
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

ILO Early Learning (Ballan) Pty Ltd (Administrators Appointed)
Trading as "ILO Kendall Early Education Centre Ballan" & "ILO Ballan Early Learning Centre"
ACN 652 090 465

ILO Early Learning (Australia) Pty Ltd (Administrators Appointed)
Trading as "ILO Early Learning Australia"
ACN 649 081 069

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



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ANNEXURE	DESCRIPTION
A	Notice of the Second Meeting of Creditors
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C	Summary Receipts and Payments
D	Proxy Form
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F	Creditor Information Sheet
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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
Business	Early learning centre operated by ILO Early Learning (Ballan) Pty Ltd (Administrators Appointed)
c.	Circa
CBA	Commonwealth Bank of Australia
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	ILO Early Learning (Ballan) Pty Ltd (Administrators Appointed) ILO Early Learning (Australia) 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
DOE	Australian Department of Education
DOEV	Department of Education for the state of Victoria
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
FY	Financial year
Group	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)
ILO Ballan	ILO Early Learning (Ballan) 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
RBA	Running Balance Account
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. The Second Meeting will be held at 10:00 AM (AEST) on 17 June 2025
SRO	State Revenue Office – Victoria
TAA	Tax Administration Act 1953 (Cth)
VIC	Victoria
Waurm Ponds	Finnish Early Childhood Education (Waurm Ponds) Pty Ltd (Administrators Appointed)
YTD	Year to date

02

EXECUTIVE SUMMARY

QUESTION	EXPLANATION
What did the Companies do?	<p>ILO Ballan operated an early learning centre, delivering childcare and kindergarten services for up to 76 places from leased premises located at 80 Steiglitz Street Ballan, VIC 3342.</p> <p>ILO Australia provided head office support for the Group's Ballan and Kurunjang Centres.</p> <p>The Companies operated under the ILO education framework under licence from HEI Schools.</p>
What is the current status of the Companies?	<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>
Who is in control of the Companies?	<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 14 other entities in the Group.</p>
What is happening with the Companies' business and assets?	<p>On appointment, we assessed the Companies' short-term financial viability and considered whether we could preserve the Business whilst running an accelerated business sale campaign and / or 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>To allow the Business to continue, the Administrators secured support from the key stakeholders, including the Business' leadership team, employees, Head Office staff and families.</p> <p>The Administrators identified one potential buyer for the Business however this proposed sale eventually fell through. The Administrators ceased the Business shortly after the termination of the proposed sale.</p>
Proposed Sale of business	<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 ILO Ballan's business and assets for sale.</p> <p>The Business was advertised through a two-week campaign, with expressions of interest closing on 6 March 2025.</p>

QUESTION	EXPLANATION
	<p>At the conclusion of the campaign one offer was received. As part of the transaction, the Administrators required the co-operation of the landlord to novate the lease to the proposed buyer. The landlord was unwilling to assign the lease, therefore, we were unable to complete the sale.</p> <p>The Administrators closed the Centre shortly after this and sold the residual Company assets held at the premises to the Waurm Ponds Centre.</p>
<p>Has a DOCA proposal been put forward for creditors to consider?</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 a number of other centres within the Group had sold, the Director withdrew his intention to submit a proposal involving the Companies.</p>
<p>When is the Second Meeting of creditors?</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>Given that ILO Ballan's business has ceased trading, the Administrators do not consider it necessary to utilise the full extension period. Accordingly, the Second Meeting of creditors will be held on Tuesday, 17 June 2025 at 10:00 AM AEST. A formal notice of this meeting is enclosed at Annexure A.</p> <p>Creditors wishing to attend the meeting are requested to follow the instructions set out in Section 3.4 of this Report and return the completed forms contained at Annexures D and E as soon as possible.</p>
<p>What is the purpose of the Second Meeting and what will creditors need to do?</p>	<p>The purpose of the Second Meeting is to provide an update to creditors on the trading operations of the Companies and outline the 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"> - the Administration should end, or - the Companies be wound up. <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>Why did the Companies become insolvent?</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"> - Low occupancy levels across the majority of the Group's Centres

QUESTION	EXPLANATION																								
	<ul style="list-style-type: none"> - Head office expenses were significantly higher than what was required for a Group of this size - Fixed licensing fees due to HEI Schools - The loss of state government kindergarten funding for all VIC centres - Staffing issues across multiple centres leading to increased costs in casual labor costs - 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 - 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. 																								
<p>When do the Administrators consider the Companies became insolvent?</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. The Companies recorded a loss in each year of trading from incorporation.</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 Section 8 of this Report.</p>																								
<p>Would there be any claims or recoveries in a liquidation?</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>ILO Ballan</p> <table border="1" data-bbox="613 1297 1375 1560"> <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>ILO Australia</p> <table border="1" data-bbox="613 1627 1375 1883"> <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>	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	Possible	Unfair preferences	Possible	Uncommercial transactions	Low	Payments to related parties	Possible	Breach of duties	Possible
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QUESTION	EXPLANATION
	<p>Our preliminary view is that there are potential claims available for a liquidator to pursue however it is still uncertain as to whether these claims would be commercially viable and in the best interest of the liquidation estate.</p> <p>For further details, please see Section 8.</p>
<p>What is the cost of the Administration?</p>	<p>Refer to Section 5 of the Report for information relating to the approval of Administrators' fees.</p>
<p>What is the estimated return to creditors?</p>	<p>Refer to Section 9 of the Report for further details relating to the estimated return to creditors.</p>
<p>What is the recommendation to creditors on the future of the Companies?</p>	<p>We are required pursuant to s 438A of the Act to provide an opinion on each of the following:</p> <ul style="list-style-type: none"> - Whether the Administration should end - Whether a DOCA proposal be accepted, or - Whether the Companies should be wound up. <p>The Administration cannot end as the Companies are insolvent, and the Business has ceased trading.</p> <p>No DOCA proposal has been submitted for creditors to consider.</p> <p>Our opinion and recommendation is that the Companies be wound up and a liquidator/(s) be appointed.</p>
<p>Where can I get more information?</p>	<p>If you require any further information, please contact Billy Foley.</p> <p>Email: finnisheducation@wlpr.com.au.</p>

03

THE ADMINISTRATION

3.1 APPOINTMENT OF THE ADMINISTRATORS

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

3.2 OBJECTIVE OF ADMINISTRATION

In a voluntary administration, administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers, to manage the 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 were unable to complete a sale of the Business and operations have now ceased. **Section 9** includes the estimated outcome for creditors.

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 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.

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

Given that the Business has now ceased trading, pursuant to s 439A of the Act, the Second Meeting has 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, 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 recommendation 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@wlp.com.au. Teleconference call details will be provided on request once the relevant forms listed below have been submitted.

FORM	COMMENTS	ACTION REQUIRED
Appointment of proxy (Form 532)	<ul style="list-style-type: none"> - Corporate creditors must appoint an individual to act on their behalf. - Individuals voting in person are not required to complete this form unless they are appointing a representative to vote on their behalf. - Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted. 	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.
Proof of Debt (Form 535)	<ul style="list-style-type: none"> - Creditors must submit documentation to support the amount they have claimed. - 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. 	

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

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES

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

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

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

ASIC has produced information sheets for creditors to assist their understanding of common 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:

ILO Ballan

APPOINTMENT TYPE	PERIOD	(EXCL. GST) AMOUNT \$
Administrators' fees	11/02/2025 – 28/05/2025	70,356
Administration future fees	29/05/2025 – 06/06/2025	30,000
Liquidation (if applicable)	06/06/2025 to the conclusion of the liquidation	50,000

ILO Australia

APPOINTMENT TYPE	PERIOD	(EXCL. GST) AMOUNT \$
Administrators' fees	11/02/2025 – 28/05/2025	49,340
Administration future fees	29/05/2025 – 06/06/2025	30,000
Liquidation (if applicable)	06/06/2025 to the conclusion of the liquidation	50,000

Our previous estimate included in our Initial Remuneration Notice dated 13 February 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 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).

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 ILO Ballan's scenario as they operated an early-learning education centre, providing daily care services to families in the Ballan, VIC area.

If the Business had ceased to trade following our appointment, the value of its business would have been materially impaired. Had the Business 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 Business did not guarantee a better outcome for creditors, it increased the chances of the Business 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 the landlord, which remained in effect throughout the duration of the business sale campaign. This arrangement assisted in preserving limited cash reserves and supported continued trading during the sale process.

