              | <b>53,444.05</b> |              | <b>6,100.60</b> |              | <b>7,567.45</b> |  |
| Average Rate (\$/hr)     |                  |        |               | 535.44            |              | 625.88           |              | 529.16          |              | 488.37          |              | 549.61           |              | 423.36          |              | 419.48          |  |

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

#### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 2 June 2025)**

*"That the remuneration of the Administrators from 11 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$95,576.00 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

#### **Resolution 2: Administrators' Future Remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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 6 June 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 (as required)**

*"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 (GOSFORD) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “HEI SCHOOLS GOSFORD EARLY EDUCATION CENTRE”  
ACN 643 367 720 (“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: Disbursements
- Part 5: Remuneration
- 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 6 June 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 liquidation 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)<br>\$ |
|---|--------------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                          |
| 11 February 2025 to 2 June 2025                             | 109,000.50               |
| *3 June 2025 to the Date of the Second Meeting of Creditors | 30,000.00                |
| <b>Total Voluntary Administration</b>                       | <b>139,000.50</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 completion of the liquidation. 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 resolutions to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective companies 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**

Our current estimate of the remuneration for the voluntary administration is \$139,000.50 (ex GST).

The estimate has increased from our previous estimate provided in our Initial Remuneration Notice dated 13 February 2025. This is because of greater than estimated time spent in the following task areas:

- Seeking an extension of the convening period for the Second Meeting through an application made in the Supreme Court of New South Wales
- Advertising the Company's business and assets for sale
- Preparation of extensive due diligence documents for the sale of business process
- Managing trade-on operations across multiple centres, noting that the Company's revenue was intertwined with other entities within the Group
- Detailed investigations into historical trading
- Receiving and responding to shareholder queries
- Dealing with enquiries from management and employees, and
- Reconciling outstanding superannuation liabilities.

We estimate that our remuneration for the period of the liquidation should creditors decide to wind up the Company will total \$50,000 (ex GST).

## **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.

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 | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>             |                   |
| For the period of the liquidation              | \$1,000.00        |

#### 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective companies 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 \$139,000.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex 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 Report must be read in conjunction with the Report to Creditors dated 6 June 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 on (02) 8365 1432 or by email at [finnisheducation@wopr.com.au](mailto:finnisheducation@wopr.com.au).

Dated this 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

## ATTACHMENTS

| SCHEDULE | DESCRIPTION  |
|----------|--|
| 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 2 June 2025)

### Resolution 2: Administrators future remuneration (3 June 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 2 June 2025  | Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors  |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$109,000.50</b><br><b>197.30 hours</b>   | <b>\$30,000.00</b><br><b>60.00 hours</b>   |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>   |  |
| <b>ASSETS</b>                | <b>\$19,805.50</b><br><b>30.70 hours</b>   | <b>\$2,000.00</b><br><b>4.00 hours</b>   |
| Cash at bank                 | <p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p> | <p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p> |
| Sale of business             | <p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>  | <p>Liaise with Sales Brokers and interested parties.</p>   |
| Leasing                      | <p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>   | <p>Liaising with owners/lessors</p>  |
| Other assets                 | <p>Tasks associated with realising other assets</p>  | <p>Tasks associated with realising other assets</p>  |

| <b>TASKS</b>                            |   |   |
|---|---|---|
| <b>CREDITORS</b>                        | <b>\$7,210.00<br/>14.90 hours</b>   | <b>\$6,000.00<br/>12.00 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<br>General PPSA creditor correspondence and property matters<br>Responding to secured creditor queries   | Responding to secured creditor queries  |
| 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, 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. | 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 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 filling POD's 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>TASKS</b>                      |  |   |
|-----------------------------------|--|---|
| <b>EMPLOYEE</b>                   | <b>\$9,504.00<br/>17.70 hours</b>  | <b>\$4,000.00<br/>8.00 hours</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  | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls |
| Entitlements                      | 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  |
| Fair Entitlements Guarantee (FEG) | N/A  | Liaising with FEG   |
| <b>TRADE ON</b>                   | <b>\$59,325.00<br/>106.60 hours</b>  | <b>\$4,000.00<br/>8.00 hours</b>  |
| Trade On Management               | Decisions and strategy meeting<br>Customer and supplier correspondence and liaison<br>Management and staff liaison<br>Day-to-day operations management and oversight<br>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration<br>Preparing and distributing correspondence to families and other key stakeholders<br>Process matters including authorisations of payments and receipts<br>Organising labour hire staff to fill crucial labour shortages, including approval of overtime<br>Seeking legal advice regarding payroll matters<br>Liaising with the directors and management concerning operations<br>Employee manpower plans and requirements<br>Employee trade on matters including wages and payroll | Matters relating to the transfer of operations to the buyer.<br>Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc     |
| General accounting                | All applicable accounting tasks and processes supporting continued operations  | All applicable accounting tasks and processes supporting continued operations   |
| Budgeting and financial reporting | Preparing budgets<br>Preparing weekly financial reports<br>Reviewing company's budgets and financial statements<br>Trading/operating budgets and forecasts   | Finalising weekly P&L and cashflow for administration period.<br>Closing off costs relating to Administration and subsequent  |

| <b>TASKS</b>             |   |  |
|--------------------------|---|--|
|                          | Cash flow preparation and monitoring<br>Financial reporting including financial position and performance<br>Meetings and reviews around financial results and estimated outcomes  | correspondence with purchasers relating to future outstanding costs.   |
| <b>INVESTIGATION</b>     | <b>\$6,815.50</b><br><b>14.40 hours</b>   | <b>\$10,000.00</b><br><b>20.00 hours</b>   |
| Conducting investigation | 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<br>Preparation of comparative financial statements<br>Meetings and/or discussions with officers, employees and/or other parties on general company matters<br>Reviewing management accounts, financial statements and associated information<br>Reviewing and determining the date of insolvency<br>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading<br>Summarising and documenting work performed and matters requiring additional review and investigation | 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.<br>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading.<br>Summarising and documenting work performed and matters requiring additional review and investigation. |
| ASIC reporting           | Liaising with ASIC<br>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act  | Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)  |
| <b>ADMINISTRATION</b>    | <b>\$6,340.50</b><br><b>13.00 hours</b>   | <b>\$4,000.00</b><br><b>8.00 hours</b>   |
| General correspondence   | Other on-appointment notices and administrative set up tasks for the administration<br>Other general correspondence with respect to the conduct and furtherance of the administration   | Other general correspondence with respect to the conduct and furtherance of the administration   |

**TASKS**

|  |  |   |
|--|--|---|
| Document Maintenance / File Review / Checklist | Filing of documents<br>File reviews<br>Updating checklists   | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists      |
| Insurance                                      | Initial notifications and liaising with insurance brokers.<br>Reviewing policies and discussions with management.<br>Determining insurance needs.<br>Providing information to/discussions with our brokers.<br>Ongoing monitoring and review of insurance needs. | Ongoing monitoring and review of insurance needs.<br>Liaising with insurance brokers.                                     |
| Bank Account Administration                    | Preparing correspondence opening term deposit and at call accounts.<br>Accounts & bank account reconciliations<br>Correspondence with bank regarding specific transfers<br>Bank account reconciliations  | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration               |
| ASIC Forms and Lodgements                      | Preparing and lodging ASIC forms including 505, 531 and 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<br/>(EX GST)</b>             | <b>\$50,000.00<br/>100.0 hrs</b>   |
| <b>TASK AREA</b>                             | <b>GENERAL DESCRIPTION</b>   |
| <b>ASSETS</b>                                | <b>\$5,000.00<br/>10.0 hrs</b>   |
| Cash at bank                                 | Recovery of security deposit monies (if applicable)  |
| Related party loans                          | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.  |
| Debtors                                      | <p>Reviewing debtor ledgers.</p> <p>Issuing letters of demand to pre-appointment debtors.</p> <p>Compiling information required to formally recover outstanding debts.</p> <p>Engaging solicitors / debt recovery agents to assist with recovering debtors.</p> <p>Liaising with buyer concerning debtor collections, as required pursuant to ASA.</p> |
| Sale of business                             | Finalisation of the ASA process including, queries from the Buyer, accounting for debtor collections and payment of sale of business amounts to other Group entities.  |
| Other assets                                 | Tasks associated with realising other assets.  |
| <b>CREDITORS</b>                             | <b>\$10,000.00<br/>20.0 hrs</b>  |
| Creditor Enquiries,<br>Requests & Directions | <p>Receive and follow up creditor enquiries via telephone and email.</p> <p>Maintaining creditor enquiry register.</p> <p>Review and prepare correspondence to creditors and their representatives via email and post.</p>   |
| Creditor reports                             | <p>Preparing and distributing further updates and circulars/reports to creditors.</p> <p>Preparing remuneration reports.</p>   |
| Dealing with proofs of<br>debts and claims   | <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>EMPLOYEES</b>                             | <b>\$10,000.00<br/>20.0 hrs</b>  |
| Enquiries and<br>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                                 | <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</p>  |

| <b>TASKS</b>                                     |   |
|--|---|
|  | employee entitlements.  |
| FEG  | Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)<br>Preparing FEG verification sheet  |
| <b>TRADE ON</b>                                  | <b>\$5,000.00</b><br><b>10.0 hrs</b>  |
| Trade on management                              | All tasks required to finalise trade-on matters.<br>Payment of final accounts & trading invoices.<br>Management and staff liaison, including attendance on site and site visits as required.<br>Dealing with staff terminations and resignations.<br>Completing accounting tasks and finalising employee / payroll matters  |
| <b>INVESTIGATION</b>                             | <b>\$10,000.00</b><br><b>20.0 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>DIVIDEND</b>                                  | <b>\$7,000.00</b><br><b>14.0 hrs</b>  |
| Proofs of debts and claims                       | Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes<br>Receiving and recording proofs of debt<br>Review and adjudication of debts and claims and requesting further particulars from creditors   |

| <b>TASKS</b>                                |  |
|---|--|
|   | Updating registers<br>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes  |
| Dividend procedures                         | Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims<br>Obtaining ATO clearance<br>Issuing all notices, advertisements, acceptance/rejection of claims to creditors<br>Performing final dividend calculations<br>Calculating ATO dividend adjustments<br>Dividend payments and notices to creditors |
| <b>ADMINISTRATION</b>                       | <b>\$3,000.00</b><br><b>6.0 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  |
| 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<br>Annual PAYG reporting obligations   |
| 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  |