6.2 PROPOSED SALE OF ILO BALLAN'S BUSINESS AND ASSETS

From the commencement of the Administration to 28 May 2025, ILO Ballan recorded a loss of \$84,618. As discussed in **section 2**, following a two-week sales campaign, the Administrators received one offer for the Business of \$150,000. This offer was conditional on the successful novation of the lease. The landlord was not willing to transfer the lease to the proposed buyer. As no other offers were received by the Administrators for the sale of the Business, the Administrators ceased operations on 4 April 2025. The Administrators subsequently sold any residual assets of value to Waurn Ponds and disclaimed the lease.

Throughout the period of the Administration, ILO Australia has continued to provide administrative support to Ballan and Kurunjang, as well as other Group Companies. From the commencement of the Administration

to 28 May 2025, ILO Australia recorded a loss of \$31,171 which is predominately made up of wages. The Administrators felt it necessary to continue to keep ILO Australia operational as it provided administrative support which was essential while a sale of business campaign was conducted.

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 8.3** and the estimated outcome for creditors set out in **section 9**.

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 – ILO Ballan

The financial position for ILO Ballan 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	ADMINISTRATORS ESTIMATE
		\$	\$
Assets			
Cash at Bank	7.2.1	46,697	5,494
Debtors	7.2.2	7,748	8,772
Plant and Equipment	7.2.3	2,000	4,470
Total Assets		56,445	18,736
Liabilities			
Priority Employee Creditors	7.2.4	27,614	33,360
Unsecured Creditors	7.2.5	532,982	505,154
Total Liabilities		551,596	538,514
Estimate Surplus / (Deficit)		(495,151)	(519,778)

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 \$
Westpac	Business	033-395 / 65-1203	0.00
Westpac	Business	033-395 / 65-1211	0.00
Westpac	Business	033-395 / 65-1238	0.00
Westpac	Business Deposit	033-395 / 65-1246	37,044
Westpac	Business Deposit	033-395 / 67-2573	39,270
TOTAL			\$76,314

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

The Company held a cash rental bond of \$76,314 as security for the Companies' lease obligations. This majority of this bond was utilised by the landlord to cover outstanding rental arrears. We subsequently received \$5,494 being the balance of the bond.

7.2.2 DEBTORS

The Director's ROCAP disclosed trade debtors of \$7,748 in his ROCAP, while the Management Accounts did not record a receivables amount.

This balance relates to childcare subsidy income which is received a week in arrears. The Administrators received \$8,772 post appointment relating to childcare subsidy fees.

7.2.3 PLANT AND EQUIPMENT

The Director's ROCAP disclosed plant and equipment of \$2,000 held by ILO Ballan, while the Management Accounts recorded fixtures and fittings with a book value of \$14,896.

Independent valuations were obtained following the closure of the Business which stated the assets had a fair market value of \$4,470. The Administrators subsequently sold the fixtures and fittings to Waurm Ponds based on an independent valuation.

7.2.4 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:

ENTITLEMENTS	AMOUNT \$
Annual leave & loading	14,257
PILN/Redundancy	7,904
Superannuation	11,199
TOTAL	33,360

The Administrators continued the employment of all permanent and casual employees on appointment. All employees were subsequently made redundant following the closure of the Business 4 April 2025. Outstanding annual leave that accrued prior to the appointment of the Administrators, as well as redundancy amounts have now crystallised and are a priority claim in the Administration.

Unpaid superannuation claims also remain as a priority claim in the Administration.

If the Company is placed into liquidation, 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. 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 \$	POD \$	ADMINISTRATORS' ESTIMATE \$
Loans from Group Companies / Shareholders	414,104		414,104
ATO	8,118		8,118
SRO - Payroll tax	7,180		7,180
ASL Real Estate	18,827		-
Educating Kids	21,430	21,430	21,430
Other	54,322	24,342	54,322
TOTAL	523,981	45,772	505,154

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 \$414,104, while the Management Accounts note a payable balance of \$375,148. The Directors have yet to conduct an audit of these payable balances and will be finalised at a later date if required.

ATO

The Director's ROCAP records the ATO as a creditor for \$8,118. The ATO has not yet submitted a claim against ILO Ballan. This amount may change when any outstanding returns are lodged.

SRO

The Director's ROCAP records the SRO as a creditor for \$7,180, 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 \$7,180 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).

ASL Real Estate

The Director's ROCAP records ASL Real Estate, who acted as agent for the Landlord, as a creditor for \$18,827. As detailed at note 7.2.1 above, the landlord has deducted ILO Ballan'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.

Educating Kids

The Director's ROCAP records Educating Kids as a creditor to the amount of \$21,430 which matches the POD received by the Administrators.

Other

The ROCAP records other creditor amounts made up of 18 other creditors with claims totalling \$54,322. Three of these creditors have filed claims in the Administration totalling \$24,342 which ties back amounts stated in the ROCAP.

7.3 FINANCIAL POSITION – ILO Australia

The financial position for ILO Australia 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	ADMINISTRATORS' ESTIMATE
		\$	\$
Assets			
Cash at Bank	7.3.1	-	(23)
Intercompany Loans	7.3.2	5,870,171	TBC
Total Assets		5,870,171	(23)
Liabilities			
Priority Employee Creditors	7.3.3	161,953	115,500
Unsecured Creditors	7.3.4	5,798,201	5,798,201
Total Liabilities		5,960,154	5,913,701
Estimate Surplus / (Deficit)		(89,983)	(5,908,100)

7.3.1 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 ILO Australia's name.

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

BANK	ACCOUNT TYPE	BSB / ACCOUNT NUMBER	BALANCE
			\$
Westpac	Business	033-395 / 62-6766	(23)
Westpac	Business	033-395 / 62-6275	-
TOTAL			(23)

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

7.3.2 INTERCOMPANY LOANS

The Director's ROCAP disclosed \$5,870,171 of related party debtors in his ROCAP. Our review of the Management Accounts identified the following related party loan accounts totalling \$:

RELATED LOANS	Management Accounts
	\$
Finnish Early Childhood Education (Australia) Pty Ltd (Administrators Appointed)	3,827,125
Other purported related party creditors	839,998
Directors Loan	319,972
Finnish Early Childhood Education (Hampton Park) Pty Ltd (Administrators Appointed)	238,797
Finnish Early Childhood Education (Norlane) Pty Ltd (Administrators Appointed)	156,472
Finnish Early Childhood Education (Dandenong North) Pty Ltd (Administrators Appointed)	132,791
Finnish Early Childhood Education (Brunswick East) Pty Ltd (Administrators Appointed)	128,432
Finnish Early Childhood Education (Charlotte) Pty Ltd (Administrators Appointed)	10,695
TOTAL	5,654,282

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 Companies' income and expenditure but sent funds to each entity as funding was required.

The Administrators have not yet determined whether any of these balances will be repaid by other Companies as the outcome of the other Group administration has not been finalised.

Further investigations with respect to the Director's loan and his capacity to repay this balance are still ongoing.

7.3.3 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:

ENTITLEMENTS	AMOUNT
	\$
Annual leave & loading	13,591
PILN/Redundancy	21,447
Superannuation	80,462
TOTAL	115,500

Over the course of the Administration, several employees were made redundant. PILN and redundancy relating to one remaining full-time employee who has continued their employment totaling \$5,624 and has not yet crystallised. This is currently a contingent claim against ILO Australia but has still been included in the above amounts as it is expected the Company will soon be placed into liquidation.

The priority claims that remain relate to the employees that have been made redundant.

Unpaid superannuation claims have not been transferred to the purchaser and remain as a priority claim in the administration.

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

If the Company is placed into liquidation, 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. 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 \$	POD \$	ADMINISTRATORS' ESTIMATE \$
Loans from Group Companies / Shareholders	5,604,517	911,447	5,604,517
ATO	140,715	140,715	140,715
SRO - Payroll tax	27,100		27,100
Gallagher Basset Services	22,569		22,569
Rucker A&A	3,300		3,300
TOTAL	5,798,201	1,052,162	5,798,201

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 from 15 FEC Group Companies to the amount of \$5,604,517. The Administrators have received a POD from several shareholders totalling \$911,447.

ATO

The Director's ROCAP records the ATO as a creditor for \$140,715 which matches the POD filed by the ATO relating to the RBA deficit of the BAS amounts owed. This amount may change when any outstanding returns are lodged.

SRO

The Director's ROCAP records the SRO as a creditor for \$27,100, 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 \$27,100 is owed to the SRO. It is noted that the SRO may seek to recover this amount from the Companies under the grouping provisions of the Payroll Tax Act 2007 (VIC).