**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 2 June 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 | 18.70         | 14,025.00         | 8.00         | 6,000.00         | 0.80         | 600.00          | -            | -                | 5.70          | 4,275.00         | -            | -               | 4.20         | 3,150.00        |  |
| Nick Charlwood           | Appointment Lead | 750.00 | 4.50          | 3,375.00          | -            | -                | -            | -               | 2.00         | 1,500.00         | 1.50          | 1,125.00         | 1.00         | 750.00          | -            | -               |  |
| John Thompson            | Director         | 685.00 | 37.00         | 25,345.00         | 12.70        | 8,699.50         | 1.10         | 753.50          | 1.00         | 685.00           | 20.80         | 14,248.00        | 1.20         | 822.00          | 0.20         | 137.00          |  |
| Stephanie Wise           | Senior Manager   | 625.00 | 2.10          | 1,312.50          | -            | -                | -            | -               | 1.80         | 1,125.00         | -             | -                | 0.30         | 187.50          | -            | -               |  |
| Angus Fraser             | Manager          | 550.00 | 11.70         | 6,435.00          | 7.20         | 3,960.00         | 0.50         | 275.00          | 0.30         | 165.00           | 1.80          | 990.00           | 0.90         | 495.00          | 1.00         | 550.00          |  |
| Billy Batbileg           | Manager          | 550.00 | 34.40         | 18,920.00         | -            | -                | -            | -               | -            | -                | 34.40         | 18,920.00        | -            | -               | -            | -               |  |
| Billy Foley              | Manager          | 550.00 | 30.00         | 16,500.00         | 0.90         | 495.00           | 5.10         | 2,805.00        | 5.30         | 2,915.00         | 16.20         | 8,910.00         | 2.50         | 1,375.00        | -            | -               |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 3.40          | 1,530.00          | -            | -                | 1.60         | 720.00          | -            | -                | -             | -                | 1.60         | 720.00          | 0.20         | 90.00           |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 22.20         | 9,990.00          | 0.40         | 180.00           | 0.30         | 135.00          | 4.20         | 1,890.00         | 17.10         | 7,695.00         | 0.10         | 45.00           | 0.10         | 45.00           |  |
| Thomas Rodwell           | Senior Analyst   | 450.00 | 0.60          | 270.00            | -            | -                | -            | -               | -            | -                | 0.50          | 225.00           | 0.10         | 45.00           | -            | -               |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 0.40          | 180.00            | -            | -                | 0.20         | 90.00           | -            | -                | -             | -                | 0.20         | 90.00           | -            | -               |  |
| Eric Sun                 | Analyst          | 405.00 | 9.40          | 3,807.00          | 0.20         | 81.00            | 2.30         | 931.50          | 2.80         | 1,134.00         | 1.10          | 445.50           | 1.60         | 648.00          | 1.40         | 567.00          |  |
| Oscar Bush               | Analyst          | 405.00 | 4.20          | 1,701.00          | -            | -                | -            | -               | -            | -                | 2.30          | 931.50           | 1.60         | 648.00          | 0.30         | 121.50          |  |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.40          | 120.00            | -            | -                | -            | -               | -            | -                | -             | -                | 0.20         | 60.00           | 0.20         | 60.00           |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 2.00          | 600.00            | -            | -                | -            | -               | -            | -                | 0.50          | 150.00           | -            | -               | 1.50         | 450.00          |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 4.50          | 1,350.00          | -            | -                | 0.40         | 120.00          | -            | -                | 0.50          | 150.00           | 1.10         | 330.00          | 2.50         | 750.00          |  |
| Harry Brown              | Junior Analyst   | 300.00 | 3.90          | 1,170.00          | -            | -                | -            | -               | -            | -                | 3.90          | 1,170.00         | -            | -               | -            | -               |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 7.90          | 2,370.00          | 1.30         | 390.00           | 2.60         | 780.00          | 0.30         | 90.00            | 0.30          | 90.00            | 2.00         | 600.00          | 1.40         | 420.00          |  |
| <b>Total (excl. GST)</b> |                  |        | <b>197.30</b> | <b>109,000.50</b> | <b>30.70</b> | <b>19,805.50</b> | <b>14.90</b> | <b>7,210.00</b> | <b>17.70</b> | <b>9,504.00</b>  | <b>106.60</b> | <b>59,325.00</b> | <b>14.40</b> | <b>6,815.50</b> | <b>13.00</b> | <b>6,340.50</b> |  |
| GST                      |                  |        |               | 10,900.05         |              | 1,980.55         |              | 721.00          |              | 950.40           |               | 5,932.50         |              | 681.55          |              | 634.05          |  |
| <b>Total (incl. GST)</b> |                  |        |               | <b>119,900.55</b> |              | <b>21,786.05</b> |              | <b>7,931.00</b> |              | <b>10,454.40</b> |               | <b>65,257.50</b> |              | <b>7,497.05</b> |              | <b>6,974.55</b> |  |
| Average Rate (\$/hr)     |                  |        |               | 552.46            |              | 645.13           |              | 483.89          |              | 536.95           |               | 556.52           |              | 473.30          |              | 487.73          |  |

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

#### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 2 June 2025)**

*“That the remuneration of the Administrators from 11 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$109,000.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”*

#### **Resolution 2: Administrators' Future Remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

*“That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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 6 June 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 (as required)**

*“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 (ST LEONARDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “HEI SCHOOLS ST LEONARDS EARLY EDUCATION CENTRE”  
ACN 645 781 460 (“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: Disbursements
- Part 5: Remuneration
- 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 6 June 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 liquidation 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)<br>\$ |
|---|--------------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                          |
| 11 February 2025 to 2 June 2025                             | 98,271.50                |
| *3 June 2025 to the Date of the Second Meeting of Creditors | 30,000.00                |
| <b>Total Voluntary Administration</b>                       | <b>128,271.50</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 completion of the liquidation. 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 resolutions to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective companies 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**

Our current estimate of the remuneration for the voluntary administration is \$128,271.50 (ex GST).

The estimate has increased from our previous estimate provided in our Initial Remuneration Notice dated 13 February 2025. This is because of greater than estimated time spent in the following task areas:

- Seeking an extension of the convening period for the Second Meeting through an application made in the Supreme Court of New South Wales
- Advertising the Company's business and assets for sale
- Preparation of extensive due diligence documents for the sale of business process
- Managing trade-on operations across multiple centres, noting that the Company's revenue was intertwined with other entities within the Group
- Detailed investigations into historical trading
- Receiving and responding to shareholder queries
- Dealing with enquiries from management and employees, and
- Reconciling outstanding superannuation liabilities.

We estimate that our remuneration for the period of the liquidation should creditors decide to wind up the Company will total \$50,000 (ex GST).

## **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.

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 | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>             |                   |
| For the period of the liquidation              | \$1,000.00        |

#### 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective companies 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 \$128,271.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex 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 Report must be read in conjunction with the Report to Creditors dated 6 June 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 on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

## ATTACHMENTS

| SCHEDULE | DESCRIPTION  |
|----------|--|
| 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 2 June 2025)

### Resolution 2: Administrators future remuneration (3 June 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 2 June 2025  | Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors  |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$98,271.50</b><br><b>178.50 hours</b>  | <b>\$30,000.00</b><br><b>60.00 hours</b>   |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>   |  |
| <b>ASSETS</b>                | <b>\$18,475.50</b><br><b>29.10 hours</b>   | <b>\$2,000.00</b><br><b>4.00 hours</b>   |
| Cash at bank                 | <p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p> | <p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p> |
| Sale of business             | <p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>  | <p>Liaise with Sales Brokers and interested parties.</p>   |
| Leasing                      | <p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>   | <p>Liaising with owners/lessors</p>  |
| Related party loan accounts  | <p>Reviewing and assessing loan account ledgers</p>  | <p>Further review and investigation into the loan account ledgers</p>  |

| <b>TASKS</b>               |   |   |
|----------------------------|---|---|
|                            | Liaising with Company's management regarding identified related party loan account  |   |
| Other assets               | Tasks associated with realising other assets  | Tasks associated with realising other assets  |
| <b>CREDITORS</b>           | <b>\$8,610.00</b><br><b>16.50 hours</b>   | <b>\$6,000.00</b><br><b>12.00 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<br>General PPSA creditor correspondence and property matters<br>Responding to secured creditor queries   | Responding to secured creditor queries  |
| 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, 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. | 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 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. |

| <b>TASKS</b>                            |  |   |
|---|--|---|
| Dealing with proofs of debts and claims | Receipting and filling POD's 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>\$8,936.50</b><br><b>17.20 hours</b>  | <b>\$4,000.00</b><br><b>8.00 hours</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  | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls |
| Entitlements                            | 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  |
| Fair Entitlements Guarantee (FEG)       | N/A  | Liaising with FEG   |
| <b>TRADE ON</b>                         | <b>\$51,583.00</b><br><b>94.80 hours</b>   | <b>\$4,000.00</b><br><b>8.00 hours</b>  |
| Trade On Management                     | Decisions and strategy meeting<br>Customer and supplier correspondence and liaison<br>Management and staff liaison<br>Day-to-day operations management and oversight<br>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration<br>Preparing and distributing correspondence to families and other key stakeholders<br>Process matters including authorisations of payments and receipts<br>Organising labour hire staff to fill crucial labour shortages, including approval of overtime<br>Seeking legal advice regarding payroll matters<br>Liaising with the directors and management concerning operations<br>Employee manpower plans and requirements<br>Employee trade on matters including wages and payroll | Matters relating to the transfer of operations to the buyer.<br>Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc     |
| General accounting                      | All applicable accounting tasks and processes supporting continued operations  | All applicable accounting tasks and processes supporting continued operations   |