Gallagher Basset Services

The Director's ROCAP records Gallagher Basset Services as a creditor to the amount of \$22,569. The Administrators have yet to receive a POD from Gallagher Basset Services.

Rucker A&A

The Director's ROCAP records Rucker A&A as a creditor to the amount of \$3,300. The Administrators have yet to receive a POD from Rucker A&A.

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

ILO Ballan operated an early learning centre that provided childcare and kindergarten education services from leasehold premises 80 Steiglitz Street Ballan, VIC 3342. As at the DOA, ILO Ballan employed 14 full-time, part-time, and casual staff.

ILO Australia operated as the administrative arm for several early learning centres. As at the DOCA, ILO Australia employed 20 full time, part-time and casual staff.

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 19 July 2021, the Director incorporated ILO Ballan,
- On 29 March 2021, the Director incorporated ILO Australia,
- The Companies were incorporated with the primary goal of expanding the Group's network of early childhood learning centres in NSW and VIC,

- Trading commenced in ILO Ballan FY2024 with the Business incurring losses in each financial year of trading, relying on equity invested by shareholders to sustain its operations and meet liabilities as they arose,
- 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 had placed considerable financial pressure on the Group, resulting in an accumulation of liabilities over time. The establishment of ILO Ballan as another centre in the Group only increased the financial burden being experienced at the 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, and
- 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, and
- 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 – ILO Ballan

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

	FY22	FY23	FY24	YTD25
	\$	\$	\$	\$
Income				62,404
Cost of Sales			(6,639)	(15,090)
Gross Profit			(6,639)	47,314
Operating Expense	(1,188)	(7,090)	(129,850)	(442,142)
Operating Profit	(1,188)	(7,090)	(136,489)	(394,829)
Other Income				
Income Tax Expense				
Net profit/(loss)	(1,188)	(7,090)	(136,489)	(394,829)
Net Profit Margin				

We make the following comments concerning ILO Ballan's trading performance:

- The Company commenced trading in FY2025 after incurring minimal startup costs, and
- A significant amount of Operating expenses relate to wages and salaries.

BALANCE SHEET – ILO Ballan

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	120	120	40,415	(7,811)
Non-Current Asset	49,604	156,778	165,974	73,776
Total Asset	49,724	156,898	206,389	65,965
Current Liabilities	1,100	1,100	48,903	139,081
Non-Current Liabilities	49,692	163,957	176,854	375,148
Total Liabilities	50,792	165,057	225,757	514,229
Net Asset / (Liabilities)	(1,068)	(8,159)	(19,368)	(448,264)

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

- ILO Ballan has recorded a negative net asset position in each of the financial periods. A significant portion of the non-current assets were leasehold improvements spent on ensuring the premises was fit for purpose prior to the commencement of trading, and
- The liabilities are comprised of intercompany loans payable.

PROFIT AND LOSS - ILO Australia

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

	FY22	FY23	FY24	YTD25
	\$	\$	\$	\$
Income				
Cost of Sales				
Gross Profit				
Operating Expense	(1,376)	(52,041)	(728,736)	(863,024)
Operating Profit	(1,376)	(52,041)	(728,736)	(863,024)
Other Income				
Income Tax Expense				
Net profit/(loss)	(1,376)	(52,041)	(728,736)	(863,024)
Net Profit Margin				

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

- The Company commenced operations in FY2022,
- All operating expenses relate to wages and salaries, and
- The Director had intended to issue a management charge to other Group companies for administrative duties however this never materialized.

BALANCE SHEET - ILO Australia

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		1,123,770	635,533	32,361
Non-Current Asset				3,827,895
Total Asset		1,123,770	635,533	3,860,255
Current Liabilities		17,057	257,280	4,585,723
Non-Current Liabilities				(240,725)
Total Liabilities		17,057	257,280	4,344,998
Net Asset / (Liabilities)		1,106,713	378,253	(484,743)

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

- Signed financial statements were not available for FY2022,
- ILO Australia has recorded a positive net asset position for the last two financial periods however wages expenses have brought the entity into a negative asset position in FY 2025, and
- All non-current assets and current liabilities were loans to and from other Group Companies.

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 – ILO Ballan

Company name	Finnish Early Childhood Education (Ballan) Pty Ltd
ACN	652 090 465
Incorporation date	19 July 2021
Registered office address	Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128
Principal place of business	8 Tyssen Court Doncaster East VIC 3109
Director	Kam Ming Yu
Shareholder	ILO Early Learning (Australia) Pty Ltd, 120 shares, beneficially held Pik Ying Law, 20 shares, beneficially held Yam Shing Pang, 14 shares, beneficially held Pui Yee Leung, 16 shares, beneficially held

Source: ASIC

8.5.2 STATUTORY INFORMATION – ILO Australia

Company name	ILO Early Learning (Australia) Pty Ltd
ACN	649 081 069
Incorporation date	29 March 2021
Registered office address	Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128
Principal place of business	Suite 2115 Level 2 1 Main Street, Box Hill VIC 3128
Director	Kam Ming Yu
Shareholder	UPC Pty Ltd, 8 shares, beneficially held Hoi Kin So, 2 shares, beneficially held Pui Ka Eleanor Ho, 10 shares, beneficially held Ka Yan Lo, 3 shares, beneficially held Tong Pak Wong, 2 shares, beneficially held Earnest Yeung Li, 6 shares, beneficially held Lai San Yang, 2 shares, beneficially held Finnish Early Childhood Education (Australia) Pty Ltd, 120 shares, beneficially held Samuel Yiu Sang Chan, 8 shares, beneficially held Andy Chi Hang Chow, 6 shares, beneficially held

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 Companies is summarised below:

ILO Ballan

Type of claim	Likelihood	Reason
Insolvent trading	Possible	ILO Ballan was insolvent from a balance sheet perspective shortly after the commencement of trading and was relying on funds provided by the Group to enable the Business to continue to trade. 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.
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 several payments totaling \$161k 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	Payments were made to related parties (\$165k paid to ILO Early Learning (Australia) Pty Ltd) 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.

ILO Australia

Type of claim	Likelihood	Reason
Insolvent trading	Possible	ILO Australia was insolvent from a balance sheet perspective from October 2024 and was always reliant on funds provided by the Group to enable ILO Australia to continue to trade. 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 \$26k 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 (\$8.1m across all Group Companies) in the 6 months 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.

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:

- ILO Ballan \$651,120
- ILO Australia \$1,110,130

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.

09

RETURN TO CREDITORS

9.1 ESTIMATED OUTCOME STATEMENT

We have prepared an Estimated Outcome Statement for the Companies comparing a high and low case scenario, both of which are illustrated below:

9.2 ESTIMATED OUTCOME STATEMENT – ILO Ballan

ESTIMATED OUTCOME	NOTES	LIQUIDATION HIGH CASE \$	LIQUIDATION HIGH LOW CASE \$
Assets			
Deposit refund		5,494	5,494
Sale of fixtures and fittings		4,470	4,470
Administrators adjusted trading loss		(84,618)	(84,618)
Third party Loan		84,618	84,618
Debtors received		8,772	8,772
Voidable transaction recoveries		160,742	-
Insolvent trading Claim		TBD	TBD
Total Assets available for creditors		179,478	18,736
Less costs of the administration			
Administrators' fees		100,356	100,356
Liquidators' future fees		40,000	50,000
Legal fees		25,000	75,000
Administrators' disbursements		1,000	1,000
Total costs		166,356	226,356
Funds available for priority claims		Nil	Nil
Priority employee entitlements			
Annual Leave/Redundancy/PILN		29,414	29,414
Superannuation		80,462	80,462
Total priority employees		109,876	109,876
Assets available for unsecured creditors		Nil	Nil
Unsecured creditors		665,896	505,154

Illustrated below is a summary of the estimated outcome for priority (employee) creditors, shown as cents in the dollar:

CREDITOR CLASS	LIQUIDATION HIGH CENTS IN \$	LIQUIDATION LOW CENTS IN \$
Priority	Nil	Nil
Unsecured	Nil	Nil

9.2 ESTIMATED OUTCOME STATEMENT – ILO Australia

ESTIMATED OUTCOME	NOTES	LIQUIDATION HIGH CASE \$	LIQUIDATION HIGH LOW CASE \$
Assets			
Cash at bank	1	-	-
Adjusted Administrators trading loss	1	(31,171)	(31,171)
Third party loan		31,171	31,171
Voidable transaction recoveries	3	26,259	Nil
Insolvent trading Claim	3	TBD	TBD
Intercompany loans	3	TBD	TBD
Total Assets available for creditors		26,259	Nil
Less costs of the administration			
Administrators' fees	4	79,340	79,340
Liquidators' future fees	4	40,000	50,000
Legal fees	5	25,000	75,000
Administrators' disbursements	1	1,000	1,000
Total costs		145,340	205,340
Funds available for priority claims		Nil	Nil
Priority employee entitlements			
Annual Leave/Redundancy/PILN		29,414	29,414
Superannuation		80,462	80,462
Total priority employees		109,876	109,876
Assets available for unsecured creditors		Nil	Nil
Unsecured creditors			