| <b>TASKS</b>                      |  |   |
|-----------------------------------|--|---|
| Budgeting and financial reporting | <p>Preparing budgets</p> <p>Preparing weekly financial reports</p> <p>Reviewing company's budgets and financial statements</p> <p>Trading/operating budgets and forecasts</p> <p>Cash flow preparation and monitoring</p> <p>Financial reporting including financial position and performance</p> <p>Meetings and reviews around financial results and estimated outcomes</p>  | <p>Finalising weekly P&amp;L and cashflow for administration period.</p> <p>Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.</p>  |
| <b>INVESTIGATION</b>              | <b>\$4,630.00</b><br><b>9.80 hours</b>   | <b>\$10,000.00</b><br><b>20.00 hours</b>  |
| 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>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>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> <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>TASKS</b>                                   |  |   |
|--|--|---|
| <b>ADMINISTRATION</b>                          | <b>\$6,036.50<br/>12.60 hours</b>  | <b>\$4,000.00<br/>8.00 hours</b>  |
| General correspondence                         | Other on-appointment notices and administrative set up tasks for the administration<br>Other general correspondence with respect to the conduct and furtherance of the administration  | Other general correspondence with respect to the conduct and furtherance of the administration                            |
| Document Maintenance / File Review / Checklist | Filing of documents<br>File reviews<br>Updating checklists   | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists      |
| Insurance                                      | Initial notifications and liaising with insurance brokers.<br>Reviewing policies and discussions with management.<br>Determining insurance needs.<br>Providing information to/discussions with our brokers.<br>Ongoing monitoring and review of insurance needs. | Ongoing monitoring and review of insurance needs.<br>Liaising with insurance brokers.                                     |
| Bank Account Administration                    | Preparing correspondence opening term deposit and at call accounts.<br>Accounts & bank account reconciliations<br>Correspondence with bank regarding specific transfers<br>Bank account reconciliations  | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration               |
| ASIC Forms and Lodgements                      | Preparing and lodging ASIC forms including 505, 531 and 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<br/>(EX GST)</b>             | <b>\$50,000.00<br/>100.0 hrs</b>   |
| <b>TASK AREA</b>                             | <b>GENERAL DESCRIPTION</b>   |
| <b>ASSETS</b>                                | <b>\$5,000.00<br/>10.0 hrs</b>   |
| Cash at bank                                 | Recovery of security deposit monies (if applicable)  |
| Related party loans                          | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.  |
| Debtors                                      | <p>Reviewing debtor ledgers.</p> <p>Issuing letters of demand to pre-appointment debtors.</p> <p>Compiling information required to formally recover outstanding debts.</p> <p>Engaging solicitors / debt recovery agents to assist with recovering debtors.</p> <p>Liaising with buyer concerning debtor collections, as required pursuant to ASA.</p> |
| Sale of business                             | Finalisation of the ASA process including, queries from the Buyer, accounting for debtor collections and payment of sale of business amounts to other Group entities.  |
| Other assets                                 | Tasks associated with realising other assets.  |
| <b>CREDITORS</b>                             | <b>\$10,000.00<br/>20.0 hrs</b>  |
| Creditor Enquiries,<br>Requests & Directions | <p>Receive and follow up creditor enquiries via telephone and email.</p> <p>Maintaining creditor enquiry register.</p> <p>Review and prepare correspondence to creditors and their representatives via email and post.</p>   |
| Creditor reports                             | <p>Preparing and distributing further updates and circulars/reports to creditors.</p> <p>Preparing remuneration reports.</p>   |
| Dealing with proofs of<br>debts and claims   | <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>EMPLOYEES</b>                             | <b>\$10,000.00<br/>20.0 hrs</b>  |
| Enquiries and<br>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                                 | <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</p>  |

| <b>TASKS</b>                                     |   |
|--|---|
|  | employee entitlements.  |
| FEG  | Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)<br>Preparing FEG verification sheet  |
| <b>TRADE ON</b>                                  | <b>\$5,000.00</b><br><b>10.0 hrs</b>  |
| Trade on management                              | All tasks required to finalise trade-on matters.<br>Payment of final accounts & trading invoices.<br>Management and staff liaison, including attendance on site and site visits as required.<br>Dealing with staff terminations and resignations.<br>Completing accounting tasks and finalising employee / payroll matters  |
| <b>INVESTIGATION</b>                             | <b>\$10,000.00</b><br><b>20.0 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>DIVIDEND</b>                                  | <b>\$7,000.00</b><br><b>14.0 hrs</b>  |
| Proofs of debts and claims                       | Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes<br>Receiving and recording proofs of debt<br>Review and adjudication of debts and claims and requesting further particulars from creditors   |

| <b>TASKS</b>                                |  |
|---|--|
|   | Updating registers<br>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes  |
| Dividend procedures                         | Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims<br>Obtaining ATO clearance<br>Issuing all notices, advertisements, acceptance/rejection of claims to creditors<br>Performing final dividend calculations<br>Calculating ATO dividend adjustments<br>Dividend payments and notices to creditors |
| <b>ADMINISTRATION</b>                       | <b>\$3,000.00</b><br><b>6.0 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  |
| 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<br>Annual PAYG reporting obligations   |
| 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  |

**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 2 June 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 | 18.70         | 14,025.00         | 8.10         | 6,075.00         | 1.40         | 1,050.00        | -            | -               | 5.50         | 4,125.00         | -           | -               | 3.70         | 2,775.00        |  |
| Nick Charlwood           | Appointment Lead | 750.00 | 2.00          | 1,500.00          | -            | -                | -            | -               | 2.00         | 1,500.00        | -            | -                | -           | -               | -            | -               |  |
| John Thompson            | Director         | 685.00 | 33.10         | 22,673.50         | 9.20         | 6,302.00         | 0.70         | 479.50          | 1.60         | 1,096.00        | 20.20        | 13,837.00        | 1.20        | 822.00          | 0.20         | 137.00          |  |
| Stephanie Wise           | Senior Manager   | 625.00 | 1.80          | 1,125.00          | 0.70         | 437.50           | -            | -               | 1.10         | 687.50          | -            | -                | -           | -               | -            | -               |  |
| Angus Fraser             | Manager          | 550.00 | 12.00         | 6,600.00          | 6.60         | 3,630.00         | 1.20         | 660.00          | 0.30         | 165.00          | 1.90         | 1,045.00         | 0.80        | 440.00          | 1.20         | 660.00          |  |
| Billy Batbileg           | Manager          | 550.00 | 33.50         | 18,425.00         | -            | -                | -            | -               | -            | -               | 33.50        | 18,425.00        | -           | -               | -            | -               |  |
| Billy Foley              | Manager          | 550.00 | 24.20         | 13,310.00         | 2.40         | 1,320.00         | 8.00         | 4,400.00        | 5.20         | 2,860.00        | 6.00         | 3,300.00         | 2.60        | 1,430.00        | -            | -               |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 1.70          | 765.00            | -            | -                | 1.40         | 630.00          | -            | -               | -            | -                | 0.20        | 90.00           | 0.10         | 45.00           |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 12.30         | 5,535.00          | 0.40         | 180.00           | -            | -               | 1.00         | 450.00          | 10.70        | 4,815.00         | 0.20        | 90.00           | -            | -               |  |
| Thomas Rodwell           | Senior Analyst   | 450.00 | 0.60          | 270.00            | -            | -                | -            | -               | -            | -               | 0.50         | 225.00           | 0.10        | 45.00           | -            | -               |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 0.40          | 180.00            | -            | -                | 0.20         | 90.00           | -            | -               | -            | -                | 0.20        | 90.00           | -            | -               |  |
| Eric Sun                 | Analyst          | 405.00 | 9.40          | 3,807.00          | 0.20         | 81.00            | 2.10         | 850.50          | 3.60         | 1,458.00        | 1.10         | 445.50           | 0.80        | 324.00          | 1.60         | 648.00          |  |
| Oscar Bush               | Analyst          | 405.00 | 9.20          | 3,726.00          | -            | -                | -            | -               | -            | -               | 7.10         | 2,875.50         | 1.80        | 729.00          | 0.30         | 121.50          |  |
| Aqeelah Osmany           | Junior Analyst   | 300.00 | 0.60          | 180.00            | -            | -                | -            | -               | -            | -               | -            | -                | 0.30        | 90.00           | 0.30         | 90.00           |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 3.20          | 960.00            | -            | -                | -            | -               | -            | -               | 2.20         | 660.00           | -           | -               | 1.00         | 300.00          |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 5.90          | 1,770.00          | -            | -                | 1.30         | 390.00          | -            | -               | 0.70         | 210.00           | 1.40        | 420.00          | 2.50         | 750.00          |  |
| Harry Brown              | Junior Analyst   | 300.00 | 5.10          | 1,530.00          | -            | -                | -            | -               | -            | -               | 5.10         | 1,530.00         | -           | -               | -            | -               |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 6.30          | 1,890.00          | 1.50         | 450.00           | 0.20         | 60.00           | 2.40         | 720.00          | 0.30         | 90.00            | 0.20        | 60.00           | 1.70         | 510.00          |  |
| <b>Total (excl. GST)</b> |                  |        | <b>180.00</b> | <b>98,271.50</b>  | <b>29.10</b> | <b>18,475.50</b> | <b>16.50</b> | <b>8,610.00</b> | <b>17.20</b> | <b>8,936.50</b> | <b>94.80</b> | <b>51,583.00</b> | <b>9.80</b> | <b>4,630.00</b> | <b>12.60</b> | <b>6,036.50</b> |  |
| GST                      |                  |        |               | 9,827.15          |              | 1,847.55         |              | 861.00          |              | 893.65          |              | 5,158.30         |             | 463.00          |              | 603.65          |  |
| <b>Total (incl. GST)</b> |                  |        |               | <b>108,098.65</b> |              | <b>20,323.05</b> |              | <b>9,471.00</b> |              | <b>9,830.15</b> |              | <b>56,741.30</b> |             | <b>5,093.00</b> |              | <b>6,640.15</b> |  |
| Average Rate (\$/hr)     |                  |        |               | 545.95            |              | 634.90           |              | 521.82          |              | 519.56          |              | 544.12           |             | 472.45          |              | 479.09          |  |

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

#### **Resolution 1: Administrators' Current Remuneration (11 February 2025 to 2 June 2025)**

*“That the remuneration of the Administrators from 11 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$98,271.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”*

#### **Resolution 2: Administrators' Future Remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

*“That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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 6 June 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 (as required)**

*“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 (LONGWARRY) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “ILO LONGWARRY EARLY EDUCATION CENTRE”  
“HEI SCHOOLS LONGWARRY EARLY LEARNING CENTRE”  
ACN 637 227 546 (“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: Disbursements
- Part 5: Remuneration
- 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 6 June 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 liquidation 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)<br>\$ |
|---|--------------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                          |
| 27 February 2025 to 2 June 2025                             | 104,481.50               |
| *3 June 2025 to the Date of the Second Meeting of Creditors | 30,000.00                |
| <b>Total Voluntary Administration</b>                       | <b>134,481.50</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 completion of the liquidation. 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 companies 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**

Our current estimate of the remuneration for the voluntary administration is \$134,481.50 (ex GST).

The estimate has increased from our previous estimate provided in our Initial Remuneration Notice dated 3 March 2025. This is because of greater than estimated time spent in the following task areas:

- Seeking an extension of the convening period for the Second Meeting through an application made in the Supreme Court of New South Wales
- Advertising the Company's business and assets for sale, leading to the preparation and finalisation of the ASA and related legal documentation
- Preparation of extensive due diligence documents for the sale of business process
- Managing trade-on operations across multiple centres, noting that the Company's revenue was intertwined with other entities within the Group
- Detailed investigations into historical trading
- Receiving and responding to shareholder queries
- Dealing with enquiries from management and employees, and
- Reconciling outstanding superannuation liabilities.

We estimate that our remuneration for the period of the liquidation should creditors decide to wind up the Company will total \$50,000 (ex GST).

## **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.

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 | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>             |                   |
| For the period of the liquidation              | \$1,000.00        |

#### 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective companies 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 \$134,481.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex 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 Report must be read in conjunction with the Report to Creditors dated 6 June 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 on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

## ATTACHMENTS

| SCHEDULE | DESCRIPTION  |
|----------|--|
| 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 (27 February 2025 to 2 June 2025)

### Resolution 2: Administrators future remuneration (3 June 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.

| TASKS                       |  |  |
|-----------------------------|--|--|
| PERIOD                      | Current remuneration from 27 February 2025 to 2 June 2025  | Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors  |
| TOTAL AMOUNT (EX GST)       | <b>\$104,481.50</b><br><b>190.80 hours</b>   | <b>\$30,000.00</b><br><b>60.00 hours</b>   |
| TASK AREA                   | GENERAL DESCRIPTION  |  |
| <b>ASSETS</b>               | <b>\$18,172.50</b><br><b>29.80 hours</b>   | <b>\$2,000.00</b><br><b>4.00 hours</b>   |
| Cash at bank                | <p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p> | <p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p> |
| Plant and Equipment         | <p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p>   | <p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p>   |
| Sale of business            | <p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>  | <p>Liaise with Sales Brokers and interested parties.</p>   |
| Leasing                     | <p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>   | <p>Liaising with owners/lessors</p>  |
| Related party loan accounts | <p>Reviewing and assessing loan account ledgers</p>  | <p>Further review and investigation into the loan account ledgers</p>  |

| <b>TASKS</b>               |   |   |
|----------------------------|---|---|
|                            | Liaising with Company's management regarding identified related party loan account  |   |
| Other assets               | Tasks associated with realising other assets  | Tasks associated with realising other assets  |
| <b>CREDITORS</b>           | <b>\$8,891.50</b><br><b>19.00 hours</b>   | <b>\$6,000.00</b><br><b>12.00 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<br>General PPSA creditor correspondence and property matters<br>Responding to secured creditor queries   | Responding to secured creditor queries  |
| 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, 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. | 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 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. |

| <b>TASKS</b>                            |  |   |
|---|--|---|
| Dealing with proofs of debts and claims | Receipting and filling POD's 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>\$6,098.00</b><br><b>12.70 hours</b>  | <b>\$4,000.00</b><br><b>8.00 hours</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  | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls |
| Entitlements                            | 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  |
| Fair Entitlements Guarantee (FEG)       | N/A  | Liaising with FEG   |
| <b>TRADE ON</b>                         | <b>\$60,269.50</b><br><b>102.80 hours</b>  | <b>\$4,000.00</b><br><b>8.00 hours</b>  |
| Trade On Management                     | Decisions and strategy meeting<br>Customer and supplier correspondence and liaison<br>Management and staff liaison<br>Day-to-day operations management and oversight<br>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration<br>Preparing and distributing correspondence to families and other key stakeholders<br>Process matters including authorisations of payments and receipts<br>Organising labour hire staff to fill crucial labour shortages, including approval of overtime<br>Seeking legal advice regarding payroll matters<br>Liaising with the directors and management concerning operations<br>Employee manpower plans and requirements<br>Employee trade on matters including wages and payroll | Matters relating to the transfer of operations to the buyer.<br>Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc     |
| General accounting                      | All applicable accounting tasks and processes supporting continued operations  | All applicable accounting tasks and processes supporting continued operations   |

| <b>TASKS</b>                      |   |  |
|-----------------------------------|---|--|
| Budgeting and financial reporting | Preparing budgets<br>Preparing weekly financial reports<br>Reviewing company's budgets and financial statements<br>Trading/operating budgets and forecasts<br>Cash flow preparation and monitoring<br>Financial reporting including financial position and performance<br>Meetings and reviews around financial results and estimated outcomes  | Finalising weekly P&L and cashflow for administration period.<br>Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.  |
| <b>INVESTIGATION</b>              | <b>\$3,269.50<br/>8.00 hours</b>  | <b>\$10,000.00<br/>20.00 hours</b>   |
| Conducting investigation          | 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<br>Preparation of comparative financial statements<br>Meetings and/or discussions with officers, employees and/or other parties on general company matters<br>Reviewing management accounts, financial statements and associated information<br>Reviewing and determining the date of insolvency<br>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading<br>Summarising and documenting work performed and matters requiring additional review and investigation | 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.<br>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading.<br>Summarising and documenting work performed and matters requiring additional review and investigation. |
| ASIC reporting                    | Liaising with ASIC<br>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act  | Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)  |

| <b>TASKS</b>                                   |  |   |
|--|--|---|
| <b>ADMINISTRATION</b>                          | <b>\$7,780.50<br/>18.50 hours</b>  | <b>\$4,000.00<br/>8.00 hours</b>  |
| General correspondence                         | Other on-appointment notices and administrative set up tasks for the administration<br>Other general correspondence with respect to the conduct and furtherance of the administration  | Other general correspondence with respect to the conduct and furtherance of the administration                            |
| Document Maintenance / File Review / Checklist | Filing of documents<br>File reviews<br>Updating checklists   | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists      |
| Insurance                                      | Initial notifications and liaising with insurance brokers.<br>Reviewing policies and discussions with management.<br>Determining insurance needs.<br>Providing information to/discussions with our brokers.<br>Ongoing monitoring and review of insurance needs. | Ongoing monitoring and review of insurance needs.<br>Liaising with insurance brokers.                                     |
| Bank Account Administration                    | Preparing correspondence opening term deposit and at call accounts.<br>Accounts & bank account reconciliations<br>Correspondence with bank regarding specific transfers<br>Bank account reconciliations  | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration               |
| ASIC Forms and Lodgements                      | Preparing and lodging ASIC forms including 505, 531 and 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<br/>(EX GST)</b>             | <b>\$50,000.00<br/>100.0 hrs</b>  |
| <b>TASK AREA</b>                             | <b>GENERAL DESCRIPTION</b>  |
| <b>ASSETS</b>                                | <b>\$5,000.00<br/>10.0 hrs</b>  |
| Cash at bank                                 | Recovery of security deposit monies (if applicable)   |
| Related party loans                          | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.   |
| Debtors                                      | Reviewing debtor ledgers.<br>Issuing letters of demand to pre-appointment debtors.<br>Compiling information required to formally recover outstanding debts.<br>Engaging solicitors / debt recovery agents to assist with recovering debtors.<br>Liaising with buyer concerning debtor collections, as required pursuant to ASA. |
| Sale of business                             | Finalisation of the ASA process including, queries from the Buyer, accounting for debtor collections and payment of sale of business amounts to other Group entities.   |
| Other assets                                 | Tasks associated with realising other assets.   |
| <b>CREDITORS</b>                             | <b>\$10,000.00<br/>20.0 hrs</b>   |
| Creditor Enquiries,<br>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<br>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>\$10,000.00<br/>20.0 hrs</b>   |
| Enquiries and<br>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  |

| <b>TASKS</b>                                     |   |
|--|---|
|  | employee entitlements.  |
| FEG  | Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)<br>Preparing FEG verification sheet  |
| <b>TRADE ON</b>                                  | <b>\$5,000.00</b><br><b>10.0 hrs</b>  |
| Trade on management                              | All tasks required to finalise trade-on matters.<br>Payment of final accounts & trading invoices.<br>Management and staff liaison, including attendance on site and site visits as required.<br>Dealing with staff terminations and resignations.<br>Completing accounting tasks and finalising employee / payroll matters  |
| <b>INVESTIGATION</b>                             | <b>\$10,000.00</b><br><b>20.0 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>DIVIDEND</b>                                  | <b>\$7,000.00</b><br><b>14.0 hrs</b>  |
| Proofs of debts and claims                       | Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes<br>Receiving and recording proofs of debt<br>Review and adjudication of debts and claims and requesting further particulars from creditors   |

| <b>TASKS</b>                                |  |
|---|--|
|   | Updating registers<br>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes  |
| Dividend procedures                         | Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims<br>Obtaining ATO clearance<br>Issuing all notices, advertisements, acceptance/rejection of claims to creditors<br>Performing final dividend calculations<br>Calculating ATO dividend adjustments<br>Dividend payments and notices to creditors |
| <b>ADMINISTRATION</b>                       | <b>\$3,000.00</b><br><b>6.0 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  |
| 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<br>Annual PAYG reporting obligations   |
| 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  |