Illustrated below is a summary of the estimated outcome for priority (employee) creditors, shown as cents in the dollar:

CREDITOR CLASS	LIQUIDATION HIGH CENTS IN \$	LIQUIDATION LOW CENTS IN \$
Priority	Nil	Nil
Unsecured	Nil	Nil

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

Notes to the Estimated Outcome Statement

1) Administrators' trading position

The Administrators recorded a surplus during the period from the DOA to 26 May 2025 as illustrated below:

LO Ballan

TRADING PROFIT & LOSS	AMOUNT \$
Revenue – Childcare fees	80,289
Expenses	(164,907)
Loss	(84,618)

ILO Australia

TRADING PROFIT & LOSS	AMOUNT \$
Revenue – Childcare fees	-
Expenses	(31,171)
Loss	(31,171)

We note that these amounts are subject to the final payment of all liabilities (including Head Office costs) incurred during the Administrators' trading of the Companies.

Please see **section 7**, for further details relating to the rental bond

Please see **section 7** for further details relating to CCS income received.

2) Liquidation recoveries

As detailed in **section 8**, we estimate voidable transaction recoveries would be available to a liquidator totaling \$212,005. We have assumed that this amount is recoverable in full under a high liquidation scenario, and nil in a low liquidation scenario – noting that such claims are usually contested.

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

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

3) Administrators' remuneration

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

ILO Ballan

APPOINTMENT TYPE	PERIOD	AMOUNT \$
Administrators' fees	11/02/2025 – 28/05/2025	70,356
Administration future fees	29/05/2025 – 05/06/2025	30,000
Liquidation (if applicable)	Future liquidators' fees	50,000

ILO Australia

APPOINTMENT TYPE	PERIOD	AMOUNT \$
Administrators' fees	11/02/2025 – 28/05/2025	49,340
Administration future fees	29/05/2025 – 05/06/2025	30,000
Liquidation (if applicable)	Future liquidators' fees	50,000

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

5) Legal Fees

During the Administration we have engaged our legal representatives to assist with the following tasks:

- Provide advice concerning the legislation specific to the childcare industry including, licensing, reporting to regulatory / government agencies, government funding, notifications and continuing obligations
- Legal services concerning the sale of business, including tax advice
- General advice and legal services required throughout the Administration including attendance at creditors meetings and review of reports, and
- Any other legal services required.

Upon the Companies being placed into liquidation, we estimate additional professional fees in attending to the following:

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

We estimate legal fees for the liquidation to be \$25,000 to \$75,000.

6) Sales commission

A sales commission of \$30,000 was paid to the Sales Broker for assisting in the sale of the business.

7) Working capital loan

Creditors are referred to **Section 6** for details concerning the working capital loan required by the Companies.

8) Head Office Costs

The Head Office provided support services to all trading centres in the Group such as Finance, Payroll, Human Resources and operational support. This amount represents each centres share of these costs.

10

STATEMENT BY THE ADMINISTRATORS

ILO Ballan

10.1.1 ADMINISTRATORS OPINION

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

10.1.2 ADMINISTRATION TO END

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

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

10.1.3 EXECUTE A DOCA

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

10.1.4 WIND UP THE COMPANIES

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

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

ILO Australia

10.2.1 ADMINISTRATORS OPINION

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

10.2.2 ADMINISTRATION TO END

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

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

10.2.3 EXECUTE A DOCA

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

10.2.4 WIND UP THE COMPANIES

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

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

FURTHER INFORMATION AND QUERIES

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

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.

Yours faithfully



Alan Walker
Administrator

ANNEXURE A – NOTICE OF THE SECOND MEETING OF CREDITORS

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

**ILO EARLY LEARNING (BALLAN) PTY LTD (ADMINISTRATORS APPOINTED)
TRADING AS "ILO KENDALL EARLY EDUCATION CENTRE BALLAN" & "ILO BALLAN EARLY LEARNING
CENTRE"
ACN 652 090 465**

**ILO EARLY LEARNING (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED)
TRADING AS "ILO EARLY LEARNING AUSTRALIA"
ACN 649 081 069**

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

1. On 11 February 2025, the Companies under Section 436A of the Corporations Act 2001 appointed Alan Walker, Nicholas 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@wlpr.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 6th 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

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

**ILO EARLY LEARNING (BALLAN) PTY LTD (ADMINISTRATORS APPOINTED)
TRADING AS “ILO KENDALL EARLY EDUCATION CENTRE BALLAN” & “ILO BALLAN EARLY LEARNING
CENTRE”
ACN 652 090 465 (“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 \$/HR	EXPERIENCE
Appointee/ 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 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 \$/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 (EX GST) \$
VOLUNTARY ADMINISTRATION	
11 February 2025 to 28 May 2025	70,356.50
*29 May 2025 to the Date of the Second Meeting of Creditors	30,000.00
Total Voluntary Administration	100,356.50
LIQUIDATION (IF APPLICABLE)*	
From commencement to the conclusion of the liquidation	50,000.00
Total Liquidation	50,000.00

** 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 \$100,356.50 (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, 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
- Transitioning the business and assets to the Buyer, including liaising with various regulatory bodies
- 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
- Liaising with the DOE, staff, and families concerning the sale of business and transfer to new operator, 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)
VOLUNTARY ADMINISTRATION	
For the period of the voluntary administration	\$1,000.00
LIQUIDATION (IF APPLICABLE)	
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 \$100,356.50 (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.

Dated this 6th 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 28 May 2025)

Resolution 2: Administrators future remuneration (29 May 2025 to the Date of the Second Meeting of Creditors)

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

TASKS		
PERIOD	Current remuneration from 11 February 2025 to 28 May 2025	Future remuneration from 29 May 2025 to the Date of the Second Meeting of Creditors
TOTAL AMOUNT (EX GST)	\$70,356.50 141,30 hours	\$30,000.00 60.00 hours
TASK AREA	GENERAL DESCRIPTION	
ASSETS	\$8,131.50 13.20 hours	\$2,000.00 4.00 hours
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>
Debtors	<p>Discussion regarding recoverability of certain debtors.</p> <p>Matters concerning reconciliation of intercompany debtors' balances.</p> <p>Collection of pre-appointment CCS income .</p>	<p>Matters concerning reconciliation of intercompany debtors' balances</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>Liaising with the DOE concerning the transfer of service approval</p>	<p>Liaise with Sales Brokers and interested parties.</p> <p>Attend to any post-completion items concerning ASA, including entitlement adjustments, transfer of service accounts, accounting for debtor collections etc (if applicable).</p>
Leasing	<p>Liaising with owners/lessors</p> <p>Reviewing lease documents</p>	

TASKS		
	Execute novation of lease following ASA, including liaising with landlord, buyer, and legal representatives.	
Related party loan accounts	Reviewing and assessing loan account ledgers Liaising with Company's management regarding identified related party loan account	Further review and investigation into the loan account ledgers
Other assets	Tasks associated with realising other assets	Tasks associated with realising other assets
CREDITORS	\$8,613.50 18.30 hours	\$6,000.00 12.00 hours
Creditor enquiries	Maintaining creditor enquiry register Receive and follow up creditor enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via email and post	Receive and follow up creditor enquiries via telephone and email Maintaining creditor enquiry register 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 General PPSA creditor correspondence and property matters Responding to secured creditor queries	
Reports to creditors	Preparing and distributing an initial circular to creditors 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. All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation Considering claims for voting purposes. Prepare for and attend/hold the meeting of creditors. Preparation and lodgement of minutes of meetings with ASIC.	Preparation of meeting documents and notices and forwarding these to all known creditors. All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation. Considering claims for voting purposes Prepare for and attend/hold the meeting of creditors. Preparation and lodgement of minutes of meetings with ASIC. Responding to stakeholder queries and questions immediately following meeting.