## 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 27 February 2025 to 2 June 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 | 18.30         | 13,725.00         | 10.20        | 7,650.00         | 0.50         | 375.00          | -            | -               | 5.60          | 4,200.00         | -           | -               | 2.00         | 1,500.00        |  |
| John Thompson            | Director         | 685.00 | 52.80         | 36,168.00         | 7.90         | 5,411.50         | 2.00         | 1,370.00        | 1.40         | 959.00          | 41.50         | 28,427.50        | -           | -               | -            | -               |  |
| Angus Fraser             | Manager          | 550.00 | 10.50         | 5,775.00          | 3.80         | 2,090.00         | 2.30         | 1,265.00        | -            | -               | 1.10          | 605.00           | 1.80        | 990.00          | 1.50         | 825.00          |  |
| Billy Batbileg           | Manager          | 550.00 | 27.70         | 15,235.00         | -            | -                | 0.20         | 110.00          | -            | -               | 27.50         | 15,125.00        | -           | -               | -            | -               |  |
| Billy Foley              | Manager          | 550.00 | 12.40         | 6,820.00          | -            | -                | 1.90         | 1,045.00        | 4.20         | 2,310.00        | 5.60          | 3,080.00         | 0.70        | 385.00          | -            | -               |  |
| Anshu Agrawal            | Senior Analyst   | 450.00 | 6.70          | 3,015.00          | -            | -                | 3.70         | 1,665.00        | -            | -               | -             | -                | -           | -               | 3.00         | 1,350.00        |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 0.40          | 180.00            | -            | -                | -            | -               | -            | -               | -             | -                | -           | -               | 0.40         | 180.00          |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 14.70         | 6,615.00          | -            | -                | 0.10         | 45.00           | 2.20         | 990.00          | 12.10         | 5,445.00         | 0.30        | 135.00          | -            | -               |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 1.80          | 810.00            | -            | -                | 0.50         | 225.00          | 0.50         | 225.00          | -             | -                | -           | -               | 0.80         | 360.00          |  |
| Eric Sun                 | Analyst          | 405.00 | 17.50         | 7,087.50          | 6.20         | 2,511.00         | 4.30         | 1,741.50        | 2.80         | 1,134.00        | 0.60          | 243.00           | 1.00        | 405.00          | 2.60         | 1,053.00        |  |
| Oscar Bush               | Analyst          | 405.00 | 6.20          | 2,511.00          | -            | -                | -            | -               | -            | -               | 4.80          | 1,944.00         | 0.90        | 364.50          | 0.50         | 202.50          |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 7.10          | 2,130.00          | 0.50         | 150.00           | -            | -               | -            | -               | 1.10          | 330.00           | 1.00        | 300.00          | 4.50         | 1,350.00        |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 1.20          | 360.00            | -            | -                | 0.40         | 120.00          | -            | -               | -             | -                | -           | -               | 0.80         | 240.00          |  |
| Harry Brown              | Junior Analyst   | 300.00 | 2.50          | 750.00            | -            | -                | -            | -               | -            | -               | 2.50          | 750.00           | -           | -               | -            | -               |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 11.00         | 3,300.00          | 1.20         | 360.00           | 3.10         | 930.00          | 1.60         | 480.00          | 0.40          | 120.00           | 2.30        | 690.00          | 2.40         | 720.00          |  |
| <b>Total (excl. GST)</b> |                  |        | <b>190.80</b> | <b>104,481.50</b> | <b>29.80</b> | <b>18,172.50</b> | <b>19.00</b> | <b>8,891.50</b> | <b>12.70</b> | <b>6,098.00</b> | <b>102.80</b> | <b>60,269.50</b> | <b>8.00</b> | <b>3,269.50</b> | <b>18.50</b> | <b>7,780.50</b> |  |
| GST                      |                  |        |               | 10,448.15         |              | 1,817.25         |              | 889.15          |              | 609.80          |               | 6,026.95         |             | 326.95          |              | 778.05          |  |
| <b>Total (incl. GST)</b> |                  |        |               | <b>114,929.65</b> |              | <b>19,989.75</b> |              | <b>9,780.65</b> |              | <b>6,707.80</b> |               | <b>66,296.45</b> |             | <b>3,596.45</b> |              | <b>8,558.55</b> |  |
| Average Rate (\$/hr)     |                  |        |               | 547.60            |              | 609.82           |              | 467.97          |              | 480.16          |               | 586.28           |             | 408.69          |              | 420.57          |  |

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

#### **Resolution 1: Administrators' Current Remuneration (27 February 2025 to 2 June 2025)**

*“That the remuneration of the Administrators from 27 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$104,481.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”*

#### **Resolution 2: Administrators' Future Remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

*“That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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 6 June 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 (as required)**

*“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 (WAURN PONDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “HEI SCHOOLS WAURN PONDS EARLY EDUCATION CENTRE”  
ACN 638 461 579 (“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: Disbursements
- Part 5: Remuneration
- 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 6 June 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:

**5. 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.

**6. 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.

## 7. Percentage

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

## 8. 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 liquidation 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)<br>\$ |
|---|--------------------------|
| <b>VOLUNTARY ADMINISTRATION</b>                             |                          |
| 27 February 2025 to 2 June 2025                             | 120,226.50               |
| *3 June 2025 to the Date of the Second Meeting of Creditors | 30,000.00                |
| <b>Total Voluntary Administration</b>                       | <b>150,226.50</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 completion of the liquidation. 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 resolutions to be put to the meeting are set out at **Schedule C** for your information. Creditors of the respective companies 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

Our current estimate of the remuneration for the voluntary administration is \$150,226.50 (ex GST).

The estimate has increased from our previous estimate provided in our Initial Remuneration Notice dated 3 March 2025. This is because of greater than estimated time spent in the following task areas:

- Seeking an extension of the convening period for the Second Meeting through an application made in the Supreme Court of New South Wales
- Advertising the Company's business and assets for sale
- Preparation of extensive due diligence documents for the sale of business process
- Managing trade-on operations across multiple centres, noting that the Company's revenue was intertwined with other entities within the Group
- Detailed investigations into historical trading
- Receiving and responding to shareholder queries
- Dealing with enquiries from management and employees, and
- Reconciling outstanding superannuation liabilities.

We estimate that our remuneration for the period of the liquidation should creditors decide to wind up the Company will total \$50,000 (ex GST).

## 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.

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 | \$1,000.00        |
| <b>LIQUIDATION (IF APPLICABLE)</b>             |                   |
| For the period of the liquidation              | \$1,000.00        |

#### 4.2 Disbursement resolutions

The actual resolutions for approval by creditors are included in **Schedule C**. Creditors of the respective companies 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 \$150,226.50 (excl GST).

Should the company enter into liquidation, we estimate our total remuneration for acting as liquidators to the company to be \$50,000 (ex 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 Report must be read in conjunction with the Report to Creditors dated 6 June 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 on (02) 8365 1432 or by email at [finnisheducation@wlpr.com.au](mailto:finnisheducation@wlpr.com.au).

Dated this 6<sup>th</sup> day of June 2025



**Alan Walker**

Joint and Several Administrator

## ATTACHMENTS

| SCHEDULE | DESCRIPTION  |
|----------|--|
| 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 (27 February 2025 to 2 June 2025)

### Resolution 2: Administrators future remuneration (3 June 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 27 February 2025 to 2 June 2025  | Future remuneration from 3 June 2025 to the Date of the Second Meeting of Creditors  |
| <b>TOTAL AMOUNT (EX GST)</b> | <b>\$120,226.50</b><br><b>104.10 hours</b>   | <b>\$30,000.00</b><br><b>60.00 hours</b>   |
| <b>TASK AREA</b>             | <b>GENERAL DESCRIPTION</b>   |  |
| <b>ASSETS</b>                | <b>\$27,629.00</b><br><b>42.30 hours</b>   | <b>\$2,000.00</b><br><b>4.00 hours</b>   |
| Cash at bank                 | <p>Liaising with financial institutions concerning pre-appointment accounts, including account identification, access to statements</p> <p>Correspondence with pre-appointment financial institution, ongoing request for funds to be transferred to the Administrators' account</p> <p>Liaising with landlord and their legal representatives concerning funds held as security and amounts to be applied against</p> | <p>Continue liaising with financial institutions concerning transfers of funds from pre-appointment accounts.</p> <p>Continue to liaise with landlord and their legal representatives concerning the return of security deposit monies</p> |
| Plant and Equipment          | <p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p>   | <p>Liaising with valuers, auctioneers and interested parties</p> <p>Reviewing asset listings</p>   |
| Sale of business             | <p>Engage and liaise with Sales Broker concerning strategy, information requests, offers etc</p> <p>Procure information to be supplied as due diligence.</p> <p>Internal discussions concerning sale of business updates, strategy, offers etc.</p> <p>Discussions with management, staff and other stakeholders.</p>  | <p>Liaise with Sales Brokers and interested parties.</p>   |
| Leasing                      | <p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p> <p>Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.</p>   | <p>Liaising with owners/lessors</p>  |

| <b>TASKS</b>                            |   |   |
|---|---|---|
| Other assets                            | Tasks associated with realising other assets  | Tasks associated with realising other assets  |
| <b>CREDITORS</b>                        | <b>\$9,642.00</b><br><b>20.50 hours</b>   | <b>\$6,000.00</b><br><b>12.00 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<br>General PPSA creditor correspondence and property matters<br>Responding to secured creditor queries   | Responding to secured creditor queries  |
| 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, 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. | 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 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 filling POD's when not related to a dividend   | Correspondence to/from creditors regarding details of debts and claims in the administration  |

| <b>TASKS</b>                               |  |   |
|--|--|---|
|  |  | Receiving and recording formal/informal proofs of debt lodged   |
| <b>EMPLOYEE</b>                            | <b>\$7,130.50</b><br><b>14.70 hours</b>  | <b>\$4,000.00</b><br><b>8.00 hours</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  | Correspondence and meetings with employees about the conduct and status of the administration, their employment and entitlements including letters, emails and/or calls |
| Entitlements                               | 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  |
| Fair Entitlements Guarantee ( <b>FEG</b> ) | Liaising with FEG  | N/A   |
| <b>TRADE ON</b>                            | <b>\$64,716.50</b><br><b>111.10 hours</b>  | <b>\$4,000.00</b><br><b>8.00 hours</b>  |
| Trade On Management                        | Decisions and strategy meeting<br>Customer and supplier correspondence and liaison<br>Management and staff liaison<br>Day-to-day operations management and oversight<br>Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration<br>Preparing and distributing correspondence to families and other key stakeholders<br>Process matters including authorisations of payments and receipts<br>Organising labour hire staff to fill crucial labour shortages, including approval of overtime<br>Seeking legal advice regarding payroll matters<br>Liaising with the directors and management concerning operations<br>Employee manpower plans and requirements<br>Employee trade on matters including wages and payroll | Matters relating to the transfer of operations to the buyer.<br>Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc     |
| General accounting                         | All applicable accounting tasks and processes supporting continued operations  | All applicable accounting tasks and processes supporting continued operations   |
| Budgeting and financial reporting          | Preparing budgets<br>Preparing weekly financial reports<br>Reviewing company's budgets and financial statements  | Finalising weekly P&L and cashflow for administration period.   |

| <b>TASKS</b>             |   |  |
|--------------------------|---|--|
|                          | Trading/operating budgets and forecasts<br>Cash flow preparation and monitoring<br>Financial reporting including financial position and performance<br>Meetings and reviews around financial results and estimated outcomes   | Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.   |
| <b>INVESTIGATION</b>     | <b>\$4,156.50</b><br><b>10.30 hours</b>   | <b>\$10,000.00</b><br><b>20.00 hours</b>   |
| Conducting investigation | 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<br>Preparation of comparative financial statements<br>Meetings and/or discussions with officers, employees and/or other parties on general company matters<br>Reviewing management accounts, financial statements and associated information<br>Reviewing and determining the date of insolvency<br>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading<br>Summarising and documenting work performed and matters requiring additional review and investigation | 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.<br>Continue investigations into the existence of voidable transactions and evidence of any insolvency trading.<br>Summarising and documenting work performed and matters requiring additional review and investigation. |
| ASIC reporting           | Liaising with ASIC<br>Drafting and preparing investigative reports to ASIC pursuant to Section 438D of the Act  | Preparing and finalising investigative reports to ASIC – including providing subsequent assistance to ASIC (if requested)  |
| <b>ADMINISTRATION</b>    | <b>\$6,952.00</b><br><b>16.00 hours</b>   | <b>\$4,000.00</b><br><b>8.00 hours</b>   |
| General correspondence   | Other on-appointment notices and administrative set up tasks for the administration<br>Other general correspondence with respect to the conduct and furtherance of the administration   | Other general correspondence with respect to the conduct and furtherance of the administration   |