TASKS		
	Responding to stakeholder queries and questions immediately following meeting. All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting.	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 Receiving and recording formal/informal proofs of debt lodged
EMPLOYEE	\$9,652.00 21.80 hours	\$4,000.00 8.00 hours
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 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)	Liaising with FEG	N/A
TRADE ON	\$31,670.50 58.20 hours	\$4,000.00 8.00 hours
Trade On Management	Decisions and strategy meeting Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Preparing and distributing correspondence to families and other key stakeholders Process matters including authorisations of payments and receipts Organising labour hire staff to fill crucial labour shortages, including approval of overtime Seeking legal advice regarding payroll matters Liaising with the directors and management concerning operations	Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc

TASKS		
	Employee manpower plans and requirements Employee trade on matters including wages and payroll	
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 Preparing weekly financial reports Reviewing company's budgets and financial statements Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes	Finalising weekly P&L and cashflow for administration period. Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.
INVESTIGATION	\$4,140.00 9.90 hours	\$10,000.00 20.00 hours
Conducting investigation	Initial letters and circulars to parties and stakeholders Collection of books and records from the company, directors and other parties Performing all applicable land title searches and other statutory searches as needed Reviewing books and records, company background and history Preparation of comparative financial statements Meetings and/or discussions with officers, employees and/or other parties on general company matters Reviewing management accounts, financial statements and associated information Reviewing and determining the date of insolvency Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading Summarising and documenting work performed and matters requiring additional review and investigation	Performing land title searches and other statutory searches as needed. Reviewing books and records, company background and history. Reviewing management accounts, financial statements and associated information. Reviewing and determining the date of insolvency. Continue investigations into the existence of voidable transactions and evidence of any insolvency trading. Summarising and documenting work performed and matters requiring additional review and investigation.
ASIC reporting	Liaising with ASIC 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)

TASKS

ADMINISTRATION	\$8,149.00 19.90 hours	\$4,000.00 8.00 hours
General correspondence	Other on-appointment notices and administrative set up tasks for the administration 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 File reviews Updating checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
Insurance	Initial notifications and liaising with insurance brokers. Reviewing policies and discussions with management. Determining insurance needs. Providing information to/discussions with our brokers. Ongoing monitoring and review of insurance needs.	Ongoing monitoring and review of insurance needs. Liaising with insurance brokers.
Bank Account Administration	Preparing correspondence opening term deposit and at call accounts. Accounts & bank account reconciliations Correspondence with bank regarding specific transfers Bank account reconciliations	Bank account reconciliations All other general bookkeeping and accounting matters for the administration
ASIC Forms and Lodgements	Preparing and lodging ASIC forms including 505, 531 and etc. Correspondence with ASIC regarding statutory forms	Preparing and lodging all required ASIC forms. Other company / industry specific reports and statutory requirements
ATO and Other Statutory Reporting	Preparing BAS Review and lodgement of BAS Correspondence with ATO regarding Notice of Administration and establishment of the Administrators' account	Preparing and lodging BAS 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.

TASKS	
LIQUIDATION	Commencement of the liquidation to completion
TOTAL AMOUNT (EX GST)	\$50,000.00 100.0 hrs
TASK AREA	GENERAL DESCRIPTION
ASSETS	\$5,000.00 10.0 hrs
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. Issuing letters of demand to pre-appointment debtors. Compiling information required to formally recover outstanding debts. Engaging solicitors / debt recovery agents to assist with recovering debtors. 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.
CREDITORS	\$10,000.00 20.0 hrs
Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email. Maintaining creditor enquiry register. 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. Preparing remuneration reports.
Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration. Receiving and recording formal/informal proofs of debt lodged.
EMPLOYEES	\$10,000.00 20.0 hrs
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. Reviewing employee files and Company's books and records. Reconciling superannuation accounts. Reviewing awards. Further reviewing employee files, payroll details, records and calculations of

TASKS	
	employee entitlements.
FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG) Preparing FEG verification sheet
TRADE ON	\$5,000.00 10.0 hrs
Trade on management	All tasks required to finalise trade-on matters. Payment of final accounts & trading invoices. Management and staff liaison, including attendance on site and site visits as required. Dealing with staff terminations and resignations. Completing accounting tasks and finalising employee / payroll matters
INVESTIGATION	\$10,000.00 20.0 hrs
Conducting investigation	Collection of Company books and records. Reviewing Company's books and records. Review and preparation of Company nature and history. Preparation of comparative financial statements. Preparation of deficiency statement. Review of specific transactions and liaising with directors regarding certain transactions. Preparation of investigation file. 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. Internal meetings to discuss status of litigation. Preparing brief to solicitors. Liaising with solicitors regarding voidable transaction claims or insolvent trading claims. Decisions and strategy on litigation and recovery matters (where applicable).
ASIC reporting	Liaising with ASIC. Drafting and preparing investigative reports to ASIC including supplementary report pursuant to Section 533(2) of the Act.
DIVIDEND	\$7,000.00 14.0 hrs
Proofs of debts and claims	Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes Receiving and recording proofs of debt Review and adjudication of debts and claims and requesting further particulars from creditors

TASKS	
	Updating registers 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 Obtaining ATO clearance Issuing all notices, advertisements, acceptance/rejection of claims to creditors Performing final dividend calculations Calculating ATO dividend adjustments Dividend payments and notices to creditors
ADMINISTRATION	\$3,000.00 6.0 hrs
General correspondence	Other on-appointment notices and administrative set up tasks for the liquidation Other general correspondence with respect to the conduct and furtherance of the liquidation
Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
Bank accounts and accounting	Bank account reconciliations 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 Other company / industry specific reports and statutory requirements
Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
Planning / Review	Discussions regarding status of administration
Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
Books and records / storage	All aspects of recording and listing company books and records 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 28 May 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

EMPLOYEE NAME	POSITION	RATE		TOTAL		ASSETS		CREDITORS		EMPLOYEES		TRADE ON		INVESTIGATIONS		ADMINISTRATION	
		\$/hr	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
Alan Walker	Appointment Lead	750.00	11.20	8,400.00	3.00	2,250.00	0.50	375.00	-	-	5.00	3,750.00	-	-	2.70	2,025.00	
John Thompson	Director	685.00	13.30	9,110.50	5.30	3,630.50	0.20	137.00	-	-	7.80	5,343.00	-	-	-	-	
Stephanie Wise	Senior Manager	625.00	0.90	562.50	-	-	-	-	0.60	375.00	-	-	0.30	187.50	-	-	
Angus Fraser	Manager	550.00	15.00	8,250.00	2.80	1,540.00	0.80	440.00	1.60	880.00	6.20	3,410.00	0.80	440.00	2.80	1,540.00	
Billy Batbileg	Manager	550.00	19.60	10,780.00	-	-	-	-	-	-	19.60	10,780.00	-	-	-	-	
Billy Foley	Manager	550.00	18.30	10,065.00	-	-	7.60	4,180.00	5.40	2,970.00	3.40	1,870.00	1.90	1,045.00	-	-	
Anshu Agrawal	Senior Analyst	450.00	0.30	135.00	-	-	-	-	-	-	-	-	-	-	0.30	135.00	
Deanne Lee	Senior Analyst	450.00	2.70	1,215.00	-	-	2.10	945.00	-	-	-	-	0.40	180.00	0.20	90.00	
Jody Kwee	Senior Analyst	450.00	13.80	6,210.00	0.40	180.00	-	-	3.20	1,440.00	10.00	4,500.00	0.20	90.00	-	-	
Thomas Rodwell	Senior Analyst	450.00	0.10	45.00	-	-	-	-	-	-	-	-	0.10	45.00	-	-	
Viendya Karman	Senior Analyst	450.00	0.70	315.00	-	-	0.40	180.00	0.10	45.00	-	-	0.20	90.00	-	-	
Eric Sun	Analyst	405.00	13.10	5,305.50	0.20	81.00	3.30	1,336.50	6.40	2,592.00	0.80	324.00	1.30	526.50	1.10	445.50	
Oscar Bush	Analyst	405.00	2.60	1,053.00	-	-	-	-	-	-	0.70	283.50	1.20	486.00	0.70	283.50	
Aqeelah Osmany	Junior Analyst	300.00	0.50	150.00	-	-	-	-	-	-	-	-	0.30	90.00	0.20	60.00	
Ege Dogan	Junior Analyst	300.00	0.90	270.00	-	-	-	-	-	-	-	-	-	-	0.90	270.00	
Gina Jia	Junior Analyst	300.00	1.00	300.00	-	-	0.20	60.00	-	-	0.50	150.00	-	-	0.30	90.00	
Harry Brown	Junior Analyst	300.00	1.20	360.00	-	-	-	-	-	-	1.20	360.00	-	-	-	-	
Taylor O'Neill	Junior Analyst	300.00	26.10	7,830.00	1.50	450.00	3.20	960.00	4.50	1,350.00	3.00	900.00	3.20	960.00	10.70	3,210.00	
Total (excl. GST)			141.30	70,356.50	13.20	8,131.50	18.30	8,613.50	21.80	9,652.00	58.20	31,670.50	9.90	4,140.00	19.90	8,149.00	
GST				7,035.65		813.15		861.35		965.20		3,167.05		414.00		814.90	
Total (incl. GST)				77,392.15		8,944.65		9,474.85		10,617.20		34,837.55		4,554.00		8,963.90	
Average Rate (\$/hr)				497.92		616.02		470.68		442.75		544.17		418.18		409.50	

SCHEDULE C – RESOLUTIONS

REMUNERATION RESOLUTIONS

Resolution 1: Administrators' Current Remuneration (11 February 2025 to 28 May 2025)

"That the remuneration of the Administrators from 11 February 2025 to 28 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$70,356.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required."

Resolution 2: Administrators' Future Remuneration (29 May 2025 to the Date of the Second Meeting of Creditors)

"That the future remuneration of the Administrators from 29 May 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

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

**ILO EARLY LEARNING (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED)
TRADING AS “ILO EARLY LEARNING AUSTRALIA”
ACN 649 081 069 (“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 \$/HR	EXPERIENCE
Appointee/ 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 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 \$/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 (EX GST) \$
VOLUNTARY ADMINISTRATION	
11 February 2025 to 28 May 2025	49,340.50
*29 May 2025 to the Date of the Second Meeting of Creditors	30,000.00
Total Voluntary Administration	79,340.50
LIQUIDATION (IF APPLICABLE)*	
From commencement to the conclusion of the liquidation	50,000.00
Total Liquidation	50,000.00

** 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 \$79,340.50 (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, 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
- Transitioning the business and assets to the Buyer, including liaising with various regulatory bodies
- 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
- Liaising with the DOE, staff, and families concerning the sale of business and transfer to new operator, 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)
VOLUNTARY ADMINISTRATION	
For the period of the voluntary administration	\$1,000.00
LIQUIDATION (IF APPLICABLE)	
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 \$79,340.50 (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.

Dated this 6th 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 28 May 2025)

Resolution 2: Administrators future remuneration (29 May 2025 to the Date of the Second Meeting of Creditors)

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

TASKS		
PERIOD	Current remuneration from 11 February 2025 to 28 May 2025	Future remuneration from 29 May 2025 to the Date of the Second Meeting of Creditors
TOTAL AMOUNT (EX GST)	\$49,340.50 104.10 hours	\$30,000.00 60.00 hours
TASK AREA	GENERAL DESCRIPTION	
ASSETS	\$351.00 1.10 hours	\$2,000.00 4.00 hours
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>
Related party loan accounts	<p>Reviewing and assessing loan account ledgers</p> <p>Liaising with Company's management regarding identified related party loan account</p>	<p>Further review and investigation into the loan account ledgers</p>
CREDITORS	\$11,280.00 24.00 hours	\$6,000.00 12.00 hours
Creditor enquiries	<p>Maintaining creditor enquiry register</p> <p>Receive and follow up creditor enquiries via telephone and email</p> <p>Review and prepare correspondence to creditors and their representatives via email and post</p>	<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>
Secured creditor reporting	<p>Initial notifications including to PPSR registrants about their security interest and property</p> <p>General PPSA creditor correspondence and property matters</p>	

TASKS		
	Responding to secured creditor queries	
Reports to creditors	<p>Preparing and distributing an initial circular to creditors</p> <p>Preparing a report to creditors as per s 439A of the Corporations Act 2001, including remuneration approval report</p>	Finalising this report to creditors including remuneration approval reports and annexures.
Meeting of creditors	<p>Preparation of initial meeting documents and notices and forwarding these to all known creditors.</p> <p>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation</p> <p>Considering claims for voting purposes.</p> <p>Prepare for and attend/hold the meeting of creditors.</p> <p>Preparation and lodgement of minutes of meetings with ASIC.</p> <p>Responding to stakeholder queries and questions immediately following meeting.</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting.</p>	<p>Preparation of meeting documents and notices and forwarding these to all known creditors.</p> <p>All applicable meeting preparation including venue, documents, registers, reports and mailing, meeting advertisements, recording details of proxies received and draft minutes/agenda preparation.</p> <p>Considering claims for voting purposes</p> <p>Prepare for and attend/hold the meeting of creditors.</p> <p>Preparation and lodgement of minutes of meetings with ASIC.</p> <p>Responding to stakeholder queries and questions immediately following meeting.</p> <p>All applicable meeting preparation for the second meeting of creditors up to the convening of the meeting and any adjourned meeting.</p>
Dealing with proofs of debts and claims	Receipting and filling POD's when not related to a dividend	<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>
EMPLOYEE	\$7,605.50 16.40 hours	\$4,000.00 8.00 hours
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	<p>Reviewing employee files, payroll details, records and calculations of employee entitlements</p> <p>Reviewing and considering contracts, awards and other relevant agreements</p>	Further reviewing employee files, payroll details, records and calculations of employee entitlements
Fair Entitlements Guarantee (FEG)	Liaising with FEG	N/A

TASKS		
TRADE ON	\$16,864.00 32.70 hours	\$4,000.00 8.00 hours
Trade On Management	<p>Decisions and strategy meeting Customer and supplier correspondence and liaison Management and staff liaison Day-to-day operations management and oversight Attendance on site and site visits as required, including meetings with employees to discuss the status of the administration Preparing and distributing correspondence to families and other key stakeholders Process matters including authorisations of payments and receipts Organising labour hire staff to fill crucial labour shortages, including approval of overtime Seeking legal advice regarding payroll matters Liaising with the directors and management concerning operations Employee manpower plans and requirements Employee trade on matters including wages and payroll</p>	<p>Matters relating to the transfer of operations to the buyer. Finalising trading receipts and payments, including receipt of final invoices, closing accounts etc</p>
General accounting	All applicable accounting tasks and processes supporting continued operations	All applicable accounting tasks and processes supporting continued operations
Budgeting and financial reporting	<p>Preparing budgets Preparing weekly financial reports Reviewing company's budgets and financial statements Trading/operating budgets and forecasts Cash flow preparation and monitoring Financial reporting including financial position and performance Meetings and reviews around financial results and estimated outcomes</p>	<p>Finalising weekly P&L and cashflow for administration period. Closing off costs relating to Administration and subsequent correspondence with purchasers relating to future outstanding costs.</p>
INVESTIGATION	\$7,755.00 16.20 hours	\$10,000.00 20.00 hours
Conducting investigation	<p>Initial letters and circulars to parties and stakeholders Collection of books and records from the company, directors and other parties</p>	<p>Performing land title searches and other statutory searches as needed. Reviewing books and records, company background and history.</p>

TASKS

	<p>Performing all applicable land title searches and other statutory searches as needed</p> <p>Reviewing books and records, company background and history</p> <p>Preparation of comparative financial statements</p> <p>Meetings and/or discussions with officers, employees and/or other parties on general company matters</p> <p>Reviewing management accounts, financial statements and associated information</p> <p>Reviewing and determining the date of insolvency</p> <p>Conduct investigations into the existence of voidable transactions and evidence of any insolvency trading</p> <p>Summarising and documenting work performed and matters requiring additional review and investigation</p>	<p>Reviewing 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>
ADMINISTRATION	\$5,485.00 13.70 hours	\$4,000.00 8.00 hours
General correspondence	<p>Other on-appointment notices and administrative set up tasks for the administration</p> <p>Other general correspondence with respect to the conduct and furtherance of the administration</p>	<p>Other general correspondence with respect to the conduct and furtherance of the administration</p>
Document Maintenance / File Review / Checklist	<p>Filing of documents</p> <p>File reviews</p> <p>Updating checklists</p>	<p>Ongoing file reviews</p> <p>Electronic and hard copy filing</p> <p>Ongoing review and updating file materials and checklists</p>
Insurance	<p>Initial notifications and liaising with insurance brokers.</p> <p>Reviewing policies and discussions with management.</p> <p>Determining insurance needs.</p> <p>Providing information to/discussions with our brokers.</p> <p>Ongoing monitoring and review of insurance needs.</p>	<p>Ongoing monitoring and review of insurance needs.</p> <p>Liaising with insurance brokers.</p>
Bank Account Administration	<p>Preparing correspondence opening term deposit and at call accounts.</p>	<p>Bank account reconciliations</p>

TASKS		
	Accounts & bank account reconciliations Correspondence with bank regarding specific transfers Bank account reconciliations	All other general bookkeeping and accounting matters for the administration
ASIC Forms and Lodgements	Preparing and lodging ASIC forms including 505, 531 and etc. Correspondence with ASIC regarding statutory forms	Preparing and lodging all required ASIC forms. Other company / industry specific reports and statutory requirements
ATO and Other Statutory Reporting	Preparing BAS Review and lodgement of BAS Correspondence with ATO regarding Notice of Administration and establishment of the Administrators' account	Preparing and lodging BAS 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.