**TASKS**

|  |  |   |
|--|--|---|
| Document Maintenance / File Review / Checklist | Filing of documents<br>File reviews<br>Updating checklists   | Ongoing file reviews<br>Electronic and hard copy filing<br>Ongoing review and updating file materials and checklists      |
| Insurance                                      | Initial notifications and liaising with insurance brokers.<br>Reviewing policies and discussions with management.<br>Determining insurance needs.<br>Providing information to/discussions with our brokers.<br>Ongoing monitoring and review of insurance needs. | Ongoing monitoring and review of insurance needs.<br>Liaising with insurance brokers.                                     |
| Bank Account Administration                    | Preparing correspondence opening term deposit and at call accounts.<br>Accounts & bank account reconciliations<br>Correspondence with bank regarding specific transfers<br>Bank account reconciliations  | Bank account reconciliations<br>All other general bookkeeping and accounting matters for the administration               |
| ASIC Forms and Lodgements                      | Preparing and lodging ASIC forms including 505, 531 and 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<br/>100.0 hrs</b>  |
| <b>TASK AREA</b>                          | <b>GENERAL DESCRIPTION</b>  |
| <b>ASSETS</b>                             | <b>\$5,000.00<br/>10.0 hrs</b>  |
| Cash at bank                              | Recovery of security deposit monies (if applicable)   |
| Related party loans                       | Further review and investigation into the loan account ledgers and amounts owing from other FEC entities.   |
| Debtors                                   | Reviewing debtor ledgers.<br>Issuing letters of demand to pre-appointment debtors.<br>Compiling information required to formally recover outstanding debts.<br>Engaging solicitors / debt recovery agents to assist with recovering debtors.<br>Liaising with buyer concerning debtor collections, as required pursuant to ASA. |
| Sale of business                          | Finalisation of the ASA process including, queries from the Buyer, accounting for debtor collections and payment of sale of business amounts to other Group entities.   |
| Other assets                              | Tasks associated with realising other assets.   |
| <b>CREDITORS</b>                          | <b>\$10,000.00<br/>20.0 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>\$10,000.00<br/>20.0 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.  |
| 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  |

| <b>TASKS</b>                                     |   |
|--|---|
|  | employee entitlements.  |
| FEG  | Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG)<br>Preparing FEG verification sheet  |
| <b>TRADE ON</b>                                  | <b>\$5,000.00</b><br><b>10.0 hrs</b>  |
| Trade on management                              | All tasks required to finalise trade-on matters.<br>Payment of final accounts & trading invoices.<br>Management and staff liaison, including attendance on site and site visits as required.<br>Dealing with staff terminations and resignations.<br>Completing accounting tasks and finalising employee / payroll matters  |
| <b>INVESTIGATION</b>                             | <b>\$10,000.00</b><br><b>20.0 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>DIVIDEND</b>                                  | <b>\$7,000.00</b><br><b>14.0 hrs</b>  |
| Proofs of debts and claims                       | Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes<br>Receiving and recording proofs of debt<br>Review and adjudication of debts and claims and requesting further particulars from creditors   |

| <b>TASKS</b>                                |  |
|---|--|
|   | Updating registers<br>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes  |
| Dividend procedures                         | Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims<br>Obtaining ATO clearance<br>Issuing all notices, advertisements, acceptance/rejection of claims to creditors<br>Performing final dividend calculations<br>Calculating ATO dividend adjustments<br>Dividend payments and notices to creditors |
| <b>ADMINISTRATION</b>                       | <b>\$3,000.00</b><br><b>6.0 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  |
| 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<br>Annual PAYG reporting obligations   |
| 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  |

## 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 27 February 2025 to 2 June 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 | 27.60         | 20,700.00         | 15.60        | 11,700.00        | 0.80         | 600.00           | -            | -               | 8.70          | 6,525.00         | -            | -               | 2.50         | 1,875.00        |  |
| John Thompson            | Director         | 685.00 | 60.40         | 41,374.00         | 15.40        | 10,549.00        | 2.00         | 1,370.00         | 1.60         | 1,096.00        | 41.40         | 28,359.00        | -            | -               | -            | -               |  |
| Stephanie Wise           | Senior Manager   | 625.00 | 0.50          | 312.50            | -            | -                | 0.20         | 125.00           | -            | -               | 0.30          | 187.50           | -            | -               | -            | -               |  |
| Angus Fraser             | Manager          | 550.00 | 15.20         | 8,360.00          | 4.90         | 2,695.00         | 4.10         | 2,255.00         | 0.50         | 275.00          | 1.90          | 1,045.00         | 1.90         | 1,045.00        | 1.90         | 1,045.00        |  |
| Billy Batbileg           | Manager          | 550.00 | 27.30         | 15,015.00         | -            | -                | -            | -                | -            | -               | 27.30         | 15,015.00        | -            | -               | -            | -               |  |
| Billy Foley              | Manager          | 550.00 | 16.60         | 9,130.00          | 1.80         | 990.00           | 2.70         | 1,485.00         | 4.60         | 2,530.00        | 7.00          | 3,850.00         | 0.50         | 275.00          | -            | -               |  |
| Deanne Lee               | Senior Analyst   | 450.00 | 0.40          | 180.00            | -            | -                | -            | -                | -            | -               | -             | -                | -            | -               | 0.40         | 180.00          |  |
| Jody Kwee                | Senior Analyst   | 450.00 | 12.10         | 5,445.00          | -            | -                | -            | -                | 0.90         | 405.00          | 11.00         | 4,950.00         | 0.10         | 45.00           | 0.10         | 45.00           |  |
| Viendya Karman           | Senior Analyst   | 450.00 | 3.60          | 1,620.00          | -            | -                | 0.90         | 405.00           | 1.90         | 855.00          | -             | -                | -            | -               | 0.80         | 360.00          |  |
| Eric Sun                 | Analyst          | 405.00 | 18.30         | 7,411.50          | 3.00         | 1,215.00         | 4.40         | 1,782.00         | 3.90         | 1,579.50        | 1.10          | 445.50           | 3.00         | 1,215.00        | 2.90         | 1,174.50        |  |
| Oscar Bush               | Analyst          | 405.00 | 7.70          | 3,118.50          | -            | -                | -            | -                | -            | -               | 5.90          | 2,389.50         | 1.30         | 526.50          | 0.50         | 202.50          |  |
| Ege Dogan                | Junior Analyst   | 300.00 | 4.90          | 1,470.00          | 0.50         | 150.00           | -            | -                | -            | -               | 1.40          | 420.00           | 0.20         | 60.00           | 2.80         | 840.00          |  |
| Gina Jia                 | Junior Analyst   | 300.00 | 1.60          | 480.00            | -            | -                | 0.60         | 180.00           | -            | -               | 0.30          | 90.00            | -            | -               | 0.70         | 210.00          |  |
| Harry Brown              | Junior Analyst   | 300.00 | 4.10          | 1,230.00          | -            | -                | -            | -                | -            | -               | 4.10          | 1,230.00         | -            | -               | -            | -               |  |
| Taylor O'Neill           | Junior Analyst   | 300.00 | 14.60         | 4,380.00          | 1.10         | 330.00           | 4.80         | 1,440.00         | 1.30         | 390.00          | 0.70          | 210.00           | 3.30         | 990.00          | 3.40         | 1,020.00        |  |
| <b>Total (excl. GST)</b> |                  |        | <b>214.90</b> | <b>120,226.50</b> | <b>42.30</b> | <b>27,629.00</b> | <b>20.50</b> | <b>9,642.00</b>  | <b>14.70</b> | <b>7,130.50</b> | <b>111.10</b> | <b>64,716.50</b> | <b>10.30</b> | <b>4,156.50</b> | <b>16.00</b> | <b>6,952.00</b> |  |
| GST                      |                  |        |               | 12,022.65         |              | 2,762.90         |              | 964.20           |              | 713.05          |               | 6,471.65         |              | 415.65          |              | 695.20          |  |
| <b>Total (incl. GST)</b> |                  |        |               | <b>132,249.15</b> |              | <b>30,391.90</b> |              | <b>10,606.20</b> |              | <b>7,843.55</b> |               | <b>71,188.15</b> |              | <b>4,572.15</b> |              | <b>7,647.20</b> |  |
| Average Rate (\$/hr)     |                  |        |               | 559.45            |              | 653.17           |              | 470.34           |              | 485.07          |               | 582.51           |              | 403.54          |              | 434.50          |  |

## **SCHEDULE C – RESOLUTIONS**

### **REMUNERATION RESOLUTIONS**

#### **Resolution 1: Administrators' Current Remuneration (27 February 2025 to 2 June 2025)**

*"That the remuneration of the Administrators from 27 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$120,226.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."*

#### **Resolution 2: Administrators' Future Remuneration (3 June 2025 to the Date of the Second Meeting of Creditors)**

*"That the future remuneration of the Administrators from 3 June 2025 to the Date of the Second Meeting of Creditors 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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 6 June 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 (as required)**

*"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

**HOLISTIC DEVELOPMENT PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS EMERALD EARLY LEARNING CENTRE"  
ACN 621 106 287**

**Receipts and Payments for the period from 11 February 2025 to 1 June 2025**

| <b>Receipts and Payments Account</b>       | <b>Net \$</b>       | <b>GST \$</b>   | <b>Gross \$</b>     |
|--|---------------------|-----------------|---------------------|
| <b>Receipts</b>                            |                     |                 |                     |
| Childcare Subsidy Income                   | 320,026.96          | 0.00            | 320,026.96          |
| Childcare Gap Fee                          | 125,583.11          | 0.00            | 125,583.11          |
| FEC Intercompany transfer                  | 794,495.83          | 0.00            | 794,495.83          |
| CCS received on behalf of related entities | 1,724,075.26        | 0.00            | 1,724,075.26        |
| Cash At Bank                               | 388.56              | 0.00            | 388.56              |
| <b>Total Receipts (inc. GST)</b>           | <b>2,964,569.72</b> | <b>0.00</b>     | <b>2,964,569.72</b> |
| Rent Paid (Commercial)                     | 1,960.94            | 196.09          | 2,157.03            |
| Centre Services (inc. GST)                 | 6,920.56            | 692.03          | 7,612.59            |
| Centre Services (exc. GST)                 | 6,091.93            | 0.00            | 6,091.93            |
| Bank Charges                               | 7.95                | 0.00            | 7.95                |
| Electricity                                | 1,591.81            | 159.19          | 1,751.00            |
| Water                                      | 1,671.45            | 152.02          | 1,823.47            |
| Staff Expenses / Reimbursements            | 251.67              | 25.17           | 276.84              |
| Contracted Labour                          | 9,364.28            | 936.42          | 10,300.70           |
| Overdraft Interest                         | 131.69              | 0.00            | 131.69              |
| Professional Services                      | 304.00              | 30.40           | 334.40              |
| Rent Paid (Commercial)                     | 27,716.82           | 2,771.68        | 30,488.50           |
| Repairs & Maintenance                      | 381.64              | 38.16           | 419.80              |
| Stationery & Printing                      | 666.20              | 66.62           | 732.82              |
| Superannuation                             | 34,866.55           | 0.00            | 34,866.55           |
| Cleaning & Waste                           | 3,240.00            | 324.00          | 3,564.00            |
| Wages & Salaries                           | 321,000.05          | 0.00            | 321,000.05          |
| Subscriptions                              | 1,521.79            | 152.18          | 1,673.97            |
| Utilities                                  | 739.32              | 73.93           | 813.25              |
| Employee Allowances                        | 1,183.06            | 0.00            | 1,183.06            |
| FEC Intercompany transfer                  | 2,428,057.21        | 0.00            | 2,428,057.21        |
| Payroll Tax                                | 3,350.49            | 0.00            | 3,350.49            |
| Superannuation Accrual                     | (17,261.66)         | 0.00            | (17,261.66)         |
| GST Clearing Account                       | 18,320.00           | 0.00            | 18,320.00           |
| PAYG Withholding Tax                       | (53,420.00)         | 0.00            | (53,420.00)         |
| <b>Total Payments (inc. GST)</b>           | <b>2,798,657.75</b> | <b>5,617.89</b> | <b>2,804,275.64</b> |
| <b>Surplus funds on hand</b>               |                     |                 | <b>\$162,451.11</b> |

## ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS

**FINNISH EARLY CHILDHOOD EDUCATION (GOSFORD) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS GOSFORD EARLY EDUCATION CENTRE"  
ACN 643 367 720**

**Receipts and Payments for the period from 11 February 2025 to 1 June 2025**

| <b>Receipts and Payments Account</b> | <b>Net \$</b>     | <b>GST \$</b>    | <b>Gross \$</b>     |
|--------------------------------------|-------------------|------------------|---------------------|
| <b>Receipts</b>                      |                   |                  |                     |
| Childcare Subsidy Income             | 226,454.32        | 0.00             | 226,454.32          |
| Childcare Gap Fee                    | 569,193.04        | 0.00             | 569,193.04          |
| Rental income                        | 7,147.92          | 0.00             | 7,147.92            |
| Cash At Bank                         | 561.50            | 0.00             | 381.32              |
| <b>Total Receipts (inc. GST)</b>     | <b>803,356.78</b> | <b>0.00</b>      | <b>803,176.60</b>   |
| Centre Services (inc. GST)           | 1,658.92          | 165.90           | 1,824.82            |
| Centre Services (exc. GST)           | 9,216.89          | 0.00             | 9,216.89            |
| Bank Charges                         | 8.08              | 0.00             | 8.08                |
| Electricity                          | 4,901.32          | 490.13           | 5,391.45            |
| IT Services                          | 977.36            | 97.74            | 1,075.10            |
| Rent Paid (Residential)              | 1,800.00          | 0.00             | 1,800.00            |
| Rent Paid (Commercial)               | 120,443.15        | 11,984.32        | 132,427.47          |
| Repairs & Maintenance                | 504.75            | 50.48            | 555.23              |
| Stationery & Printing                | 1,461.51          | 146.14           | 1,607.65            |
| Cleaning & Waste Removal             | 6,345.82          | 634.59           | 6,980.41            |
| Superannuation                       | 51,170.90         | 0.00             | 51,170.90           |
| Food Supplies                        | 29,873.09         | 2,971.40         | 32,844.49           |
| Parent Refunds                       | 1,512.77          | 0.00             | 1,512.77            |
| Wages & Salaries                     | 457,050.20        | 0.00             | 457,050.20          |
| Employee Expenses / Reimbursements   | 5,400.00          | 0.00             | 5,400.00            |
| Employee Allowances                  | 2,342.18          | 0.00             | 2,342.18            |
| Computer & Software Subscriptions    | 356.91            | 35.70            | 392.61              |
| Superannuation Accrual               | (25,380.24)       | 0.00             | (25,380.24)         |
| GST Clearing Account                 | 39,014.00         | 0.00             | 39,014.00           |
| PAYG Withholding Tax                 | (77,860.00)       | 0.00             | (77,860.00)         |
| <b>Total Payments (inc. GST)</b>     | <b>630,797.61</b> | <b>16,576.40</b> | <b>647,374.01</b>   |
| <b>Surplus funds on hand</b>         |                   |                  | <b>\$155,802.59</b> |

## ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS

**FINNISH EARLY CHILDHOOD EDUCATION (ST LEONARDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS ST LEONARDS EARLY EDUCATION CENTRE"  
ACN 645 781 460**

**Receipts and Payments for the period from 11 February 2025 to 1 June 2025**

| <b>Receipts and Payments Account</b> | <b>Net \$</b>     | <b>GST \$</b>    | <b>Gross \$</b>     |
|--------------------------------------|-------------------|------------------|---------------------|
| <b>Receipts</b>                      |                   |                  |                     |
| Childcare Subsidy Income             | 309,389.57        | 0.00             | 309,389.57          |
| Childcare Gap Fee                    | 433,569.40        | 0.00             | 433,569.40          |
| FEC Intercompany transfer            | 2,949.95          | 0.00             | 2,949.95            |
| Cash At Bank                         | 5.00              | 0.00             | 5.00                |
| <b>Total Receipts (inc. GST)</b>     | <b>745,908.92</b> | <b>0.00</b>      | <b>745,908.92</b>   |
| Centre Services (inc. GST)           | 10,575.89         | 1,057.60         | 11,633.49           |
| Centre Services (exc. GST)           | 2,501.55          | 0.00             | 2,501.55            |
| Bank Charges                         | 7.95              | 0.00             | 7.95                |
| Utilities                            | 4,994.11          | 499.41           | 5,493.52            |
| Casual Labour                        | 1,797.70          | 179.77           | 1,977.47            |
| Cleaning & Waste Removal             | 8,827.77          | 882.78           | 9,710.55            |
| Rent Paid (Commercial)               | 99,069.48         | 9,906.94         | 108,976.42          |
| Repairs & Maintenance                | 1,020.00          | 102.00           | 1,122.00            |
| Stationery & Printing                | 898.04            | 89.80            | 987.84              |
| Superannuation                       | 46,741.90         | 0.00             | 46,741.90           |
| Software Subscriptions               | 1,773.38          | 177.34           | 1,950.72            |
| Wages & Salaries                     | 410,907.47        | 0.00             | 410,907.47          |
| Employee Allowances                  | 390.36            | 0.00             | 390.36              |
| Food Supplies                        | 11,966.50         | 1,178.84         | 13,145.34           |
| Parent Refund                        | 2,238.50          | 0.00             | 2,238.50            |
| Superannuation Accrual               | (22,776.59)       | 0.00             | (22,776.59)         |
| GST Clearing Account                 | 39,453.00         | 0.00             | 39,453.00           |
| PAYG Withholding Tax                 | (78,469.00)       | 0.00             | (78,469.00)         |
| Centre Services (inc. GST)           | 10,575.89         | 1,057.60         | 11,633.49           |
| <b>Total Payments (inc. GST)</b>     | <b>541,918.01</b> | <b>14,074.48</b> | <b>555,992.49</b>   |
| <b>Surplus funds on hand</b>         |                   |                  | <b>\$189,916.43</b> |

**The trading costs have not been finalised yet as we are waiting for final invoices and confirmation of the final payroll tax, work cover and BAS liabilities which will be paid from surplus funds.**

## ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS

**FINNISH EARLY CHILDHOOD EDUCATION (LONGWARRY) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS “ILO LONGWARRY EARLY EDUCATION CENTRE”  
“HEI SCHOOLS LONGWARRY EARLY LEARNING CENTRE”  
ACN 637 227 546**