TASKS	
LIQUIDATION	Commencement of the liquidation to completion
TOTAL AMOUNT (EX GST)	\$50,000.00 100.0 hrs
TASK AREA	GENERAL DESCRIPTION
ASSETS	\$5,000.00 10.0 hrs
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. Reviewing debtor ledgers.
Debtors	Issuing letters of demand to pre-appointment debtors. Compiling information required to formally recover outstanding debts. Engaging solicitors / debt recovery agents to assist with recovering debtors. Liaising with buyer concerning debtor collections, as required pursuant to ASA.

TASKS	
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.
CREDITORS	\$10,000.00 20.0 hrs
Creditor Enquiries, Requests & Directions	Receive and follow up creditor enquiries via telephone and email. Maintaining creditor enquiry register. 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. Preparing remuneration reports.
Dealing with proofs of debts and claims	Correspondence to/from creditors regarding details of debts and claims in the administration. Receiving and recording formal/informal proofs of debt lodged.
EMPLOYEES	\$10,000.00 20.0 hrs
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. Reviewing employee files and Company's books and records. Reconciling superannuation accounts. Reviewing awards. Further reviewing employee files, payroll details, records and calculations of employee entitlements.
FEG	Correspondence with FEG and providing details, responding to queries and aspects of entitlements verification (excluding time and costs reimbursed by FEG) Preparing FEG verification sheet
TRADE ON	\$5,000.00 10.0 hrs
Trade on management	All tasks required to finalise trade-on matters. Payment of final accounts & trading invoices. Management and staff liaison, including attendance on site and site visits as required. Dealing with staff terminations and resignations. Completing accounting tasks and finalising employee / payroll matters
INVESTIGATION	\$10,000.00 20.0 hrs
Conducting investigation	Collection of Company books and records. Reviewing Company's books and records.

TASKS	
	<p>Review and preparation of Company nature and history.</p> <p>Preparation of comparative financial statements.</p> <p>Preparation of deficiency statement.</p> <p>Review of specific transactions and liaising with directors regarding certain transactions.</p> <p>Preparation of investigation file.</p> <p>Continuation of investigations into the affairs of the company regarding the date of insolvency, existence of voidable transactions and evidence of any insolvency trading.</p>
Litigation / recoveries (preliminary stage only)	<p>Summarising and documenting work performed and matters requiring additional review and investigation.</p> <p>Internal meetings to discuss status of litigation.</p> <p>Preparing brief to solicitors.</p> <p>Liaising with solicitors regarding voidable transaction claims or insolvent trading claims.</p> <p>Decisions and strategy on litigation and recovery matters (where applicable).</p>
ASIC reporting	<p>Liaising with ASIC.</p> <p>Drafting and preparing investigative reports to ASIC including supplementary report pursuant to Section 533(2) of the Act.</p>
DIVIDEND	<p>\$7,000.00</p> <p>14.0 hrs</p>
Proofs of debts and claims	<p>Correspondence to/from creditors regarding lodgement of proofs of debt for dividend purposes</p> <p>Receiving and recording proofs of debt</p> <p>Review and adjudication of debts and claims and requesting further particulars from creditors</p> <p>Updating registers</p> <p>Review and adjudication of all applicable proofs of debt and claims and notifying creditors of outcomes</p>
Dividend procedures	<p>Dividend process for claims including timetable, correspondence, notices, review and adjudication of all applicable proofs of debt and claims</p> <p>Obtaining ATO clearance</p> <p>Issuing all notices, advertisements, acceptance/rejection of claims to creditors</p> <p>Performing final dividend calculations</p> <p>Calculating ATO dividend adjustments</p> <p>Dividend payments and notices to creditors</p>
ADMINISTRATION	<p>\$3,000.00</p> <p>6.0 hrs</p>
General correspondence	<p>Other on-appointment notices and administrative set up tasks for the liquidation</p> <p>Other general correspondence with respect to the conduct and furtherance of the liquidation</p>

TASKS

Document maintenance/file review/checklists	Ongoing file reviews Electronic and hard copy filing Ongoing review and updating file materials and checklists
Bank accounts and accounting	Bank account reconciliations 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 Other company / industry specific reports and statutory requirements
Specific / other ATO reporting	Preparing and lodging BAS Preparing and lodging all required taxation returns as required by or requested from the ATO Annual PAYG reporting obligations
Planning / Review	Discussions regarding status of administration
Finalisation matters	Finalisation processes and final file reviews Final notifications and lodgements (ASIC and ATO) Cancelling tax and other registrations as applicable File administration and closure processes
Books and records / storage	All aspects of recording and listing company books and records 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 28 May 2025, which form the basis of Resolution 1, as referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

EMPLOYEE NAME	POSITION	RATE		TOTAL		ASSETS		CREDITORS		EMPLOYEES		TRADE ON		INVESTIGATIONS		ADMINISTRATION	
		\$/hr	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	
Alan Walker	Appointment Lead	750.00	2.20	1,650.00	-	-	0.50	375.00	-	-	-	-	-	-	-	1.70	1,275.00
Glenn Livingstone	Appointment Lead	750.00	0.50	375.00	-	-	-	-	-	-	0.50	375.00	-	-	-	-	-
Nick Charwood	Appointment Lead	750.00	1.00	750.00	-	-	-	-	-	-	1.00	750.00	-	-	-	-	-
John Thompson	Director	685.00	2.30	1,575.50	-	-	0.20	137.00	-	-	2.10	1,438.50	-	-	-	-	-
Stephanie Wise	Senior Manager	625.00	1.30	812.50	-	-	-	-	1.00	625.00	-	-	0.30	187.50	-	-	-
Angus Fraser	Manager	550.00	5.90	3,245.00	-	-	0.50	275.00	1.60	880.00	0.10	55.00	2.70	1,485.00	1.00	550.00	-
Billy Batbileg	Manager	550.00	12.10	6,655.00	-	-	-	-	-	-	12.10	6,655.00	-	-	-	-	-
Billy Foley	Manager	550.00	28.90	15,895.00	-	-	10.70	5,885.00	6.60	3,630.00	5.90	3,245.00	5.70	3,135.00	-	-	-
Deanne Lee	Senior Analyst	450.00	2.00	900.00	-	-	1.40	630.00	-	-	-	-	0.50	225.00	0.10	45.00	-
Jody Kwee	Senior Analyst	450.00	4.40	1,980.00	-	-	-	-	0.60	270.00	3.40	1,530.00	0.20	90.00	0.20	90.00	-
Thomas Rodwell	Senior Analyst	450.00	0.10	45.00	-	-	-	-	-	-	-	-	0.10	45.00	-	-	-
Viendya Karman	Senior Analyst	450.00	1.20	540.00	-	-	0.50	225.00	-	-	-	-	0.70	315.00	-	-	-
Eric Sun	Analyst	405.00	13.10	5,305.50	0.20	81.00	6.60	2,673.00	2.10	850.50	0.40	162.00	1.50	607.50	2.30	931.50	-
Oscar Bush	Analyst	405.00	8.40	3,402.00	-	-	-	-	-	-	4.70	1,903.50	3.00	1,215.00	0.70	283.50	-
Aqeelah Osmany	Junior Analyst	300.00	0.70	210.00	-	-	-	-	-	-	-	-	0.30	90.00	0.40	120.00	-
Ege Dogan	Junior Analyst	300.00	3.10	930.00	-	-	-	-	2.20	660.00	-	-	-	-	0.90	270.00	-
Gina Jia	Junior Analyst	300.00	2.70	810.00	-	-	0.20	60.00	-	-	0.40	120.00	0.20	60.00	1.90	570.00	-
Harry Brown	Junior Analyst	300.00	0.50	150.00	-	-	-	-	-	-	0.40	120.00	-	-	0.10	30.00	-
Taylor O'Neill	Junior Analyst	300.00	13.70	4,110.00	0.90	270.00	3.40	1,020.00	2.30	690.00	1.70	510.00	1.00	300.00	4.40	1,320.00	-
Total (excl. GST)			104.10	49,340.50	1.10	351.00	24.00	11,280.00	16.40	7,605.50	32.70	16,864.00	16.20	7,755.00	13.70	5,485.00	
GST				4,934.05		35.10		1,128.00		760.55		1,686.40		775.50		548.50	
Total (incl. GST)				54,274.55		386.10		12,408.00		8,366.05		18,550.40		8,530.50		6,033.50	
Average Rate (\$/hr)				473.97		319.09		470.00		463.75		515.72		478.70		400.36	

SCHEDULE C – RESOLUTIONS

REMUNERATION RESOLUTIONS

Resolution 1: Administrators' Current Remuneration (11 February 2025 to 28 May 2025)

“That the remuneration of the Administrators from 11 February 2025 to 28 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$49,340.50 exclusive of GST, and that the Administrators may draw the remuneration on a monthly basis or as required.”

Resolution 2: Administrators' Future Remuneration (29 May 2025 to the Date of the Second Meeting of Creditors)

“That the future remuneration of the Administrators from 29 May 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

ILO EARLY LEARNING (BALLAN) PTY LTD (ADMINISTRATORS APPOINTED)
 TRADING AS "ILO KENDALL EARLY EDUCATION CENTRE BALLAN" & "ILO BALLAN EARLY LEARNING CENTRE"
 ACN 652 090 465

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

Receipts and Payments Account	Net \$	GST \$	Gross \$
Receipts			
Asset Sales	4,470.00	447.00	4,917.00
Childcare Subsidy Income	69,299.85	0.00	69,299.85
Childcare Gap Fee	20,200.01	0.00	20,200.01
Deposit Interest Income	1,442.50	0.00	1,442.50
Refund on Purchases	30.07	3.01	33.08
FEC Intercompany transfer	73,878.87	0.00	73,878.87
Cash At Bank	6,027.65	0.00	6,027.65
Trading loan from related party	100,000.00	0.00	100,000.00
Total Receipts (inc. GST)	826,067.65	0.00	826,067.65
Centre Services (inc. GST)	3,043.99	304.41	3,348.40
Centre Services (exc. GST)	2,365.10	0.00	2,365.10
Bank Charges	591.34	0.00	591.34
Utilities	2,217.55	221.76	2,439.31
Waste Removal	265.00	26.50	291.50
Rent Paid (Commercial)	30,196.31	3,019.63	33,215.94
Repairs & Maintenance	1,033.64	103.36	1,137.00
Superannuation	12,602.98	0.00	12,602.98
Parent Refunds	1,656.81	0.00	1,656.81
Wages & Salaries	116,197.32	0.00	116,197.32
Employee Allowances	814.66	0.00	814.66
FEC Intercompany transfer	73,815.98	0.00	73,815.98
PAYG Withholding Tax	(19,982.71)	0.00	(19,982.71)
Total Payments (inc. GST)	224,817.97	3,675.66	228,493.63
Surplus funds on hand			\$47,305.33

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

ILO EARLY LEARNING (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED)
 TRADING AS "ILO EARLY LEARNING AUSTRALIA"
 ACN 649 081 069

Receipts and Payments for the period from 11 February 2025 to 6 June 2025

Receipts and Payments Account	Net \$	GST \$	Gross \$
Receipts			
Trading loan from related party	35,000.00		35,000.00
Cash At Bank	32,275.57		32,275.57
Total Receipts (inc. GST)	67,275.57		67,275.57
Software subscriptions	44.95		44.95
Superannuation	2,966.62		2,966.62
Wages & Salaries	25,863.26		25,863.26
Advance Repayment	15,000.00		15,000.00
Superannuation Accrual	(1,455.21)		(1,455.21)
PAYG Withholding Tax	(4,435.00)		(4,435.00)
Total Payments (inc. GST)	37,984.62		37,984.62
Surplus funds on hand			29,290.95

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

**ILO EARLY LEARNING (BALLAN) PTY LTD (ADMINISTRATORS APPOINTED)
 TRADING AS “ILO KENDALL EARLY EDUCATION CENTRE BALLAN” & “ILO BALLAN EARLY LEARNING CENTRE”
 ACN 652 090 465**

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Tuesday, 17 June at 10:00AM , or at any adjournment of that meeting.	

Please mark any boxes with an



Proxy Type:

General

Special

	For	Against	Abstain
Resolution 1: Administrators' Current Remuneration “That the remuneration of the Administrators from 11 February 2025 to 28 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$70,356.50 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"/>
Resolution 2: Administrators' Future Remuneration “That the future remuneration of the Administrators from 29 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators’ partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 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"/>
Resolution 3: Administrators' Internal 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”.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Resolution 4: Future of the Company</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>Resolution 5: Appointment of alternate liquidator (if applicable)</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>Resolution 6: Proposed Liquidators' Future Remuneration (as required)</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>Resolution 7: Liquidators' Internal Disbursements</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>Resolution 8: Early destruction of books and records (if applicable)</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>Resolution 9: Committee of inspection (if applicable)</p> <p>"That a Committee of inspection be appointed."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2025

Signature

CERTIFICATE OF WITNESS

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

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

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable
(1) If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.

ANNEXURE D – PROXY FORM

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

APPOINTMENT OF PROXY CREDITORS MEETING

**ILO EARLY LEARNING (AUSTRALIA) PTY LTD (ADMINISTRATORS APPOINTED)
 TRADING AS "ILO EARLY LEARNING AUSTRALIA"
 ACN 649 081 069**

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Tuesday, 17 June 2025 at 10:00AM , or at any adjournment of that meeting.	

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
Resolution 1: Administrators' Current Remuneration "That the remuneration of the Administrators from 11 February 2025 to 28 May 2025 is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 6 June 2025 and such sum to be capped at the amount of \$49,340.50 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"/>
Resolution 2: Administrators' Future Remuneration "That the future remuneration of the Administrators from 29 May 2025 to the date of the second meeting of creditors of the Administration is determined at a sum equal to the cost of time spent by the Administrators and the Administrators' partners and staff, calculated at the hourly rates as detailed in the remuneration report dated 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"/>
Resolution 3: Administrators' Internal 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".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4: Future of the Company			
For creditors of the Company to resolve that:			
(A) "The Company be wound up"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) "The Administration should end"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) "That the second meeting of creditors be adjourned for a period of up to 45 business days"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Appointment of alternate liquidator (if applicable)			
"To appoint someone else, instead of the Company's Administrators, to be liquidator(s) of the Company."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(Note: if voting "For", please attach details of any particular alternate liquidator you wish to vote for)			
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."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: Liquidators' Internal Disbursements			
"That the internal disbursements of the Liquidators are determined at the costs incurred and such sum to be capped at the amount of \$1,000.00, exclusive of GST, and that the Liquidators may pay the internal disbursements on a monthly basis or as required".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8: Early destruction of books and records (if applicable)			
"That the Liquidators be empowered to destroy all books and records of the Company following the completion of the liquidation".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9: Committee of inspection (if applicable)			
"That a Committee of inspection be appointed."	<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:

- ILO Early Learning (Ballan) Pty Ltd (Administrators Appointed) ACN 652 090 465
- ILO Early Learning (Australia) Pty Ltd (Administrators Appointed) ACN 649 081 069

To the Administrators:

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

('Creditor'):.....

of (full address).....

for \$dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ 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 ⁽⁵⁾
- I am a related creditor of the Company ⁽⁵⁾
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.^{(6)*} 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.^{(6)*} 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

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

Proof of Debt Form Directions

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

Annexures

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

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



Creditor Rights in Voluntary Administrations

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



Right to request information

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

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

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

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

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

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

Requests must be reasonable.

They are not reasonable if:

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

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

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

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

Right to give directions to voluntary administrator

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

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

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

Right to appoint a reviewing liquidator

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

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

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

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

Right to replace voluntary administrator

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

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

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

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

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

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

For more information, go to www.arita.com.au/creditors

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

Version: June 2018

12142 (VA) - INFO - CREDITOR RIGHTS INFORMATION SHEET V2_0

Voluntary Administration Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

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

Recoverable Transactions

Preferences

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

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

Creditor-defeating disposition

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

Uncommercial Transaction

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

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

Unfair Loan

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

Arrangements to avoid employee entitlements

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

Unreasonable payments to directors

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

Voidable charges

Certain charges over company property are voidable by a liquidator:

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

Insolvent trading

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

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

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

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

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

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

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

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

ANNEXURE G – SUMMARY OF GROUP ENTITIES IN ADMINISTRATION

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