**Receipts and Payments for the period from 27 February 2025 to 1 June 2025**

| <b>Receipts and Payments Account</b> | <b>Net \$</b>     | <b>GST \$</b>   | <b>Gross \$</b>     |
|--------------------------------------|-------------------|-----------------|---------------------|
| <b>Receipts</b>                      |                   |                 |                     |
| Childcare Subsidy Income             | 440,401.72        | 59.67           | 440,461.39          |
| Childcare Gap Fee                    | 105,421.18        | 0.00            | 105,421.18          |
| FEC Intercompany transfer            | 7,562.80          | 0.00            | 7,562.80            |
| Cash At Bank                         | 6,202.77          | 0.00            | 6,202.77            |
| <b>Total Receipts (inc. GST)</b>     | <b>559,588.47</b> | <b>59.67</b>    | <b>559,648.14</b>   |
| Centre Services (inc. GST)           | 3,377.23          | 337.73          | 3,714.96            |
| Centre Services (exc. GST)           | 584.27            | 0.00            | 584.27              |
| Water                                | 881.85            | 0.00            | 881.85              |
| Insurance                            | 1,951.26          | 195.12          | 2,146.38            |
| Cleaning & Waste Removal             | 10,169.88         | 1,016.98        | 11,186.86           |
| Professional Services                | 1,020.00          | 102.00          | 1,122.00            |
| Rates Council (Council)              | 3,000.17          | 0.00            | 3,000.17            |
| Rent Paid (Commercial)               | 37,117.80         | 3,711.78        | 40,829.58           |
| Repairs & Maintenance                | 2,485.07          | 225.18          | 2,710.25            |
| Sundry Expenses                      | 231.88            | 23.19           | 255.07              |
| Superannuation                       | 43,069.99         | 0.00            | 43,069.99           |
| Software Subscriptions               | 1,780.23          | 178.02          | 1,958.25            |
| Wages & Salaries                     | 389,332.47        | 0.00            | 389,332.47          |
| Employee Allowances                  | 1,188.04          | 0.00            | 1,188.04            |
| Utilities                            | 792.68            | 79.27           | 871.95              |
| Food Supplies                        | 2,702.21          | 268.10          | 2,970.31            |
| Food Supplies - No GST               | 7,332.14          | 0.00            | 7,332.14            |
| Parent Refunds                       | 584.58            | 0.00            | 584.58              |
| Payroll Tax                          | 5,105.25          | 0.00            | 5,105.25            |
| Superannuation Accrual               | (30,617.09)       | 0.00            | (30,617.09)         |
| GST Clearing Account                 | 31,698.00         | 0.00            | 31,698.00           |
| PAYG Withholding Tax                 | (70,210.00)       | 0.00            | (70,210.00)         |
| <b>Total Payments (inc. GST)</b>     | <b>443,577.91</b> | <b>6,137.37</b> | <b>449,715.28</b>   |
| <b>Surplus funds on hand</b>         |                   |                 | <b>\$109,932.86</b> |

**The trading costs have not been finalised yet as we are waiting for final invoices and confirmation of the final payroll tax, work cover and BAS liabilities which will be paid from surplus funds.**

## ANNEXURE C – SUMMARY RECEIPTS AND PAYMENTS

**FINNISH EARLY CHILDHOOD EDUCATION (WAURN PONDS) PTY LTD (ADMINISTRATORS APPOINTED)  
TRADING AS "HEI SCHOOLS WAURN PONDS EARLY EDUCATION CENTRE"  
ACN 638 461 579**

**Receipts and Payments for the period from 27 February 2025 to 1 June 2025**

| <b>Receipts and Payments Account</b> | <b>Net \$</b>     | <b>GST \$</b>    | <b>Gross \$</b>   |
|--------------------------------------|-------------------|------------------|-------------------|
| <b>Receipts</b>                      |                   |                  |                   |
| Childcare Subsidy Income             | 388,677.99        | 0.00             | 388,677.99        |
| Childcare Gap Fee                    | 108,249.92        | 42,801.36        | 114,878.59        |
| FEC Intercompany transfer            | 4,824.95          | 0.00             | 4,824.95          |
| FEC AUS Loan                         | 60,000            |                  | 60,000            |
| Cash At Bank                         | 14,287.99         | 0.00             | 14,287.99         |
| <b>Total Receipts (inc. GST)</b>     | <b>576,040.85</b> | <b>42,801.36</b> | <b>582,669.52</b> |
| Centre Services (inc. GST)           | 19,328.18         | 1,162.56         | 20,490.74         |
| Centre Services (exc. GST)           | 430.00            | 0.00             | 430.00            |
| Electricity & Gas                    | 1,982.80          | 198.28           | 2,181.08          |
| Employee Workcover Therapy           | 1,058.09          | 105.81           | 1,163.90          |
| Casual Labour                        | 20,392.96         | 2,039.31         | 22,432.27         |
| Insurance                            | 12,289.57         | 1,228.96         | 13,518.53         |
| Professional Services                | 7,107.02          | 710.70           | 7,817.72          |
| Rent Paid (Commercial)               | 96,458.46         | 9,645.84         | 106,104.30        |
| Repairs & Maintenance                | 6,658.21          | 665.82           | 7,324.03          |
| Superannuation                       | 40,471.97         | 0.00             | 40,471.97         |
| Cleaning & Waste                     | 7,602.43          | 760.23           | 8,362.66          |
| Staff Training & Certification       | 850.91            | 85.09            | 936.00            |
| Software Subscriptions               | 404.74            | 25.40            | 430.14            |
| Wages & Salaries                     | 361,104.43        | 0.00             | 361,104.43        |
| Employee Allowances                  | 2,359.11          | 0.00             | 2,359.11          |
| Payroll Tax                          | 5,100.92          | 0.00             | 5,100.92          |
| Plant & Equipment                    | 4,470.00          | 447.00           | 4,917.00          |
| Parent Refunds                       | 1,923.21          | 0.00             | 1,923.21          |
| Transport & Courier                  | 2,011.18          | 201.12           | 2,212.30          |
| Superannuation Accrual               | (28,844.94)       | 0.00             | (28,844.94)       |
| GST Clearing Account                 | 27,743.00         | 0.00             | 27,743.00         |
| PAYG Withholding Tax                 | (63,690.00)       | 0.00             | (63,690.00)       |
| <b>Total Payments (inc. GST)</b>     | <b>527,212.25</b> | <b>17,276.12</b> | <b>544,488.37</b> |
| <b>Surplus funds on hand</b>         |                   |                  | <b>38,181.15</b>  |

**The trading costs have not been finalised yet as we are waiting for final invoices and confirmation of the final payroll tax, work cover and BAS liabilities which will be paid from surplus funds.**

## ANNEXURE D – PROXY FORM

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

### APPOINTMENT OF PROXY CREDITORS MEETING

**HOLISTIC DEVELOPMENT PTY LTD (ADMINISTRATORS APPOINTED)  
 TRADING AS "HEI SCHOOLS EMERALD EARLY LEARNING CENTRE"  
 ACN 621 106 287**

|  |  |
|--|--|
| *I/*We <sup>(1)</sup>  |  |
| Of   |  |
| being a creditor of the Company, appoint <sup>(2)</sup> or<br>in his or her absence  |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> ,<br>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 2 June 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 6 June 2025 and such sum to be capped at the amount of \$95,576.00 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 3 June 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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: Proposed Liquidators' Future Remuneration (as required)</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 6 June 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"/> |





## ANNEXURE D – PROXY FORM

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

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (GOSFORD) PTY LTD (ADMINISTRATORS APPOINTED)  
 TRADING AS "HEI SCHOOLS GOSFORD EARLY EDUCATION CENTRE"  
 ACN 643 367 720**

|  |  |
|--|--|
| *I/*We <sup>(1)</sup>  |  |
| Of   |  |
| being a creditor of the Company, appoint <sup>(2)</sup> or<br>in his or her absence  |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> ,<br>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 2 June 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 6 June 2025 and such sum to be capped at the amount of \$109,000.50 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 3 June 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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>(D) "The Company be wound up"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(E) "The Administration should end"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(F) "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: Proposed Liquidators' Future Remuneration (as required)</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 6 June 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"/> |



## ANNEXURE D – PROXY FORM

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

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (ST LEONARDS) PTY LTD (ADMINISTRATORS APPOINTED)  
 TRADING AS "HEI SCHOOLS ST LEONARDS EARLY EDUCATION CENTRE"  
 ACN 645 781 460**

|  |  |
|--|--|
| *I/*We <sup>(1)</sup>  |  |
| Of   |  |
| being a creditor of the Company, appoint <sup>(2)</sup> or<br>in his or her absence  |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> ,<br>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 2 June 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 6 June 2025 and such sum to be capped at the amount of \$98,271.50 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 3 June 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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>(G) "The Company be wound up"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(H) "The Administration should end"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(I) "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: Proposed Liquidators' Future Remuneration (as required)</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 6 June 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"/> |



## ANNEXURE D – PROXY FORM

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

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (LONGWARRY) PTY LTD (ADMINISTRATORS APPOINTED)  
 TRADING AS “ILO LONGWARRY EARLY EDUCATION CENTRE”  
 “HEI SCHOOLS LONGWARRY EARLY LEARNING CENTRE”  
 ACN 637 227 546**

|   |  |
|---|--|
| *I/*We <sup>(1)</sup>   |  |
| Of  |  |
| being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence  |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , 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 27 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$104,481.50 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 3 June 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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>(J) "The Company be wound up"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(K) "The Administration should end"</p>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>(L) "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: Proposed Liquidators' Future Remuneration (as required)</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 6 June 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"/> |



## ANNEXURE D – PROXY FORM

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

### APPOINTMENT OF PROXY CREDITORS MEETING

**FINNISH EARLY CHILDHOOD EDUCATION (WAURN PONDS) PTY LTD (ADMINISTRATORS APPOINTED)  
 TRADING AS "HEI SCHOOLS WAURN PONDS EARLY EDUCATION CENTRE"  
 ACN 638 461 579**

|   |  |
|---|--|
| *I/*We <sup>(1)</sup>   |  |
| Of  |  |
| being a creditor of the Company, appoint <sup>(2)</sup> or in his or her absence  |  |
| to vote for me/us on my/our behalf at the meeting of creditors to be held on <b>Friday, 6 June 2025 at 10:00AM</b> , 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>"That the remuneration of the Administrators from 27 February 2025 to 2 June 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 6 June 2025 and such sum to be capped at the amount of \$120,226.50 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>"That the future remuneration of the Administrators from 3 June 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 6 June 2025 and such sum to be capped at the amount of \$30,000.00 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>"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: Proposed Liquidators' Future Remuneration (as required)</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 6 June 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"/> |



# 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:

- Holistic Development Pty Ltd (Administrators Appointed) ACN 621 106 287
- Finnish Early Childhood Education (Gosford) Pty Ltd (Administrators Appointed) ACN 643 367 720
- Finnish Early Childhood Education (St Leonards) Pty Ltd (Administrators Appointed) ACN 645 781 460

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

# 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 (Longwarry) Pty Ltd (Administrators Appointed) ACN 637 227 546

Finnish Early Childhood Education (Waurrn Ponds) Pty Ltd (Administrators Appointed) ACN 638 461 579

To the Administrators:

1. This is to state that the company was, on 27 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

- E. 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.
- F. 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.
- G. The pages in an annexure must be numbered consecutively.
- H. 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:

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

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# 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